RALLIS INDIA LIMITED

A TATA Enterprise

63rd Annual Report | 2010-11

63rd Annual Report | 2010-11

Metahelix

Launch of i-Shakti branded pulses

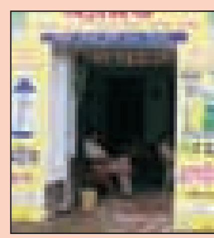
Rallis helpline honored by Farmers

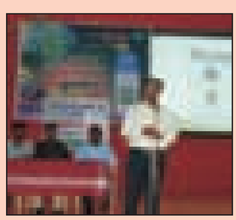
Celebrated 25 years of Asataf as a Brand

International Business Partners

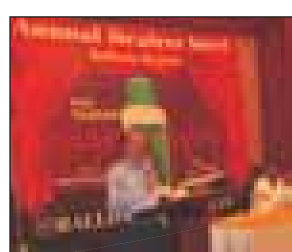
Launch of CD on Safe use of pesticide

Marketing Campaigns

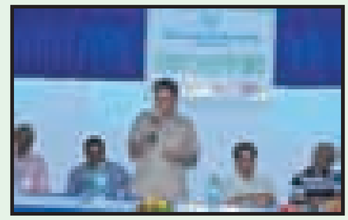




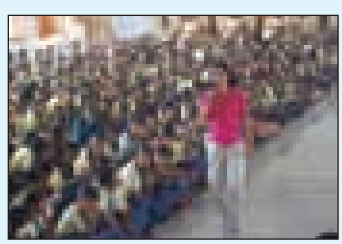
New products launched

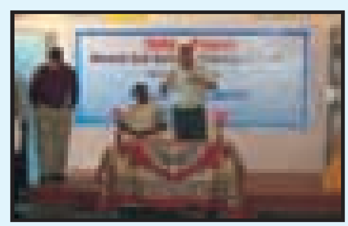


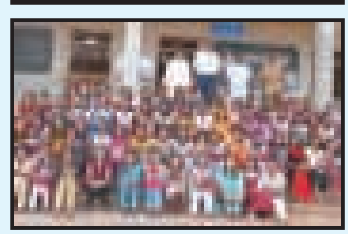
Environment, Health and Safety



Corporate Sustainability







RALLIS

A TATA Enterprise Sixty-third annual report 2010-2011

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Annual General Meeting	:	Thursday, 30th June, 2011
Time	:	3.30 p.m.
Venue	:	Auditorium, Ground Floor, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021.

BOOK CLOSURE DATES
10TH JUNE, 2011 TO 16TH JUNE, 2011

Rallis India Limited

Rallis India Limited

Board of Directors

R. Gopalakrishnan *(Chairman)*
Homi R. Khusrokhan
B. D. Banerjee
E. A. Kshirsagar
S. Ramanathan
Prakash R. Rastogi
Bharat Vasani
Venkatrao S. Sohoni
K. P. Prabhakaran Nair
R. Mukundan
Yoginder K. Alagh
V. Shankar *(Managing Director & CEO)*

Senior Leadership

V. Shankar	*Managing Director & CEO*
Girish Nadkarni	*Executive Vice President (Finance & Legal) & Chief Financial Officer*
K. R. Venkatadri	*Executive Vice President - Sales & Marketing*
Ravindra R. Joshi	*Vice President - Manufacturing*
Subhash R. Kadam	*Vice President - Research & Development*
K. B. Belliappa	*Vice President - Planning & Logistics*
D. G. Shetty	*Vice President - International Business*
K. Amuthan	*Vice President - Human Resources & Business Excellence*
Anup Guha	*Vice President - Finance*
Ashish Mehta	*Head - Internal Audit*

Registered Office

156/157 15th Floor Nariman Bhavan
227 Nariman Point
Mumbai 400 021
Tel. No. 6665 2700
Fax No. 6665 2827
E-mail address: investor_relations@rallis.co.in
Website: www.rallis.co.in

Share Registrars and Transfer Agents

TSR Darashaw Ltd.
6-10 Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road,
Mahalaxmi,
Mumbai 400 011.
Tel. No. 6656 8484
Fax No. 6656 8494
E-mail address: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Company Secretary

P. S. Meherhomji

Auditors

Deloitte Haskins & Sells

Solicitors & Advocates

Crawford Bayley & Company

Bankers

State Bank of India
Citibank N.A.
Corporation Bank
BNP Paribas
IDBI Bank Limited
Axis Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Oriental Bank of Commerce
Kotak Mahindra Bank Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

I will touch upon the broader context in which your Company is operating because the future of your Company will be shaped by changes in the macro environment. The Company performance and financial results will be presented by the Managing Director. It is noteworthy that your Company has crossed revenue milestone of ₹1000 Crore and has posted its highest-ever net profit after tax, of ₹126 Crore for the year ended March 31, 2011. Another significant achievement for your Company is the commissioning of a new manufacturing unit in Dahej which should be in commercial production during this quarter and would provide a new growth platform through contract manufacturing.

In the past, I have spoken about how factors like increasing world population, growth in developing nations and increasing urbanization are spurring the demand for food. When it comes to India, the pressure to meet food requirements becomes even more acute. There have been estimates that India will grow at 8 to 9% in the coming years. This means that India's 'trillion dollar' GDP will double every eight years. Consumption expenditure constitutes a major component of India's GDP. This will include food, personal transportation, housing etc. Further, India's population is going to increase gradually though at decelerating pace for the next two decades. This means more people with more income, and hence the need for more food.

Higher food inflation in India continues to be of concern and, in turn, is punishing poor people hard. A 10% increase could push close to 30 million Indians below the poverty line, says an ADB study titled 'Global Food Price Inflation and Developing Asia'. As per IMF's Asia desk, "India is a chronically supply-constrained economy, with chronic excess demand. In the course of the economic cycle, therefore, price pressures tend to be exaggerated."

A scenario where food demand is far in excess of supply, is not unlikely in the years to come. Last year, I reiterated this fact through a chart on anticipated supply-demand gap for key food items with the gap escalating over the years.

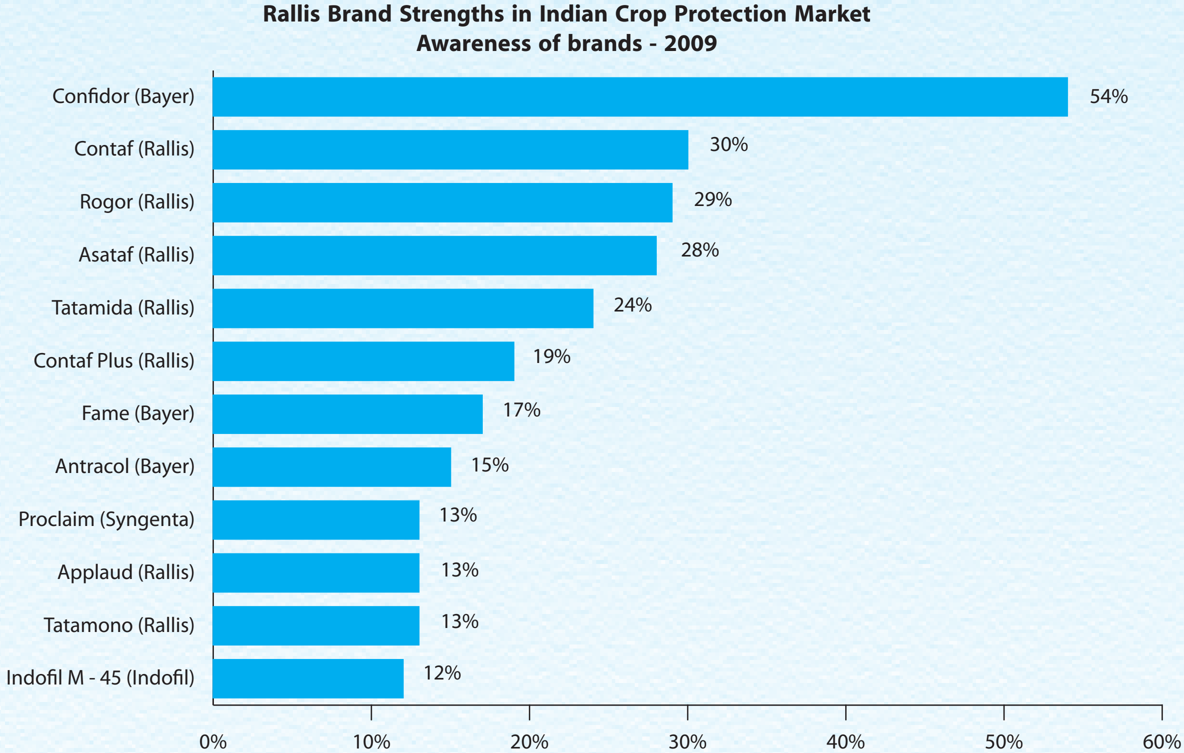
The crux of the matter is that world at large, and India in particular are short of food. There have been noteworthy initiatives by the Government to address this evolving situation. The ministry of agriculture has designed interventions to get more acreage for certain crops and to use better high-yielding seeds. The problem however, is complex and requires attention from several sectors.

Your Company is well placed to play a positive role as it deals with increasing food production and productivity. Rallis can convert this challenge into an exciting opportunity, by leveraging its current product portfolio and extending into other agro-inputs and services to emerge as a complete service provider to the Indian farmer. Your Company realizes that for it to have a consistent and meaningful growth in the agricultural space, it must put together two halves of the same fruit: (a) Increasing crop productivity & production and (b) Reducing barriers to marketing for farmers.

a. Increasing Crop production:

   Rallis has invested time and resources to understand farmer's needs and created products that address impediments towards greater productivity. Its comprehensive range of crop protection chemicals and services are spread across 80% of India's districts through an extensive distribution network of loyal and supportive dealers and retailers. Through its extensive relationship initiatives your Company listens to the evolving needs of farmers and comes out with new and relevant products. Your Company keenly monitors what is internally called 'innovation turnover index' to ensure that the sale from new products is a significant proportion of total sales. Over the last few years your Company has introduced new products, a testimony to the technical expertise and innovative streak that your Company has exhibited to cater its most important customer: the Indian farmer. As a progressive move towards sustainability, the Company has eliminated 'red triangle' products from its portfolio.

   Your Company has also done a noteworthy job in marketing and branding several new products so that ready adoption and consumption by farmers follows. The Company is now widely known for its quick establishment of brands through farmer-centric launches, field demonstrations and leveraging the immense goodwill garnered through farmer-relationship initiatives like Rallis Kisan Kutumba. A customer engagement survey by Gallup reveals that when it comes to awareness of brands in Indian crop protection market, your Company has 7 of the top 12 brands in the country. Top 3 brands of your Company by revenue also contribute close to ₹ 250 Crore in total sales.



Source: Unaided recall, Gallup Customer Engagement Survey

This year your Company completed acquisition of a majority stake in Metahelix Life Sciences, a research led seeds Company. Seed is the most important and primary Agriculture input. Its quality has a direct impact on production. With Metahelix, your Company will be in a strong position to provide a trustworthy portfolio of seeds to the Indian farmer. Availability of such seeds will have a direct impact on farmer's productivity. For instance, Bollworm and Spodoptera control are critical for ensuring a good commercial cotton crop and Metahelix is working on some exclusive solutions of Bt Cotton to achieve this objective. We are confident that in time to come we shall be able to come out with appropriate seeds for a wider range of crops to enhance productivity.

b. Reducing barriers to marketing for farmers:

Gains in productivity will not be sufficient unless it is complemented by appropriate market linkages. A large majority of farmers still struggle to get basic information on prices, trends and forecasts in order to take an informed decision on when and where to sell his produce. Structural reforms and an equal participation from private and public sector is essential to bridge information gap and generate infrastructure for farmers to get remunerative rates for their produce.

States have been attempting to amend the Agricultural Produce Marketing Acts that will allow much more competition and greater participation of the private sector in the marketing of agricultural produce—thereby enabling farmers to get the right price and making the sector more dynamic. However the current situation is far from satisfactory. The need is to free up marketing and create a reformed agri-marketing set up which gives farmers the value that they deserve.

Your Company, through its relationship programmes and various initiatives, has empowered farmers by giving them timely information and also undertaken schemes where the final produce is bought from the farmers at a fair price and thus absolving the need for farmers to undertake a complicated journey of approaching mandis and negotiating a good price.

Both the abovementioned points are illustrated through the Company initiative of MoPu (<u>Mo</u>re <u>Pu</u>lses) that was launched this year.

<u>Mo</u>re <u>Pu</u>lses: An Example

Pulses are the most economical and relevant source of protein in India where a predominant proportion of population is vegetarian. The need for the initiative was felt with the sky-rocketing prices of pulses and the realization that despite the massive growth in population and the resulting consumption, the production of pulses in India has been stagnant for the last 20 years. Despite being the largest producer of pulses, India imports close to 3mn tonnes per annum. What is worrisome is that demand for pulses will double in the next 9-10 years and the gap would need to be entirely filled by imports unless we double the acreage or double the productivity. Since either of the above may not be feasible in isolation, the MoPu initiative looked at a mix of both.

The initiative started in Tamilnadu, where your Company worked along with a Tamilnadu-World Bank institution called IAMWARM. The objective of IAMWARM is to intensify efforts to improve productivity and income by productive use of water. The pilot started with the objective of enhancing the cultivation of black gram by providing farmers quality black gram seeds, critical technology interventions to increase yield through Rallis PoP (package of practice) and creating a mechanism for buy-back of the produce at fair prices.

The following approach of the pilot has now been extended to other pulses and states, in what has become a national initiative for your Company:

- Your Company has created multiple farmer commodity groups with the help of the Department of Agriculture
- The groups engaged with Rallis for the right cultivation practices, inputs and selling of material
- The buy-back plan was routed through the commodity group concept
- Rallis developed seed farms to multiply and produce quality black gram seeds and supply the same to farmers
- Rallis along with TNAU scientists identified stages for intervention in the agricultural practices followed by the farmers in the area that included seed treatment, soil health, techniques of cultivation and pest management

The most gratifying result of the MoPu initiative has been to see yield improvement of up to 40% to 500 kg/ac in Tamilnadu which increased the farmer income by another ₹5000 per acre. The buyback provision also ensured that the farmers don't undertake the hassle of finding the right buyer. Electronic payment was directly made into the local account of farmers. Transparent pricing based on market rates ensured high level of trust and engagement.

<u>Acknowledgement</u>

I had mentioned last year that your Company had become subsidiary of Tata Chemicals and there was an interest to see how we could leverage synergies between the two companies to generate new business opportunities. I am happy to tell you that MoPu is a great example of how the two companies have come together. Pulses sourced from MoPu are being branded and marketed by Tata Chemicals Ltd under the i-Shakti brand in the retail market. Between the two companies we have empowered farmers across the value chain and taken care of his needs in entirety from sowing to harvesting to marketing. We now aspire to cover many more farmers and crops as part of the initiative to make a substantial impact on Indian farmers and agriculture.

I would like to end by expressing my sincere appreciation for the continued support of the shareholders, employees, Tata Group, suppliers and commercial partners during the year. I would also like to thank my colleagues on the Board for their support and guidance to the Company's management, which goes a long way in encouraging the management in meeting the challenges in its quest for meaningful growth.

Mumbai
May 18, 2011

Chairman

RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the 63rd Annual General Meeting of Rallis India Limited will be held at the Auditorium, Ground Floor, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021, on Thursday, the 30th June, 2011 at 3.30 p.m. to transact the following business:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Report of the Directors and that of the Auditors thereon.
2. To confirm the payment of Interim Dividend for the year 2010-11 and to declare a Final Dividend for the year 2010-11 on Equity Shares.
3. To appoint a Director in place of Mr. E. A. Kshirsagar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R. Gopalakrishnan who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. B. D. Banerjee who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Dr. K. P. Prabhakaran Nair who retires by rotation and is eligible for re-appointment. He has offered himself for re-election and his term would be upto the Annual General Meeting of 2013.
7. To appoint Auditors and to fix their remuneration.
8. **Sub-division of Equity Shares of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or reenactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, 5,00,00,000 Equity Shares of the Company having a face value of ₹10/- each in the Authorized Share Capital of the Company be sub-divided into 50,00,00,000 Equity Shares having a face value of ₹1/- each.

   RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, the 1,94,46,889 Issued, Subscribed and Fully Paid-up Equity Shares having a face value of ₹10/- each, shall stand sub-divided into 19,44,68,890 Equity Shares of the face value of ₹1/- each .

   RESOLVED FURTHER THAT upon the sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of ₹10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing Share Certificate(s), subject to the provisions of Companies (Issue of Share Certificates) Rules, 1960, and in the case of the Equity Shares held in dematerialized form or in respect of Shareholders who opt to receive the sub-divided Equity Shares in dematerialized form, the number of sub-divided Equity Shares shall be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants and the Company shall take such corporate actions as may be necessary in relation to the existing Equity Shares.

   RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorized to take all such steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to the Managing Director or Company Secretary, to give effect to the aforesaid resolution.

9. **Alteration of the Memorandum of Association of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or reenactment thereof, for the time being in force) Clause 5 of the Memorandum of Association of the Company be altered by substituting the following in place of the existing Clause 5:

"5. The Capital of the Company is ₹200 Crores divided into 50,00,00,000 Equity Shares of ₹1/- each and 15,00,00,000 Preference Shares of ₹10/- each with power to increase or reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the Act or by the Articles of the Company."

10. **Alteration of the Articles of Association of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or reenactment thereof, for the time being in force) Article 3 of the Articles of Association of the Company be altered by substituting the following in place of the existing Article 3:

"3. The Authorized Share Capital of the Company is ₹200 Crores divided into 50,00,00,000 Equity Shares of ₹1/- each and 15,00,00,000 Preference Shares of ₹10/- each.

Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialized form."

Notes:

1. The Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos.8 to 10 is annexed hereto. The relevant details of Directors seeking re-appointment under Item Nos. 3 to 6, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization.
3. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.

Book Closure and Dividend:

4. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 10th June, 2011 to Thursday, 16th June, 2011 (both days inclusive).
5. If dividend on Equity Shares, as recommended by the Directors, is approved at the Meeting, the payment of such dividend will be made on 6th July, 2011 as under:
   (a) To all Beneficial Owners in respect of shares held in electronic form, as per details furnished by the Depositories for this purpose as on beginning of 10th June, 2011.
   (b) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members on 10th June, 2011.

National Electronic Clearing Service (NECS):

6. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Share Registrars and Transfer Agents, TSR Darashaw Ltd. Members holding shares in electronic form are requested to contact their respective Depository Participants.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
8. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrars and Transfer Agents.
9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard.

Nomination Facility:

10. As per the provisions of the Companies Act, 1956 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents.

Unclaimed Dividends:

11. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/ unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Members who have not yet encashed their dividend warrants for the said period are requested to forward their claims in Form No. II prescribed under The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to –

    Office of the Registrar of Companies,
    CGO Complex, A Wing, 2nd Floor,
    Next to Reserve Bank of India,
    CBD, BELAPUR 400 614.

    Members are hereby informed that after the amendment of the Companies Act, 1956, w.e.f. 31st October, 1998, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') established by the Central Government. In accordance with Section 205C of the Companies Act, 1956, no claim shall lie against the Company or Fund in respect of the amounts transferred to the Fund.

    As per the above provisions, unpaid dividend for the years upto the financial year ended 31st March, 2002 has been transferred by the Company to the Fund. Members who have not yet encashed their dividend warrant(s) for any subsequent financial years are requested to make their claims to the Company without any delay.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 29th April, 2011

Registered Office:

Rallis India Limited
156/157 15th Floor
Nariman Bhavan
227 Nariman Point
Mumbai 400 021

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Pursuant to Section 173 of the Companies Act, 1956 ("the Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.8 to 10 of the accompanying Notice dated 29th April, 2011.

Item Nos.8, 9 and 10

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The shares are actively traded on both these Stock Exchanges. The market price of the Equity Shares of the Company has witnessed significant spurt in recent times. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ("the Board") at its meeting held on 29th April, 2011, considered it desirable to recommend sub-division of 5,00,00,000 Equity Shares of ₹10/- each in the Authorized Share Capital of the Company into 50,00,00,000 Equity Shares of ₹1/- each, subject to the approval of the shareholders and such other authorities as may be necessary. Accordingly, the 1,94,46,889 Issued, Subscribed and Fully Paid-up Equity Shares having a face value of ₹10/- each, shall also stand sub-divided into 19,44,68,890 Equity Shares of the face value of ₹1/- each.

The Record Date for the aforesaid sub-division will be fixed by the Company after obtaining the Shareholders' approval, which will be notified through the Stock Exchanges.

The sub-division as aforesaid would require consequential amendments to the existing Clause 5 in the Memorandum of Association and Article 3 of the Articles of Association of the Company, as set out in Item Nos.9 and 10 of the Notice respectively.

The Resolution at Item No.8 of the Notice seeks the approval of the Shareholders for the proposed sub-division of the Equity Shares of the Company. The Resolutions at Item Nos.9 and 10 seek the approval of the Shareholders for the consequential amendments to the Memorandum and Articles of Association respectively of the Company.

The existing Memorandum and Articles of Association are available for inspection at the Registered Office of the Company between 11 a.m. to 1 p.m. till 29th June, 2011 on any working day of the Company.

The Directors of the Company may be deemed to be concerned or interested in the above resolutions to the extent of their respective holding in the Company or to the extent of the shareholdings of the companies/ institutions/ trusts of which they are directors or members or trustees without any beneficial interest.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 29th April, 2011

Registered Office:

Rallis India Limited
156/157 15th Floor
Nariman Bhavan
227 Nariman Point
Mumbai 400 021

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. E. A. Kshirsagar	Mr. R. Gopalakrishnan	Mr. B. D. Banerjee	Dr. K. P. Prabhakaran Nair
Date of Birth	10.09.1941	25.12.1945	14.10.1941	04.10.1938
Date of Appointment	24.02.2006	28.06.1999	15.06.2004	01.09.2008
Expertise in specific functional areas	Mr. E. A. Kshirsagar has wide experience in Corporate Strategy & Structure, Valuation, Feasibility Studies, Disinvestments/ Mergers & Acquisitions.	Mr. R. Gopalakrishnan was appointed as Executive Director - Exports in Hindustan Lever Ltd., after 20 years' experience with the Company. In 1991, he became Chairman, Unilever Arabia, based in Jeddah. He was later appointed as Managing Director of Brooke Bond Lipton and after its merger with Hindustan Lever, he was appointed Vice Chairman of Hindustan Lever Ltd. He joined Tata Sons in September 1998 and was, till recently, Executive Director of Tata Sons Ltd. He is a Director on Board of several Tata Companies.	In a career spanning over 37 years in the Insurance Industry, Mr. B. D. Banerjee played an important role in the establishment, growth and consolidation of the non-life Insurance sector in India. He has served as the Chairman-cum-Managing Director of Oriental Insurance Co. Ltd. and the National Insurance Co. Ltd. and as the Managing Director of General Insurance Corporation of India. He was also the Administrator of the Pune Stock Exchange and has also been the Insurance Ombudsman for Maharashtra and Goa.	Dr. K. P. Prabhakaran Nair has over three decades of research, teaching and developmental experience in Europe, Africa and Asia. He has held a number of positions of prestige, the most important being Professor, National Science Foundation, The Royal Society, Belgium; Professor and Head, The University Center, Cameroon; Senior Professor, University of Fort Hare, South Africa and Distinguished Visiting Scientist, Indian Council of Agricultural Research. Dr. Nair has been acknowledged for developing the revolutionary soil management technique, globally known as "The Nutrient Buffer Power Concept". He is the world's only agricultural scientist to have been invited to write chapters four times to "Advances In Agronomy", the magnum opus of agricultural science.
Qualifications	Fellow Member of the Institute of Chartered Accountants, India and of the Institute of Chartered Accountants, England and Wales.	-B. Sc. in Physics from Calcutta University. -Engineering from IIT, Kharagpur. -Advanced Management Programme, Harvard Business School	Post Graduate with Honours in Philosophy from Presidency College, Calcutta University and Associate of the Insurance Institute of India.	B.Sc. in Agriculture and M.Sc. in Agronomy from the Tamilnadu Agricultural University, Coimbatore. Ph.D. from Indian Agricultural Research Institute, New Delhi.Post-Doctoral Research from State University of Gent, Belgium.
No. of shares held in the Company	NIL	NIL	NIL	NIL
List of companies in which Directorship held as on 31.03.2011	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Batliboi Ltd. 3. HCL Infosystems Ltd. 4. JM Financial Ltd. 5. JM Financial Products Ltd. 6. Merck Ltd. 7. Tata Chemicals Ltd. **PRIVATE COMPANIES** 1. Manipal Universal Learning Pvt. Ltd. 2. Pharmarc Analytic Solutions Pvt.Ltd. **OVERSEAS COMPANIES** 1. Vama Sundari Investment Pvt. Ltd., Mauritius 2. Brunner Mond Co. (UK) Ltd., England 3. Tata Chemicals Europe Holdings Ltd., England	**PUBLIC COMPANIES** 1. Rallis India Ltd. (Chairman) 2. Tata AutoComp Systems Ltd. (Chairman) 3. Tata Chemicals Ltd. (Vice Chairman) 4. Tata Sons Ltd. 5. Tata Power Co. Ltd. 6. Tata Technologies Ltd. 7. Castrol India Ltd. 8. Akzo Nobel India Ltd. 9. Advinus Therapeutics Ltd. (Chairman) 10. Metahelix Life Sciences Ltd. (Chairman) 11. Dhaanya Seeds Ltd. (Chairman) **PRIVATE COMPANIES** 1. ABP Pvt. Ltd. **OVERSEAS COMPANIES** 1. Trust Energy Resources Pte Ltd. 2. IMACID S. A., Morocco	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata AIG General Insurance Co. Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd.
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he is a Director as on 31.03.2011	1. Rallis India Ltd. - Audit Committee (Chairman) - Shareholders'/ Investors' Grievance Committee 2. JM Financial Ltd. - Audit Committee (Chairman) 3. HCL Infosystems Ltd. - Audit Committee (Chairman) - Shareholders'/ Investors' Grievance Committee 4. Batliboi Ltd. - Audit Committee (Chairman) 5. Merck Ltd. - Audit Committee 6. Tata Chemicals Ltd. - Audit Committee 7. JM Financial Products Ltd. - Audit Committee (Chairman)	1. Tata Chemicals Ltd. - Audit Committee 2. Akzo Nobel India Ltd. - Audit Committee 3. Castrol India Ltd. -Audit Committee	1. Rallis India Ltd. - Shareholders'/ Investors' Grievance Committee (Chairman) - Audit Committee 2. Tata AIG General Insurance Co. Ltd. - Audit Committee	1. Rallis India Ltd. - Audit Committee - Shareholders'/ Investors' Grievance Committee

DIRECTORS' REPORT

TO THE MEMBERS OF RALLIS INDIA LIMITED

The Directors hereby present their Sixty-third Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	₹ Crores	
	2010-11	*2009-10*
Gross Sales	**1127.63**	*933.48*
Excise Duty	**(80.91)**	*(58.35)*
Net Sales	**1046.72**	*875.13*
Other Income	**34.36**	*28.82*
	1081.08	*903.95*
Profit/ (-) Loss before Interest, Depreciation and Tax	**204.05**	*173.17*
Interest	**(3.32)**	*(2.67)*
Depreciation	**(17.16)**	*(18.31)*
Profit/ (-) Loss before Tax	**183.57**	*152.19*
Provision for Tax	**(50.70)**	*(45.07)*
For Prior Years	**2.12**	*(1.82)*
Deferred Tax	**(8.78)**	*(4.26)*
Profit/ (-) Loss after Tax	**126.21**	*101.04*
Balance of Profit brought forward from previous year	**157.19**	*183.21*
	283.40	*284.25*
Appropriations		
Capital Redemption Reserve	**—**	*(88.00)*
Debenture Redemption Reserve	**(12.50)**	*—*
Preference Dividend paid on Redemption	**—**	*(2.24)*
Income Tax on Preference Dividend paid	**—**	*(0.38)*
Transfer from/ (to) General Reserve	**(12.62)**	*(10.10)*
Interim Dividend	**(17.50)**	*(9.59)*
Income Tax on Interim Dividend	**(2.91)**	*(1.63)*
Proposed Equity Dividend	**(21.39)**	*(12.97)*
Income tax on Equity Dividend	**(3.47)**	*(2.15)*
Balance Profit/(-) Loss carried forward to Balance Sheet	**213.01**	*157.19*

DIVIDEND

The Board of Directors had declared an interim dividend of ₹9/- per share (90%) on the Equity Shares of the Company, in October, 2010. The Directors are pleased to recommend a final dividend of ₹11/- per share (110%) on the Equity Shares. This will take the total dividend for the year to ₹20/- per share (200%) on the post bonus equity share capital of the Company (*Previous year ₹18/- per share, i.e. 180%*). If the final dividend, as recommended above, is declared by the Members at the Annual General Meeting, the total outflow towards dividend on Equity Shares for the year would be ₹45.27 Crores (including dividend tax) *(Previous Year ₹26.34 Crores)*.

COMPANY PERFORMANCE

The Company's profit before tax on a consolidated basis, increased to ₹184.48 Crores during the year, as compared to ₹152.71 Crores in the previous year, a growth of 21% over the last year. The Company earned a net profit of ₹126.04 Crores, as against a net profit of ₹101.49 Crores in the previous year on a consolidated basis.

OPERATIONS

Crop Protection Chemicals

The Third Advance Estimates has projected an impressive increase in the agricultural production driven by a reasonable growth of cereals, improvement in oil seeds and cotton along with an excellent growth in pulses.The total annual rainfall at the national level exceeded by 3% compared to normal though the geographical spread and distribution was uneven. The States of West Bengal, Bihar, Eastern UP, East MP and Punjab reported more than 20% deficit in rainfall. This affected crop acreages, pest/ disease incidence and had impact on yield in crops like paddy, chilli, black gram, soybean and cotton.

The Domestic Formulation Business registered a healthy 20% growth during the year over the previous year despite season aberration in crops like paddy, pulses and chillis. The industry too recorded an estimated growth of 12% - 15% over the previous year. Aggressive planning and implementation of sales and promotion on paddy, cotton, pulses, sugarcane and fruits & vegetables, taking into account on-ground realities was a key to success. EAGLE (Expansion and Aggressive Growth through Leadership and Excellence) roll out across pan India has helped in opportunity identification, drawing actionable insights and achievement of aggressive growth targets at crop pest and molecule level for each territory. This resulted in significant increase in volumes for our key products such as Applaud, Takumi, Manik, Asataf, Ergon, Contaf Plus, Taqat and Tata Metri.

Our customer relationship building activities branded under the umbrella of Rallis Kisan Kutumba (RKK) moved into the next orbit with successful introduction of key initiatives like MoPu (grow ***Mo***re ***Pu***lses), State partnership, Prerna and others. These initiatives, along with customer centric promotional activities and product portfolio current with the market needs, has helped farmers to a great extent in protecting their crops effectively, improving quality and yield of produce and ultimately in improving their standard of living. The RKK today directly services over five lakh farmers.

The International Business Division registered an increase of 34% in sales, as compared to 2009-10. The rise in sales was due to rising demand for crop commodities and price improvement in wheat and cotton. International Business comprised 23% of the total revenues of the Company.

The Domestic Institutional Business continued with its sales of crop protection and seed treatment chemicals and household pesticide products to major customers during the year and was in line with our expectations.

Seeds and Plant Growth Nutrients

During the year, your Company has acquired a 59.02% stake (on a fully diluted basis) in Metahelix Life Sciences, a research-led Seeds Company. This acquisition will firm up the Company's presence in the entire Seeds Value Chain that comprises breeding, production and marketing of seeds. With a strong seeds portfolio, the Company has been able to broad base its offerings to the Indian farmer.

Your Company has established Ralligold, a Plant Growth Nutrient, across the country during 2010-11, in crops like paddy, cotton, vegetables and others. The focus during 2011-12 will be to create a formidable brand out of Ralligold. Plant Growth Nutrient is a high growth area and your Company is focusing on introduction of new product segments across different crop segments and geographies.

RESEARCH & DEVELOPMENT

Research and Development efforts are focused on developing new formulations for better efficacy, improved value for the farmer including combination products and facile handling and delivery and sustainable product solutions. Various new formulations have been developed and are in the process of commercialization. A number of registration dossiers have been submitted during the year for supporting International Business.

Some compounds from the NMITLI (New Millennium Indian Technology Leadership Initiative) project have shown bioactivity on basis of field trial results. Based on these observations and results, a Provisional Patent has been taken in India.

Process deveploment (Reverse Engineering) of molecules which are off-patent but with relevant market potential in the areas of crop protection was carried out. Process improvement projects were undertaken for improving product quality and productivity of the manufacturing processes. Enviornment, Health and Safety (EHS) considerations were given special emphasis in the process development work.

ADDITIONAL MANUFACTURING FACILITY

The Company's plan to set up additional manufacturing facilities has progressed further during the year. Work has been completed satisfactorily at the new facility at the PCPIR (Petroleum, Chemicals and Petrochemical Investment Region), at Dahej in Gujarat and the Company expects to commence commercial production from this facility in Q1 of FY 2011-12. The Dahej plant will be a multi-purpose technical manufacturing facility for a number of Crop Protection products. This has enhanced the Company's ability to handle different type of chemistries leading to an increase in the potential to attract contract manufacturing from suitable alliance partners.

FINANCE

On 10th June, 2010, the Company allotted 64,82,296 fully paid-up Equity Shares of ₹10/- each, as Bonus Shares to the Shareholders, in the ratio of one Equity Share of ₹10/- each for every two Equity Shares held in the Company.

During the year, the Company has raised ₹75 Crores by issue of 750, 9.05% Secured Redeemable Non Convertible Debentures 2010-11 Series-I, of ₹10,00,000/- each, fully paid-up at par on Private Placement basis, in accordance with the provisions of SEBI (Issue And Listing Of Debt Securities) Regulations, 2008. The Debentures are listed on the Wholesale Debt Market Segment of the Bombay Stock Exchange Ltd.

The Board of Directors of your Company has, subject to the requisite approvals being obtained by the Company, approved the sub-division of each of the Equity Shares of the face value of ₹10/- each fully paid-up in the Equity Share Capital of the Company, into 10 Equity Shares of the face value of ₹1/- each fully paid-up and consequential amendments to the Capital Clauses in the Memorandum and Articles of Association of the Company. Shareholders are requested to refer to Item Nos.8 to 10 of the Notice of the Annual General Meeting in this regard.

INDUSTRIAL RELATIONS

The overall relations with bargainable employees at all Units of the Company were cordial and harmonious during the year 2010-11. The overall manpower of the Company has increased from 846 to 918 during the year. This increase is mainly due to manning of the new facilities in Dahej. The management staff strength has increased from 660 to 738 and the non management staff strength has reduced from 186 to 180 during the year. The Company has amicably signed a long term settlement with the recognized union at its Ankleshwar plant.

SUBSIDIARIES

The Ministry of Corporate Affairs has granted a general exemption to companies, by General Circular No.2/2011 dated 8th February, 2011, under Section 212 (8) of the Companies Act, 1956, from attaching individual accounts of subsidiaries with its annual report. Accordingly, the Board of Directors of the Company has, by resolution, given consent for not attaching the Balance Sheet, Profit and Loss Account and other documents of its subsidiaries in the Annual Report of the Company for the financial year ended 31st March, 2011.

However, the Consolidated Financial Statements of the subsidiaries (prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India), form part of the Annual Report and are reflected in the Consolidated Accounts of the Company. Further, the financial data of the subsidiaries have been furnished under "Summary of Financial Information of Subsidiary Companies" and forms part of this Annual Report. The annual accounts of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the head offices of the respective subsidiary companies and will be available to investors seeking information at any time.

The consolidated financial results reflect the operations of the following subsidiaries: Metahelix Life Sciences Ltd. (consolidated with its wholly owned subsidiary Dhaanya Seeds Ltd.), Rallis Australasia Pty Ltd. and Rallis Chemistry Exports Ltd.

DIRECTORS

Dr. S. Ramanathan will retire as Director of the Company at the conclusion of the Annual General Meeting. The Directors wish to place on record their appreciation of the valuable services rendered by Dr. Ramanathan during his tenure as Director of your Company.

In accordance with Article 112(2) of the Articles of Association of the Company, Mr. E. A. Kshirsagar, Mr. R. Gopalakrishnan, Mr. B. D. Banerjee and Dr. K. P. Prabhakaran Nair retire and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

Rallis India Limited

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE AND INTERNAL AUDIT

Besides continuing the usage of expertise of a single firm of Internal Auditors, the Internal Audit Department, under the direction of the Head - Internal Audit, also undertook a substantial number of internal audits by using internal resources, with a view to encompassing a larger universe. The benefits through this twin-pronged approach resulted in providing more assurance on compliance and sustenance in internal controls. Besides, this approach has also helped in establishing and evolving partnership with the various Function Owners.

The Enterprise Risk Management framework, as well as the CEO/ CFO Certification framework as required under Clause 49 of the Listing Agreements with the Stock Exchanges, for controls testing pertaining to financial reporting, were well established.

A Report on Corporate Governance, as required under Clause 49 of the Listing Agreement is annexed.

AUDITORS

At the Annual General Meeting, Members will be required to appoint Auditors for the current year and fix their remuneration. M/s. Deloitte Haskins & Sells, the existing Auditors have furnished a certificate regarding their eligibility for re-appointment. The Directors recommend that they be re-appointed as Auditors of the Company for the current year.

COST AUDITORS

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, M/s. N. I. Mehta and Co., Cost Accountants have been appointed to conduct Cost Audits relating to Insecticides (Technical Grade and Formulations) and Fertilizers of the Company.

The due date for filling of the Cost Audit Reports for the financial year 2009-10 was 30th September, 2010. The Company has filed the Reports with the Ministry of Corporate Affairs on 27th September, 2010.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed.

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is provided in the Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

ACKNOWLEDGEMENT

Your Directors wish to thank all the employees of the Company for their dedicated service during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, business partners and other stakeholders.

On behalf of the Board of Directors

R. GOPALAKRISHNAN
Chairman

Mumbai, 29th April, 2011

ANNEXURE TO THE DIRECTORS' REPORT

(Under Section 217(1)(e) of the Companies Act, 1956)

Disclosures

A. **CONSERVATION OF ENERGY**

(a) **Energy Conservation Measures Taken:**

Energy conservation is the practice of decreasing the quantity of energy used per kilogram of goods produced. It is achieved through efficient usage of energy resources. Energy consumption increases cost, creates impact on the environment, reduces non-renewable sources which are available at a cost and are fast depleting. In many cases, it contributes to global warming. As an organization, therefore, the Company constantly attempts to conserve energy, with a view to reduce these impacts.

The Company has imbibed conservation of energy resources in its working culture. Our focus is to conserve energy by eliminating wastages and improving efficiencies and every attempt is made towards this right from the design stage. During the year under review, focus was towards eliminating wastages by every consumer of energy.

Boiler fuel was changed from furnace oil to bio mass. Usage of gas based power plant instead of fuel and usage of VFDs (Variable Frequency Drive) for high powered motors and energy efficient pumps helped in maintaining the power cost. To reduce power consumption, solar street lights were also installed at most of the locations.

Inspite of these efforts, there was a negative variance, due to increased prices of almost all sources of energy as compared to the previous year. However, the conservation programme implemented by the Company helped to control the overall cost effectively.

(b) **Additional Investments and Proposals, if any, being implemented for reduction of Energy Consumption:**

Proposals implemented related to energy and fuel savings are part of energy audits and other activities such as DISHA (the Company's Enterprise value creation programme) and LASER (**L**earn, **A**pply, **S**hare, **E**njoy & **R**eflect). Such actions involved harnessing new ideas for improvement and investment, which gave adequate returns and secured the future energy needs of the Company. Capital investment proposals for modernization of the manufacturing plants for process improvement, capacity enhancement and automation also adds to energy savings, due to inbuilt increased efficiencies.

(c) **Impact of the measures at (a) and (b) for reduction of Energy Consumption and consequent impact on the Cost of Production:**

Captive Power Plants and energy conservation measures taken across the manufacturing locations resulted in more generation of power through internal resources. It also reduced dependency on external source and helped to increase throughput of plants as per the need of the market.

(d) **Total energy consumption and energy consumption per unit of production as per Form A:**

FORM 'A'

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY

(a) **Power and Fuel Consumption**

		2010-2011	*2009-2010*
1. Electricity			
(a) Purchased			
Unit	In Lacs of Kwh	**1,67.17**	*1,19.18*
Total amount	₹ Lacs	**9,56.89**	*6,20.68*
Rate/ Unit	₹/ Kwh	**5.72**	*5.21*

			2010-2011	2009-2010
(b)	Own Generation through Diesel generator			
	Unit	In Lacs of Kwh	**3.69**	*4.15*
	Unit per litre of Diesel oil	Kwh/Litre	**4.17**	*2.79*
	Total amount	₹ Lacs	**51.55**	*50.86*
	Cost/Unit	₹/ Kwh	**14.91**	*12.25*
(c)	Own Generation through CPP			
	Unit	In Lacs of Kwh	**96.56**	*74.60*
	Unit per M^3 of Gas	Kwh/M^3	**3.33**	*3.49*
	Total amount	₹ Lacs	**6,20.98**	*3,63.20*
	Cost/Unit	₹/Kwh	**6.43**	*4.87*
2.	Other Consumption			
(a)	High Speed Diesel			
	Quantity	Kl	**30.11**	*16.67*
	Total Cost	₹ Lacs	**12.01**	*5.97*
	Rate/Unit	₹/Litre	**39.89**	*35.80*
(b)	Furnace Oil			
	Quantity	Kl	**1,890.87**	*1,387.90*
	Total Amount	₹ Lacs	**4,92.81**	*3,10.19*
	Rate/Unit	₹/Litre	**26.06**	*22.35*
(c)	Bio Fuel - Briquettes			
	Quantity	MT	**1,730.57**	*1,703.17*
	Total Cost	₹ Lacs	**81.58**	*70.68*
	Rate/Unit	₹/ Kg	**4.71**	*4.15*
(d)	Gas			
	Quantity	M^3	**35,81,506**	*24,05,292*
	Total Cost	₹ Lacs	**6,25.43**	*3,31.53*
	Rate/M^3	₹	**17.46**	*13.78*

(b) **Consumption per unit of production**

Focused drives at all Units contributed to sustained energy consumption per unit of production, compared to that in the previous year. However, an increase in cost was observed because of steep increase in fuel costs.

B. **TECHNOLOGY ABSORPTION**

FORM 'B'

Research and Development (R & D)

1. **Specific areas in which R & D is carried out by the Company:**

Process development (Reverse Engineering) of molecules which are off-patent but with relevant market potential in the areas of crop protection was carried out. Process improvement projects were undertaken for improving product quality and productivity of the manufacturing process. Environment, Health and Safety (EHS) considerations were given special emphasis in the process development work.

New formulation development work was undertaken with specific objective of commercializing products having enhanced bio-efficacy and increased safety parameters to end-user. Many of these are in the process of commercialization.

2. **Benefits derived as a result of above R & D:**

(i) Twelve products were registered in the international market.

(ii) Three new products were launched in the Indian market. Ralligold granule was very well accepted by the customers as Plant Growth Promoter (PGP), which promotes the crop yield. Taarak, a paddy herbicide, is working effectively on rice weed management as post emergent herbicide in both transplanted and direct seeded rice, whereas Toran is an insecticide for cotton sucking pests.

(iii) Process development work has resulted in improving yields and therefore reduction in cost in existing products as well as in reducing waste streams.

3. **Future Plan of Action:**

The Company's initiative of New Product Development (NPD) process has identified several new products to be developed during the next 10 years. Several products are at various stages of development. Improvement plans for existing products are also underway with an objective of cost reduction and being competitive in the market.

4. **Expenditure on R & D:**

₹ Crores

	2010-11	*2009-10*
Capital expenditure	**0.24**	*0.90*
Revenue expenditure *	**9.00**	*5.12*
	9.24	*6.02*
Total R&D expenditure as a percentage of net sales	**0.88%**	*0.69%*

* includes amount of ₹3.64 Crores *(Previous Year ₹ 1.29 Crores)* paid to an external agency.

During the year, the Company has also incurred an expenditure of ₹4.46 Crores (*Previous year ₹ 2.71 Crores*) towards product development and registration, which is included under Capital Work In Progress (CWIP). Total amount included in CWIP is ₹11.62 Crores (*Previous Year ₹ 7.16 Crores*).

5. **Technology Absorption, Adaptation and Innovation:**

(a) Twelve products were registered in the international market.

(b) Continued process improvements and improved formulation types/ strengths will result in improving the efficacy, productivity and profitability of the Company.

(c) The New Millennium Indian Technology Leadership Initiative (NMITLI) is being actively pursued to find new molecules.

(d) Special focus has been given to develop safer formulations like controlled release, solvent to non-solvent based like WG, SC, Granules etc.

(e) The Innovation Turnover Index (revenues from products newly introduced in the last four years to total turnover) was around 20%.

(f) Recommendations were obtained from State Agricultural University/ ICAR for 42 products on different crops for inclusion in the Package of Practices. This will help in participating in Government subsidy business.

(g) There is no import of technology during the last 5 years.

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign Exchange used and earned

₹ Crores

		2010-11	2009-10
1.	Foreign Exchange Earned	**258.68**	192.46
2.	Outgo of Foreign Exchange	**286.30**	228.52

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS AND RALLIS' GROWTH STRATEGY

Agriculture is gaining in significance the world over with the rising needs from cultivation coupled with limited availability of land under cropping against the backdrop of the growing population. It is a given that most of this need will be met by increasing productivity and making efficient use of natural resources which will see more constraints into the future. In India, the changing demographics and increasing aspirations is leading to a varied set of expectations in the farming sector. The Government too is seized of all these perspectives and is devoting increased attention to the farming needs. The contribution from newer solutions and the famer interest in applying these to drive up productivity is beginning to show results. Prices for many agricultural commodities in India have been remunerative enabling farmers to invest in the appropriate agri solutions. With the monsoon average being better in 2010 than the previous year, the Third Advance Estimates has projected a smart increase in agriculture production contributed by a reasonable growth in cereals, improved oilseeds and cotton production along with an excellent growth in pulses.

Your Company has, over the last few years, focused well on the Crop Protection business, with its major revenue coming from domestic operations. Backed by a consistent satisfactory performance, the Company launched a growth agenda in May 2007 titled *"Rallis Poised"* targeted to drive sustained profitable growth. This structured approach has enabled your Company to deliver a CAGR of 14% in revenues and 55% in profits during the four years since then.

The *Rallis Poised* agenda has seven growth drivers, viz. New Products, Contract Manufacturing, Brand Premium, Value Enhancement (known as "DISHA" initiative), Overseas market expansion (named "Apollo"), Adjacent Businesses (seeds and PGN, Agri Services) and Inorganic Growth. Process orientation, infrastructure support in manufacturing units, fields and offices and a committed and competent team of employees are the enablers supporting the growth agenda.

Your Company has been pursuing the *Rallis Poised* growth agenda for consistent delivery of improved performance in recent years. Several initiatives during the year have reinforced this. The acquisition of a stake in Metahelix Life Sciences will firm up the Company's presence in Seeds business. The new manufacturing facility at Dahej in Gujarat is expected to become operational shortly. This is a multi-purpose plant and will enhance your Company's competitive advantage to handle different type of chemistries, increasing the potential to attract contract manufacturing from suitable alliance partners.

Initiatives such as the Grow ***Mo***re ***Pu***lses (MoPu) programme of the Company, where the Company is actively engaged with the farmers in increasing the productivity of pulses, as also helping them in marketing the produce, aims at embracing the entire value chain of products and services to the farming community. During the year, your Company has launched three new products, viz. Taarak (a paddy herbicide), Toran (an insecticide for cotton sucking pests) and Ralligold (a plant growth nutrient), thereby leveraging the strong brand equity of the Company in providing better products to the farmers.

The *Rallis Poised* programme has ensured the Company performance well on track on its strategic objective to drive growth. Going forward the Company based on these initiatives is well poised to broad base its portfolio on the strength of its competencies to gain firm presence on the various emerging opportunities. These are:

Agri-inputs: presence in other agri inputs areas such as Seeds, PGN, speciality fertilizers, etc in addition to Crop Protection.

Seeds:

The acquisition of Metahelix puts your Company into a firm position in the Seeds arena. The role of the Seeds sector has been noteworthy, in the significant advances that India has made in agriculture in the past five decades, driving agricultural productivity. To have a sustained growth in agriculture to meet the increasing demand for food, fodder, fibre and fuel, development and adoption of innovative technologies is essential and Seeds will continue to be a vital component in this journey in times to come.

The Indian Seed industry is currently valued in excess of ₹7,500 Crores, which is the sixth largest in the world. It has grown at the rate of more than 12% per annum in the last few years. In India, commercial Seeds account for only 25% of the potential, providing a huge opportunity in this space.

Crop Protection:

Globally the crop protection industry now stands at USD 44b and recorded a growth of 1% during the year. While some of the developed markets globally are static, a number of countries in LATAM region, Asia and Africa provide good potential for growth. The Indian Crop Protection industry is estimated to have grown by about 12-15% and has significant latent potential to grow.

Contract Manufacturing:

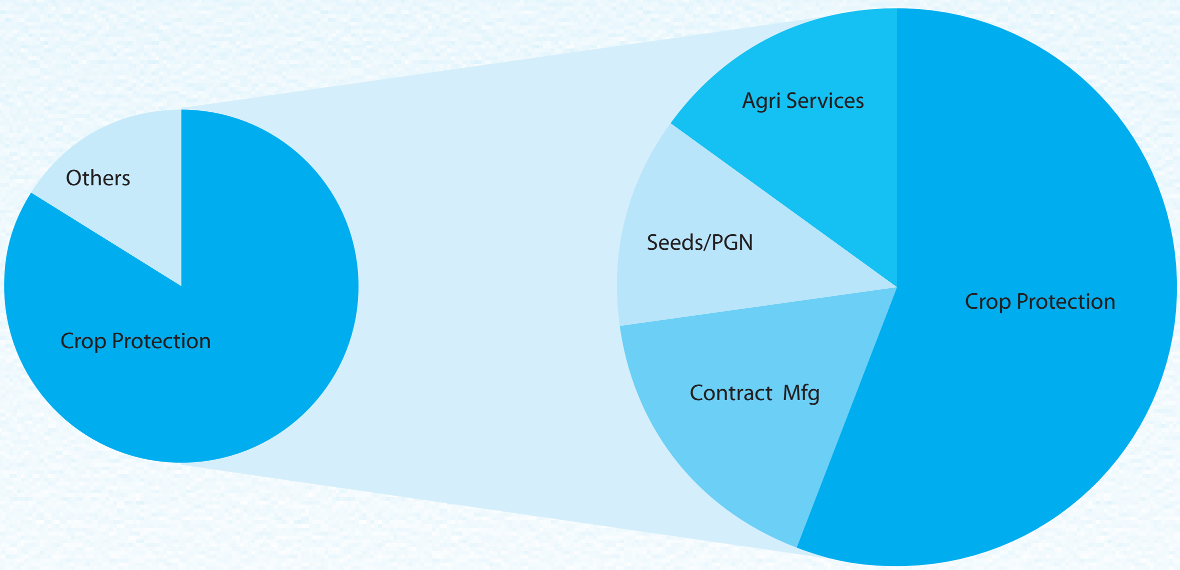
Your Company has strong technical skills and competence in the manufacturing operations. The investment into new facilities in Dahej is to harness this capability as India emerges amongst preferred sourcing destinations. The contract manufacturing business will also provide a right balance between market facing / agriculture segments and back-end / chemistry activities.

Agri Services:

As the transition occurs in the rural space as outlined above, your Company also sees ample scope in providing Agri Services to the farming community. A step in this direction is the initiation of the MoPu programme. With the rising costs and/or non-availability of labour other agri services will also come into sharp focus. Your Company intends to participate in this space going forward as it is well poised to access and serve the farming community.

In due time, therefore the portfolio of your Company will be balanced from largely being in the Crop Protection space to a greater spread in the areas explained above. This can be illustrated as shown in the diagram below:

Business Portfolio for Profitable Growth



Your Company has the core competencies in Agriculture and Chemistry in terms of strong farmer relationships, its suite of solutions, technical skills and branding/marketing capabilities which will power its journey forward.

RALLIS' OVERALL PERFORMANCE

The total consolidated revenues at ₹1,147 Crores, registered a growth of 22% during the financial year 2010-11. The Company's profit before tax during the year on a consolidated basis, at ₹184.48 Crores, is the highest ever for the Company. This is a growth of 21% as compared to the previous year's profit before tax of ₹152.71 Crores. The net profit, at ₹126.04 Crores, increased by 25% over the net profit of ₹101.49 Crores in the previous year, on a consolidated basis.

REVIEW OF OPERATIONS

Agro Inputs

(1) **Crop Protection Chemicals:**

(a) **Domestic Formulations Business:**

The Domestic Formulation Business registered a growth of 20% over the previous year, driven by an excellent performance of the key brands. The efforts on branding and market development have been further increased due to institutionalization of EAGLE (Expansion and Aggressive Growth through Leadership and Excellence) way of working into day to day operations. Rabi 2010-11 saw full scale implementation of EAGLE processes, such as Saksham (Sales planning), Grahak Bandhan (Sales execution), Pragati etc in customer and channel partner engagement areas across regions.

Your Company has a long standing relationship with the Indian Farmer, spanning decades. Today, the TATA Rallis brand stands for reliability and trust in the minds of the Indian Farmer. We pride on this relationship being a major strength of Rallis.

RKK - Rallis Kisan Kutumba was an initiative started in the year 2007-08, aiming to bring about a difference in terms of farmer relationship and farmer understanding by providing key farmers across major crops information on improving his productivity. The RKK initiative is to enable farmers to imbibe and use knowledge and share the same across the farmer community to increase productivity.

The key activities with RKK farmers are –

- Regular contact throughout the crop cycle - visits are planned by Rallis' staff across the crop cycle to the RKK farmers to advise him on the crop condition and the products/ inputs to be used to get the best results. The RKK farmer in turn advises his fellow farmers accordingly.
- Organizing crop seminars - Crop seminars are conducted together with the University of Agriculture and the Department of Agriculture. This facilitates interaction between the Department/ University and the farming community and gives the University/ Department an avenue to showcase the latest farming practices in particular crops. RKK farmers attend and also influence other farmers to attend. These seminars are normally conducted twice in a crop season.
- Demonstrations - "Seeing is believing" and the Rallis team organizes demonstrations in the RKK farmers' fields. Farmers are brought to the demonstration plots to see for themselves the recommendation and the effect on the crop.
- Farmer exchange programmes (Prerna) - Farmers of a particular crop area are taken to another State where farmers grow the same crop and there is an exchange of information and best practices between the farmers. This initiative has been well appreciated by the farmers.
- Advisory services – Rallis' agronomists put up stalls in major markets/ mandis during the season and give free advice to the farmers who have any problem.
- In addition to this, going forward the Company is looking at adding more value added services such as sms alerts on crop prices, weather, possible disease outbreak, etc.

This initiative is continuously improved and adds value to the farmer and the Company, as RKK farmers are also invited in the focus group meetings to identify the current and future farmer needs.

Focused Group Discussions are extensively used as the key listening mechanism to identify the fast changing needs and expectations of the farmers. Zonal scientific advisory committee meetings are organized in the zones with the involvement of eminent scientists/ Government Authorities to update ourselves on changing trends at crop and pest level, new product development activities and Government schemes etc. so that insights are drawn and suitable actions are taken in the NPDI (New Product Development Initiative) and branding areas. Farmer help lines have been strengthened and have become an important tool in servicing the farmers.

The core strength in Rallis is to build sustainable brands. Brands such as Rogor (currently Tafgor), Asataf and Contaf which were established by Rallis years ago still find a place in the minds of the farmers. The Company adopts several marketing methods to build brands, such as -

- Mass campaigns to build awareness wherein the sales force is engaged in contacting the farmer and creating awareness.
- 4 S campaigns, where farmers across the Company are contacted at regular intervals by a team from Rallis to create greater customer centricity across the Company. The 4 stages in the campaign are to contact the farmer (Sampark), build a relationship (Sambundh), provide advice (Samrudhi) and ensure that the customer is satisfied (Santushti).
- Farmer meetings, demonstrations, posters, wall paintings, video campaigns, slides in movie theaters, night meetings, quizzes are part of the activities conducted on a regular basis.

These customer centric activities have resulted in more than doubling the sales of Ergon. Takumi, Applaud, Asataf, Manik, Tata Metri and Taqat have registered an excellent growth over the previous year. The Company also celebrated the Rajathotsav - Silver jubilee celebration for Asataf - one of the strong brands for Rallis.

(b) **Institutional Business:**

The Domestic Institutional Business, consisting of Technicals, Bulk Formulations, Seed Treatment Chemicals and Household Products, has grown in line with our plans. The Domestic Institutional Business continued with its sales to major customers and products during the year.

The Company focused on strengthening its relationship with key institutional customers and retaining its presence in the major products. Suitable co-marketing arrangements put in place helped your Company to sustain market presence in key areas.

(c) **International Business:**

The International Business Division registered an increase of 34% in sales, as compared to the sales during 2009-10. It comprised 23% of the total revenues of the Company during the year. The rise in sales was due to rising demand for crop commodities and price improvement in wheat and cotton. Despite problems of high level of inventory in key markets like Latin America, the region performed relatively better. The African region, in spite of having adverse weather conditions, reported a healthy growth. Significant growth has also been achieved in the contract manufacturing segment.

During the year 2010-11, the International Business Division continued its focus on sustainable business for the long term through exploring new contract manufacturing opportunities and increasing the base of registration led sales. In the course of the year, the Company has also built up its registration data support as most international markets have moved towards stringent regulations.

(2) **Seeds:**

The future of the seed industry in India is expected to be very good, with the demand for branded and quality seeds increasing. Seeds will be an important contributor to the targeted 4% growth in agriculture.

Your Company has acquired a 59.02% stake (on a fully diluted basis) in Metahelix Life Sciences, a research-led Seeds Company. This acquisition will firm up the Company's presence in the entire Seeds Value Chain that comprises breeding, production and marketing of seeds. The acquisition aims at predominantly driving agricultural productivity and yield enhancement in the country. The Indian farmers' adoption of good hybrid seeds is growing rapidly and with this new acquired strength, your Company will be in a firm position to provide a trustworthy portfolio of seeds to Indian farmers. With a strong seeds portfolio now, the Company has been able to broad base its offerings to the Indian farmer.

Metahelix is strong in research, technical knowledge, germplasm, hybrids and seed production, with expertise in crop genetics and plant biotechnology to develop high performance hybrid seeds in rice, maize, cotton, millets and vegetables for various segments. With its approved event Cry1C cotton, Metahelix will be able to focus on building cotton business. It has a nationwide sales presence through its wholly owned subsidiary, Dhaanya Seeds, and also has an international presence, with seed sale and product testing approvals for rice and corn hybrids in Indonesia and Thailand.

The competencies of Rallis in terms of farmer relationships and channel partnerships leverage the good technology and competitive products from Metahelix, making it a good strategic fit for Rallis' growth in Seeds.

(3) **Plant Growth Nutrients:**

In the Plant Growth Nutrient business, your Company's focus is to address the farmer's need for plant health and quality of produce. We have established Ralligold during 2010-11 across the country, in crops like paddy, cotton, vegetables and others. The focus during 2011-12 will be to create a formidable brand out of Ralligold. Plant Growth Nutrient is a high growth area and your Company is focusing on introduction of new product segments across different crop segments and geographies.

TOTAL SHAREHOLDER RETURN

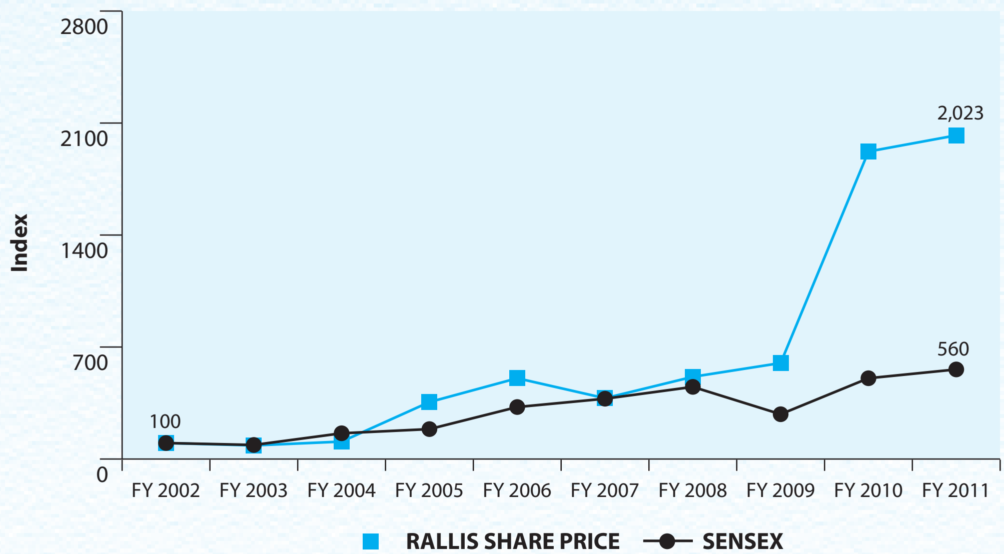
Improved performance of your Company during the past few years has also resulted in improved returns to shareholders. The dividend payout has improved over the years, from ₹1 per share in 2005 to ₹18 per share in 2010, and further to ₹20 per share for the year (along with the recommended final dividend of ₹11 per share) on the post bonus issue share capital of the Company.

During June 2010, your Company has allotted fully paid-up bonus Equity Shares, in the ratio of one Equity Share of ₹10/- each for every two Equity Shares held in the Company. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, your Board has, subject to the approval of Shareholders and other requisite approvals, approved the sub-division of the Company's Equity Shares from the face value of ₹10/- each into 10 Equity Shares of the face value of ₹1/- each fully paid-up.

The Company defines Total Shareholder Return (TSR) as the yearly rate of return of an investment made, considering the capital appreciation plus dividends over time. The TSR of an investment made in your Company in March 2002 kept till the last trading day of March 2011 works out to be extremely attractive at 51% per annum. This means that if one had invested ₹100 in Rallis' stock in March 2002, the total value that the investment would have earned would be ₹3,066, if one had sold the stock on the last trading day of March 2011.

These are reflected in the price of the Company's shares. Rallis' stock price has significantly out-performed the BSE Sensex during the past 10 years. If both the Rallis stock price and Sensex were indexed to 100 as on the last trading day of March 2002, the y-o-y performance of the Rallis stock and Sensex till FY2011 is shown in the chart.

The Performance of the Company's Stock Price vis-a-vis Sensex
(As of last trading day of March)



	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Rallis Share Price	65	56	71	233	330	248	335	392	1,255	1,321
Sensex	3,469	3,049	5,591	6,493	11,280	13,072	15,644	9,709	17,528	19,445

OPPORTUNITIES AND OUTLOOK

The fundamentals of the Agriculture sector continue to be robust and will drive growth in the years to come. The remunerative produce prices for cotton, sugarcane, pulses and fruits and vegetables are expected to continue and will lead to increased investment by the farmers on crop protection and improving overall productivity. New generation products like Ergon, which enhances yield and controls diseases and Ralligold, which is a plant growth nutrient product which improves growth and crop yield will drive business growth. Herbicide is the fastest growing crop protection category in the domestic market. With labour shortage increasing in rural areas, farmers are looking for labour saving options and this will lead to a higher demand for herbicides. Taarak introduced in the last year along with new herbicides, which the Company is planning to launch in the current year, such as Vaar (Imazethapyr), have good opportunity to cater to farmer needs in weed management segment.

The enterprise value creation programme, DISHA (**D**rive **I**nnovative **S**olutions with **H**yper **A**chievements) which aims at re-engineering various processes and activities across the Company to generate value and the International Business growth programme, APOLLO are also expected to contribute well to the overall growth agenda of the organization in the coming year as well.

The EAGLE (**E**xpansion & **A**ggressive **G**rowth through **L**eadership & **E**xcellence) initiative will continue to assist the business to achieve its targets for 2011-12.

RISKS, CONCERNS AND THREATS

The performance of the crop protection industry is dependent on monsoon. Major fluctuations in total rainfall and its distribution affect the crop acreages, pest incidence and overall productivity and have a direct correlation with sales. Farmers' willingness and ability to spend will be an important driver to demand generation. Strong support produce prices and better availability of credit will ease the pressure on the farming community. Tightening regulations can be looked upon as an opportunity by committed enterprises.

Exchange rate fluctuations between Dollar and Rupee could also impact revenues as well as costs in the foreseeable future. The rising crude prices could have an impact on the costs and prices of various products.

RESEARCH & DEVELOPMENT (R&D)

During the year 2010-11, the Company's Research and Development efforts focused on developing new formulations for better efficacy, improved value for the farmer including combination products and facile handling and delivery and sustainable product solutions. Various new formulations have been developed and are in the process of commercialization. A number of registration dossiers have been submitted during the year for supporting International Business and twelve products were registered in the international market.

Some of the compounds from the NMITLI (New Millennium Indian Technology Leadership Initiative) project have shown bioactivity on the basis of field trial results. Based on these observations and results, a provisional Patent has been taken in India.

Process development (Reverse Engineering) of molecules which are off-patent in the areas of crop protection was carried out. Process improvement projects were undertaken for improving product quality and productivity of the manufacturing processes. Environment, Health and Safety (EHS) considerations were given special emphasis in the process development work.

ENVIRONMENT, HEALTH & SAFETY (EHS)

As a part of Responsible business, Environment, Health & Safety continue to be a major focus area for your Company in all its operations across the organization.

In continuation to last year, the Company has maintained its strategic goal for "Zero accident at the workplace" and had no Reportable accident, with a 60% reduction in First Aid cases. There were no occupational health illness cases and emergencies across the organization. This has been achieved with high commitment from the top management, supported by all levels of workforce across the organization. Behavior Based safety, Process Safety Management, near miss identification and analysis and contractor safety were key focus areas, among many others, during the year.

The new plant at Dahej has undergone thorough safety review including HAZOP at the design stage, implementation of HAZOP recommendations, process safety controls, layer of protection, pre-startup reviews and rigorous training to employees and contract workers.

This year, the Company has achieved many breakthrough results in Environment management which includes self dependency in effluent treatment at Ankleshwar by installing an Electro Coagulation and RO system to treat effluent water and a sewage treatment plant for domestic effluents. The encouraging results from these initiatives have given confidence to our ultimate objective to become a Zero discharge plant. Various odor reduction initiatives at Lote and Ankleshwar plants are helping us to go beyond compliance. The new facility at Dahej is equipped with new technology of Ozone treatment to achieve effective treatment of effluent water.

Energy conservation initiatives continue, with greater emphasis on all manufacturing units with external Energy Audits, to identify new areas of energy conservation.

All units of the Company are certified for OHASA-18001 and ISO-14001 and maintaining the standards with regular review at various levels and aligning the system with the Company's Enterprise Process Management. As a part of horizontal deployment, the Dahej unit has already started implementing these systems and will aspire for the above certifications in the year 2011-12.

Product safety, transportation and warehouse safety continued to be strengthened by providing resources, standardization to match benchmark practices, training to drivers and warehouse workers for safe transportation, storage and loading/ unloading.

The Company's efforts and performance in the area of EHS has been recognized across the manufacturing units, through receipt of several awards. These awards include:

- NSC - Maharashtra Chapter Safety Award 'Certificate of Merit' for Lote Plant
- National Safety Awards - Runners Up for Lote Plant
- NSCI Safety Award, 2nd Level Silver Safety Award for Lote Plant
- National Safety Council, Maharashtra Chapter, 'Certificate of Merit' for Akola Plant
- NSC - Maharashtra Chapter Safety Award 'Certificate of Merit' for Turbhe Plant
- Best industrial safety Award - DISH Office Thane for Turbhe Plant

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

Your Company believes that good internal control is an intrinsic part of the overall Governance process. It is committed to ensuring an effective internal control environment that provides assurance on the efficacy and effectiveness of operations, processes and safeguard of assets. At Rallis, we have an independent Internal Audit Department with well established internal control and risk management processes. The Company has also engaged an external audit firm to work closely with the in-house Internal Audit Department to provide the desired standards of control assurance. In addition, audits are conducted through Cross Functional Teams (CFT) comprising qualified engineers and MBAs having experience and operational expertise in various functions.

To ensure complete independence and integrity, the head of the Internal Audit Department reports directly to the Chairman of the Audit Committee of the Board of Directors. The Internal Audit function plays a key role in providing to both, the management and the Audit Committee of the Board, an objective view and reassurance of the overall control systems and effectiveness of the risk management process across the Company. Internal Audit Department also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to operations.

The scope and authority of the Internal Audit Department is derived from the Audit Charter, which is placed before the Audit Committee of the Board and approved. Audit areas are selected through a proper risk based planning process at the start of the financial year. Inputs from the Company's strategy and objectives, the Enterprise Risk Management process and past coverage of audits are considered while framing the Risk based audit plan. Besides, validation of Business Continuity Plans receives focused attention from the internal audit team. The Audit Committee meets regularly to review and discuss the reports submitted by the Head - Internal Audit and also review closure of the points on which actions are required. The Audit Committee also meets the Head - Internal Audit and Statutory Auditors separately to ascertain their views on the adequacy and efficacy of internal control systems. The level of Control assurance at Rallis was raised during 2010-11 through new initiatives which enabled the operating teams to themselves also assess the level of controls in their work areas.

RISK MANAGEMENT

Business operations necessarily involve opportunities and risks. Effective management of opportunities and risks is, therefore, a key factor in sustainably safeguarding a Company's value. Managing opportunities and risks is an integral part of the Corporate Governance system in place throughout the organization and not the task of each functional unit. The opportunities and the risks are evaluated both qualitatively and quantitatively in determining the strategies of the Company.

Risk Management and Corporate Assurance complement each other at Rallis. Over the years, the Enterprise Risk Management process has evolved into a robust exercise, entailing a balanced bottom up and top down approach, covering all units, functions and departments. The basic framework is based on Committee of Sponsoring Organizations (COSO) standards.

At Rallis, the Enterprise Risk Management (ERM) encompasses practices relating to identification, assessment, monitoring and mitigating of various risks to the business. The ERM seeks to minimize adverse impact on the business objectives and enhance stakeholder value. Further, the risk management practices seek to sustain and enhance long term competitive advantage of the Company. Risk Management is integral to the business model and our core value and ethics provide the platform for our risk management practices.

Integration with Strategy and Business Planning: Identified risks are used as an input whilst developing the strategy and business plans. The Company strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact the future performance.

HUMAN RESOURCES

The Company, in its journey to enhance Employee Satisfaction, Retention and Skills undertook several initiatives during the year.

Employee Engagement Survey undertaken with the help of Gallup Organization indicated that employees continue to perceive your Company as one of the top 27% organizations to work for, in Gallup's global database. The Company was also recognized by Gallup as one of the top among Tata companies in Employee Engagement, with a Grand Mean of 4.24 and employee engagement ratio of 15:1.

The Company also carried out an Internal Customer Satisfaction Survey to look for opportunities to enhance the employee satisfaction index. Almost all departments have improved their scores over the previous year.

Deployment of Strategy Deployment Matrix, which is a tool for measuring employee contribution towards Company growth, was successfully carried out across the organization.

During the year, the Company has organized training programmes for all categories of employees in different areas such as technical, behavioral, Business Excellence, Customer orientation, Safety, Code of Ethics, Climate Change, Product Training and others.

Your Company has been recognized as the second best company to work for in the Agro-based Industry, in the study conducted by the Great Places to Work Institute, India, in partnership with The Economic Times.

As on 31st March, 2011, the employee strength was 918, up from 846 as on 31st March, 2010.

BUSINESS EXCELLENCE

We continue on our Business Excellence journey, and Rallis has moved up from the TBEM (Tata Business Excellence Model) score of 577 to 591 in the external assessment held in July 2010. The criteria have undergone some changes in

2009-10 to bring more focus on Governance, Safety, Innovation and Climate change. The learning from this assessment has been addressed and we will continue on our path of improvement and go in for the Cycle I assessment in 2011.

Some highlights of the Business Excellence journey this year are:

- Internalization of EPM (Enterprise Process Model) - a process oriented culture across the organization.
- Moving from process management to process improvement. 21 shining process improvement examples were presented by the teams in the EPM convention held in March 2011.
- Integration of Business Score Card to EPM measures and risk mitigation.
- Continuation of LASER (**L**earn, **A**pply, **S**hare, **E**njoy & **R**eflect) drive in all factories. Significant changes in the workplace condition were achieved through implementation of 5S.
- Customer understanding, strengthened further by field visits of employees from non sales functions, during season. Several actions were initiated from this learning.
- Training to more than 200 people on Business Excellence (PBE).

INFORMATION TECHNOLOGY

In line with the overall growth objective and strengthening of our infrastructure base, your Company continues to invest significantly in Information Technology (IT) and leverage it for business value.

Significant progress has been made in the utilization of MySAP Enterprise Resource Planning system and the Business Warehouse package BIW (Business Intelligence Warehouse) from SAP. This has also helped in re-engineering and simplification of business processes, particularly in the areas of logistics management comprising sales distribution and materials management, along with production planning and financial control; to improve agility and customer service. BIW is providing analytical reports and key business MIS at the right time through the system.

Investment has been made in IT infrastructure to support its business applications. A robust virtual private network using MPLS technology is in place. Your Company has leveraged the growing telecom network in the country to provide high bandwidth terrestrial links to all its operating units. This has enabled effective coordination of activities across geographically dispersed locations. It has also implemented video conferencing facilities at four of its major offices to have instant meetings, reduce travelling time and costs and improve the quality of communication. To handle e-waste in a proper manner, your Company has chosen Government approved vendors who specialize in disposal of e-waste in an environment friendly manner.

Tarang – The intranet for Company employees has emerged as a strong medium for knowledge sharing and employee self service.

Information Security and reliable disaster recovery management continue to be a critical focus area, especially as most business processes become fully IT-enabled. Your Company has set up its Disaster Recovery facility in a different seismic zone to ensure business continuity in case of a disaster.

CORPORATE SUSTAINABILITY

Your Company believes that sustainable business is founded on Corporate Governance (business principles), with three pillars of economic, environmental and social performance together creating sustainable value for all stakeholders through business processes and continued growth. Business risk assessment with risk mitigation plans in full compliance ensures sustainability from internal and external business hazards. The Company prepares its Sustainability Report as a means for stakeholder engagement, based on the GRI-G3 guidelines of the Global Reporting Initiative (GRI) which comprehensively covers its performance on the triple bottom line of economic, environment and social performance.

Being a signatory to Global Compact Principles, the Company files a Communication on Progress (COP) to the Global Compact Society every year on the Company's efforts in protecting human rights and promoting the conservation of environment.

As a part of its commitment towards climate change initiatives, your Company has started monitoring a Greening Index consisting of carbon footprint, greening the premises and water conservation. As a part of greening the product initiative, the Company has phased out its red triangle (higher toxicity) products and is giving emphasis to green triangle (lower toxicity) products. In line with this, the Company is constantly increasing greening index of product portfolio, which reached 93% during 2010-11. Plans are on to make it 100% in a few years.

Participatory Sustainable Development is an integral part of the Company's Community Development Policy, which focuses on involvement of all in the community development process. Our partners in development are a diverse group that includes the community, government bodies, non-governmental organizations, professional associations, research institutes and volunteers.

Your Company, being in the crop care business, has always served the farming community by helping it gain better crop produce and assisting it in having a better future. For this, it has put its core strength to best use in the form of Customer Intimacy, through highly engaged and motivated employees.

In continuation of the above, the Community Development Policy of the Company also places emphasis on commitment to the rural community through programs in the field of agriculture by genuine partnership with the farmers and their family members and working towards women and children empowerment through volunteering driven initiatives.

The Volunteer Champions of the Company took the initiative to implement various community development initiatives across the country with the help of their teams. The Theme for the year was "Empowerment through Education".

Target communities were identified based on current and future impact of the Company on the community and influence of the community on the Company. Based on these criteria, target communities for manufacturing and sales locations were identified. These helped design the Community Development activities as per the Policy of integrating community needs and volunteering resources, leading to three principal Community Development Projects –

1. **Saathi (Employee Volunteering)**: Saathi volunteers are involved mainly in activities related to agriculture and environment and also help in RUBY and TARA projects. Instances of volunteering in the field of agriculture include –

    o Training on safe use of pesticides to lakhs of farmers, farm labourers and their family members across the country.

    o Training to farmers related to best practices in agriculture.

    o Distribution of fruit saplings for planting.

    Instances of volunteering in the field of Environment include –

    o Tie-up with Grow-trees Foundation, which plants trees on the birthday of the Company's employees across the country.

    o Celebration of World Environment Day and Water Day at various locations, including activities like water harvesting and tree plantation.

    Other Saathi initiatives included –

    Education and employability:

    o Adoption of girl children for entire year's education and notebook distribution for under privileged students.

    o Training given to college students for Safety, Effluent Treatment Plant, Quality Control and Production Departments.

    Health:

    o Provision of drinking water

    o Various health related programs and blood donation drive

    o Programs related to AIDS awareness and drug de-addiction

2. **RUBY (Rallis Ujjwal Bhavishya Yojana):** Under this, special initiatives are undertaken for young communities around our manufacturing locations.

   o Under RUBY programme at Lote, the Company conducted SSC preparatory series, personality development programmes along with self defense and sex education for local youth in partnership with Nutan Vidyalaya, covering over 400 students.

   o Special donation was given for constructing computer room along with personal computers in new junior college building at Lote. This will facilitate IT proficiency among youth of 11th and 12th standard, benefitting approximately 200 students.

   o Youth educational programs like teaching mathematics, English speaking, basic computer literacy are undertaken at Akola Factory. Around 50 students benefitted from this initiative.

   o At Ankleshwar, special in-plant training is provided to underprivileged youth under SEWA initiative every year.

   o At Patancheru, BPO training was imparted to youth.

3. **TARA (Tata Rallis):** This initiative involves girl and women empowerment. Focus is on making them aware about their own strengths and raise their confidence level through various programmes such as -

   o Special initiatives to train girls/ women across the country in self defense under the theme of Mata Raksha this year, with the volunteering efforts of women employees specially trained in the same.

   o Various media were used, such as an article related to self defense was published in a Gujarati Magazine, Chitralekha which reaches 260,000 readers. Demonstration was given in women's programme on ETV Marathi channel.

   o A documentary on self defense has been prepared which will be shared with participants for their use in future.

   o Since April 2010, 126 full-fledged programmes were conducted at several institutes covering more than 1 lakh participants across the country.

   o We have awarded 240 certificates to participants for training more than 10 other girls and women and 25 were awarded Trophy for training more than 50 girls and women.

The above efforts have resulted in expanding the community base to over 400 events and benefitting over 120,000 people.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward- looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include climatic conditions, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

1. **COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interests of all stakeholders. The fundamental objective of Corporate Governance policies is to promote corporate fairness, transparency, accountability and responsiveness. These policies seek to focus on enhancement of stakeholder value with integrity, social responsibility and compliance with the laws, thereby satisfying the law in spirit and not merely in word. It improves employee morale and strengthens investor confidence.

As a Tata Enterprise, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted the Tata Code of Conduct for its employees, including the Managing Director. The Company has also adopted a Code of Conduct for its Non-Executive Directors. The Company's corporate governance philosophy is also strengthened through adoption of the Tata Code of Conduct for Prevention of Insider Trading and the Tata Business Excellence Model. The Company has also adopted a Whistle Blower Policy to provide a mechanism to enable the employees to approach the Audit Committee of the Board of Directors while reporting the instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, which may come to their knowledge.

Your Company has complied with the guidelines on corporate governance stipulated in Clause 49 of the Listing Agreements executed with the Stock Exchanges, the disclosure requirements of which are given below:

2. **BOARD OF DIRECTORS**

Composition

The Board of Directors, alongwith its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors, as on 31.03.2011, comprised 12 Directors, of which 11 were Non-Executive Directors. The Company has a non-executive Chairman and the 6 Independent Directors as on 31.03.2011, comprised one-half of the total number of Directors.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 I (C) (ii) of the Listing Agreement), across all the companies in which he is a Director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors hold office in more than 15 companies.

Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited companies are given below:

Director	Category	No. of Board Meetings attended during 2010-11	Attendance at AGM held on 15th June, 2010	No. of Directorships* (As on 31.03.2011)			No. of committee positions in Mandatory Committees* (As on 31.03.2011)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. R. Gopalakrishnan (Chairman)	Non-Independent Non-Executive	9	Yes	5	6	11	-	3	3
Mr. Homi R. Khusrokhan	Non-Independent Non-Executive	10	Yes	-	6	6	1	6	7
Mr. B. D. Banerjee	Independent Non-Executive	8	Yes	-	2	2	1	2	3
Mr. E. A. Kshirsagar	Independent Non-Executive	8	Yes	-	7	7	5	4	9
Dr. S. Ramanathan	Independent Non-Executive	5	Yes	-	1	1	-	1	1

Rallis India Limited

Director	Category	No. of Board Meetings attended during 2010-11	Attendance at AGM held on 15th June, 2010	No. of Directorships* (As on 31.03.2011)			No. of committee positions in Mandatory Committees* (As on 31.03.2011)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. Prakash R. Rastogi	Independent Non-Executive	7	Yes	-	1	1	-	1	1
Mr. Bharat Vasani	Non-Independent Non-Executive	9	Yes	-	6	6	-	2	2
Dr. Venkatrao S. Sohoni	Non-Independent Non-Executive	4	No	1	3	4	-	4	4
Dr. K. P. Prabhakaran Nair	Independent Non-Executive	8	Yes	-	1	1	-	2	2
Mr. R. Mukundan	Non-Independent Non-Executive	10	Yes	-	5	5	-	1	1
Dr. Yoginder K. Alagh (w.e.f. 22.04.2010)	Independent Non-Executive	6	Yes	-	4	4	1	4	5
Mr. V. Shankar (Managing Director & CEO)	Non-Independent Executive	10	Yes	1	3	4	2	1	3

* Excludes Directorships in Private Limited Companies, Foreign Companies and Government Bodies and Alternate Directorships. Only Audit Committee and Shareholders'/ Investors' Grievance Committee have been considered for committee positions.

The Company held 10 Board Meetings during 2010-11 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows: 9th April, 2010; 22nd April, 2010; 15th June, 2010; 16th July, 2010; 11th August, 2010; 14th October, 2010; 19th October, 2010; 24th November, 2010; 17th January, 2011 and 25th March, 2011.

Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Annexure IA to Clause 49 is made available to the Board. The Board also reviews the declaration made by the Managing Director regarding compliance with all applicable laws on a quarterly basis.

Code of Conduct

The Company has adopted the Tata Code of Conduct for all employees of the Company, including the Managing Director. The Board has also laid down a Code of Conduct for the Non - Executive Directors of the Company. Both the Codes are posted on the Company's website.

All Board members and senior management personnel (as per Clause 49 of the Listing Agreement) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director & CEO forms part of this report.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year.

3. **AUDIT COMMITTEE**

Terms of reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions, in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are as follows:

- o To overview the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- o To review with the management the quarterly and annual financial statements before submission to the Board for approval.

- To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- To review with the management, performance of the statutory and internal auditors.
- To review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- To review the findings of any internal investigations by the internal auditors.
- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- To review the statement of significant related party transactions submitted by the management.
- To review the functioning of the Whistle Blower mechanism.
- And, generally, all items listed in Clause 49 II (D) of the Listing Agreement.

Composition and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The composition of the Audit Committee and the details of Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2010-11
Mr. E. A. Kshirsagar, Chairman (Chartered Accountant)	Independent Non-Executive	7
Mr. Homi R. Khusrokhan, Member (Chartered Accountant)	Non-Independent Non-Executive	7
Mr. B. D. Banerjee, Member	Independent Non-Executive	8
Dr. S. Ramanathan, Member (w.e.f. 14.10.2010)	Independent Non-Executive	2
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	7
Dr. Venkatrao S. Sohoni, Member	Non-Independent Non-Executive	4
Dr. K. P. Prabhakaran Nair, Member	Independent Non-Executive	7
Dr. Yoginder K. Alagh, Member (w.e.f. 22.04.2010)	Independent Non-Executive	7

The Audit Committee met 8 times during the year and the gap between two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held were as follows: 22nd April, 2010; 14th June, 2010; 16th July, 2010; 14th October, 2010; 15th October, 2010; 23rd November, 2010; 17th January, 2011 and 25th March, 2011.

Necessary quorum was present at the above Meetings.

The meetings of the Audit Committee are usually attended by the Managing Director & CEO, the Executive Vice President (Finance & Legal) & Chief Financial Officer, the Head of Internal Audit, the Company Secretary and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the secretary to the Committee.

The Chairman of the Audit Committee, Mr. E. A. Kshirsagar was present at the Annual General Meeting of the Company held on 15th June, 2010.

4. **NOMINATIONS & REMUNERATION COMMITTEE**

Terms of reference

The Committee is responsible for considering and approving the remuneration and commission of the Managing Director and recommending the commission payable, if any, to the Non-Executive Directors. The Committee has also been given the mandate to consider and approve appointment of and the remuneration payable to Executives at the Vice President level and above and also matters relating to Voluntary Retirement Schemes and Early Separation Schemes of the Company. The Committee also reviews HR policy matters and issues such as senior management succession planning and incentive schemes for senior management. In addition, the Committee is also responsible for making recommendations regarding the composition of the Board, identifying Independent Directors to be inducted to the Board from time to time and taking steps to refresh the composition of the Board from time to time.

Composition and Attendance during the year

The composition of the Committee and the details of Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2010-11
Mr. B. D. Banerjee, Chairman	Independent Non-Executive	3
Mr. R. Gopalakrishnan, Member	Non-Independent Non-Executive	3
Mr. E. A. Kshirsagar, Member	Independent Non-Executive	2
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	1

The Committee met 3 times during the year, on 22nd April, 2010; 27th May, 2010 and 25th March, 2011.

The Chairman of the Nominations & Remuneration Committee, Mr. B. D. Banerjee was present at the Annual General Meeting of the Company held on 15th June, 2010.

Remuneration Policy

The remuneration of senior management is decided taking into consideration the employment scenario, remuneration package of the industry and remuneration package of managerial talent in other industries. The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year, measured against specific Key Result Areas, which are aligned to the Company's objectives.

The Non-Executive Directors are paid remuneration by way of commission and sitting fees. In terms of the shareholders' approval obtained at the Annual General Meeting held on 30th May, 2008, commission is paid at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Companies Act, 1956. The distribution of commission among the Non-Executive Directors is recommended by the Nominations & Remuneration Committee and approved by the Board. The commission is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as guidance provided to senior management other than at meetings.

The Company paid sitting fees of ₹20,000/- per meeting to the Non- Executive Directors for attending meetings of the Board, Executive Committee of the Board, the Audit Committee and the Nominations & Remuneration Committee,

₹10,000/- per meeting for attending the meetings of the Property Committee and ₹5,000/- per meeting for attending meetings of the Shareholders'/ Investors' Grievance Committee.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing Director. Salary is paid within the range approved by the shareholders. Annual increments, effective 1st April each year, are approved by the Board, as per the recommendations of the Nominations & Remuneration Committee. Perquisites and allowances are subject to such overall ceiling as may be fixed by the Board from time to time. Within the prescribed ceiling, the perquisites are approved by the Nominations & Remuneration Committee. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, based on the recommendations of the Nominations & Remuneration Committee, subject to the overall ceilings stipulated in the Companies Act, 1956. Specific amount payable as commission is based on the performance criteria laid down by the Board, which broadly takes into account the profits earned by the Company for the year.

Details of remuneration for 2010-11

The aggregate value of salary and perquisites paid to Mr. V. Shankar, Managing Director & CEO, during the year 2010-11 is ₹1,86,24,248/-, comprising:

Salary	:	₹34,80,000/-
Perquisites and allowances	:	₹51,44,248/-
Commission for the financial year 2009-10, paid during 2010-11	:	₹1,00,00,000/-
Period of Agreement	:	upto 12th March, 2012
Notice period	:	The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' remuneration in lieu thereof.
Severance fees	:	Nil

The Sitting fees paid during the financial year 2010-11 to the Non- Executive Directors for attending the Board and Committee Meetings for the year 2010-11 and the commission paid to them during 2010-11 for the year 2009-10, are as follows:

Name of Director	Fees paid (₹)	Commission for the financial year 2009-10, paid during 2010-11 (₹)
Mr. R. Gopalakrishnan	2,80,000/-	12,00,000/-
Mr. Homi R. Khusrokhan	3,60,000/-	9,10,000/-
Mr. B. D. Banerjee	4,10,000/-	11,75,000/-
Mr. E. A. Kshirsagar	4,20,000/-	13,65,000/-
Dr. S. Ramanathan	1,60,000/-	8,40,000/-
Mr. Prakash R. Rastogi	3,50,000/-	11,30,000/-
Mr. Bharat Vasani	2,20,000/-	8,65,000/-
Dr. Venkatrao S. Sohoni	1,70,000/-	5,55,000/-
Dr. K. P. Prabhakaran Nair	3,10,000/-	9,60,000/-
Dr. Yoginder K. Alagh	2,60,000/-	-

None of the Non-Executive Directors hold any shares in the Company.

5. **SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE**

Terms of reference

The Shareholders'/ Investors' Grievance Committee looks into the redressal of investors' complaints, such as transfer of shares, non-receipt of annual report and non-receipt of declared dividends. In addition, the Committee has also been mandated to set forth the policies relating to and to oversee the implementation of the Code of Conduct for Prevention of Insider Trading and to review the concerns received under the Tata Code of Conduct.

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. Mr. Girish Nadkarni, Executive Vice President (Finance & Legal) & Chief Financial Officer has been appointed as the Compliance Officer for the implementation of and overseeing compliance with the Regulations and the Code across the Company.

The Company has also adopted the Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Price Sensitive Information, as required under the Regulations. The Managing Director & CEO is the Public Spokesperson for this purpose.

Composition and Attendance during the year

The Shareholders'/ Investors' Grievance Committee met twice during the year, on 22nd April, 2010 and 14th October, 2010.

The composition of the Shareholders'/ Investors' Grievance Committee and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2010-11
Mr. B. D. Banerjee, Chairman & Member (w.e.f. 25.03.2011)	Independent Non-Executive	0
Mr. E. A. Kshirsagar, Member (Chairman upto 17.02.2011)	Independent Non-Executive	2
Dr. Venkatrao S. Sohoni, Member	Non-Independent Non-Executive	2
Dr. K. P. Prabhakaran Nair, Member	Independent Non-Executive	2
Mr. V. Shankar, Member	Non-Independent Executive	2

Name, designation and address of Compliance Officer

P. S. Meherhomji
Company Secretary
15 MIDC Industrial Estate
Thane Belapur Road
Turbhe
Navi Mumbai 400 703
Phone: 022 - 6793 1530
Fax: 022 - 6793 1515

Email: pmeherhomji@rallis.co.in

Shareholders may also correspond with the Company on the email address: investor_relations@rallis.co.in

The number of investor complaints/ requests/ queries received and addressed during 2010-11 was 1184. 4 queries remained pending as on 31st March, 2011. These were received during the last week of March 2011 and hence were pending on 31st March, 2011, but have been subsequently replied to.

1 request for transfer of 50 shares and 3 requests for dematerialization of 225 shares were pending as on 31st March, 2011. These requests were received during the last week of March 2011 and hence were pending on 31st March, 2011, but have been subsequently processed, as certified by TSR Darashaw Limited (Registrars).

6. **OTHER COMMITTEES**

Executive Committee of the Board

The Executive Committee of the Board is responsible for reviewing, before presentation to the full Board, items such as Business and strategy review, long-term financial projections and cash flows, capital and revenue budgets, acquisitions, divestments and business restructuring proposals, etc. The Committee is also responsible for advising the management on development of business plans and future strategies for the Company.

The composition of the Executive Committee of the Board and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2010-11
Mr. R. Gopalakrishnan, Chairman	Non-Independent Non-Executive	2
Mr. Homi R. Khusrokhan, Member	Non-Independent Non-Executive	1
Mr. E. A. Kshirsagar, Member	Independent Non-Executive	2
Dr. S. Ramanathan, Member	Independent Non-Executive	1
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	1
Mr. R. Mukundan, Member	Non-Independent Non-Executive	2
Mr. V. Shankar, Member	Non-Independent Executive	2

The Executive Committee of the Board met twice during the year, on 5th April, 2010 and 8th March, 2011.

The Executive Vice President (Finance & Legal) & Chief Financial Officer is the permanent invitee to the Committee.

Property Committee

The Property Committee has been constituted to advice the management on unlocking the value of the surplus assets of the Company.

The composition of the Property Committee and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Category	No. of Meetings attended during 2010-11
Mr. B. D. Banerjee, Chairman	Independent Non-Executive	3
Mr. E. A. Kshirsagar, Member	Independent Non-Executive	3
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	3
Mr. Bharat Vasani, Member	Non-Independent Non-Executive	4

The Property Committee met 4 times during the year, on 1st April, 2010; 15th July, 2010; 23rd December, 2010 and 17th January, 2011.

7. **GENERAL BODY MEETINGS**

(a) Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

Day and Date	Location	Time	Special Resolutions
Tuesday, 15th June, 2010	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.	3.30 p.m.	There was no matter that required passing of special resolution.
Friday, 29th May, 2009	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.	3.30 p.m.	There was no matter that required passing of special resolution.
Friday, 30th May, 2008	Bombay House Auditorium, Bombay House, Homi Mody Street, Mumbai 400 001.	4.00 p.m.	Payment of commission to Directors.

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of shareholders present at the meeting.

(b) No Extra-ordinary General Meeting of the shareholders was held during the year.

(c) **Postal Ballot:** During the year under review, the following resolution was put through by Postal Ballot:

Issue of 64,82,296 fully paid-up Equity Shares of ₹10/- each, allotted as Bonus Shares to shareholders in the ratio of one additional equity share for every two existing equity shares.

The Board appointed Mr. P. N. Parikh, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner. The result of the postal ballot was declared on 29th May, 2010 and the resolution was passed by a majority of 99.86% of the total votes.

8. **DISCLOSURES**

(a) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

(b) During the year, there were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, their subsidiaries, the Directors or the management, or relatives, etc. that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.

(c) The Company has complied with the requirements of the Stock Exchanges/ SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.

(d) The Managing Director & CEO and the Executive Vice President (Finance & Legal) & Chief Financial Officer have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2011.

(e) The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

(f) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Further, the Company has adopted the following non-mandatory requirements of the Clause:

- o The Company has set up the Remuneration Committee as per the provisions of Clause 49.
- o Half yearly performance of the Company is sent to all shareholders.
- o The financial statements of the Company are unqualified.
- o The Company has adopted a Whistle Blower Policy, which has been widely disseminated to all employees in the Company.
- o The Company has adopted the guidelines for the composition of the Board of Directors, which provides for the tenure and retirement age for the Managing and Non-Executive Directors.

Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

9. **MEANS OF COMMUNICATION**

(i) The quarterly and the half yearly results, published in the proforma prescribed by the Listing Agreement, are approved and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarter. The approved results are forthwith sent to the Stock Exchanges where the Company's shares are listed. The results are also published within 48 hours in one English language and one Marathi language newspaper having wide circulation. The results are displayed on the Company's website, www.rallis.co.in and on the SEBI's Corpfiling website, www.corpfiling.co.in.

(ii) The Company publishes the audited annual results within the stipulated period of three months from the close of the financial year as required by the Listing Agreement and hence the unaudited results for the last quarter of the financial year are not published.

(iii) The annual audited results are also communicated to the Stock Exchanges where the Company is listed, published in the newspapers and displayed on the Company's and Corpfiling website.

(iv) Official news releases and presentations made to Institutional Investors and Analysts are posted on the Company's website.

(v) The Company sends an annual reminder to shareholders who have not claimed their dividends. Circulars are also sent periodically to shareholders urging them to opt for NECS as the mode for receiving dividends.

(vi) Management Discussion and Analysis Report forms a part of the Annual Report.

10. **GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting date, time and venue:

30th June, 2011 at 3.30 p.m. at the Auditorium, Ground Floor, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021.

As required under Clause 49 IV (G) (i), particulars of Directors seeking re-appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 30th June, 2011.

Financial Calendar	:	April to March.
Date of book closure	:	10th June, 2011 to 16th June, 2011 (both days inclusive)
Dividend payment date	:	6th July, 2011
Listing on Stock Exchanges	:	The Company's Equity Shares are listed on the following Stock Exchanges:

Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001.	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E) Mumbai 400 051.

The Company has paid the listing fees to these Stock Exchanges for the year 2010-11.

Stock Code on the Bombay Stock Exchange Ltd. : 500355

Stock Code on the National Stock Exchange of India Ltd. : RALLIS EQ

Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares : INE613A01012

Corporate Identification Number (CIN) of the Company : L36992MH1948PLC014083

Listing of Debt Instrument:

The Company's 750, Secured Redeemable Non Convertible Debentures 2010-11 Series-I, of ₹10,00,000/- each fully paid up, issued on private placement basis, are listed on the Wholesale Debt Market Segment of the Bombay Stock Exchange Ltd.

Rate of interest : 9.05%

Date of Redemption : 29th October, 2013

Scrip Code on the Bombay Stock Exchange Ltd. : 947111

Demat International Security Identification Number (ISIN) in NSDL and CDSL for Debt Instruments : INE613A07019

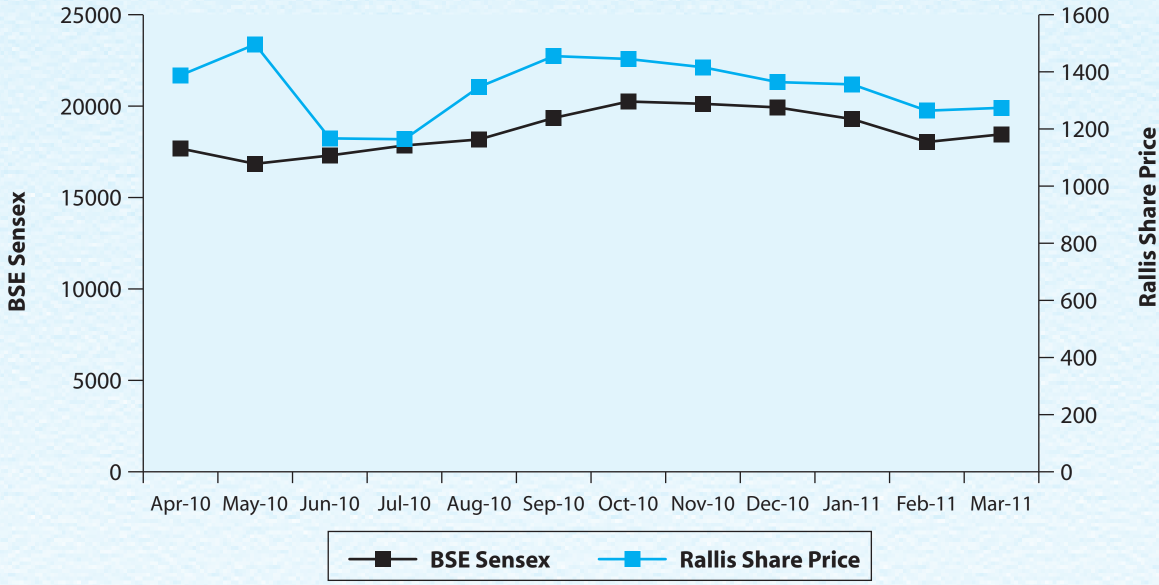
Market Information:

Market price data: High/ low, Number and Value of shares traded during each month in the last financial year:

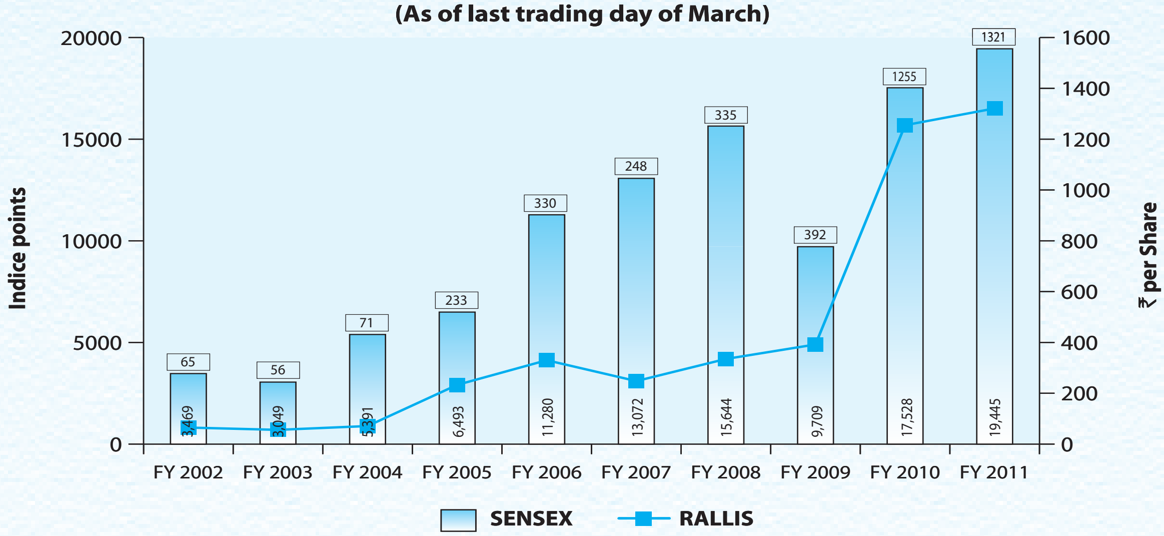
Month	Bombay Stock Exchange Ltd.					The National Stock Exchange of India Ltd.				
	High (₹)	Low (₹)	No. of Shares Traded	Value of Shares Traded (₹ Lacs)	No. of Trades	High (₹)	Low (₹)	No. of Shares Traded	Value of Shares Traded (₹ Lacs)	No. of Trades
April 2010	1,520.00	1,245.00	1,80,075	2,525.79	9,240	1,524.00	1,202.25	2,83,232	3,987.89	20,358
May 2010	1,590.00	1,402.10	1,55,427	2,365.97	4,993	1,722.25	1,402.15	2,09,907	3,172.30	11,650
June 2010 *	1,607.00	998.15	1,72,497	1,995.09	8,126	1,607.00	895.00	3,91,575	4,497.59	23,843
July 2010	1,355.00	1,036.35	2,83,466	3,349.55	14,717	1,365.00	1,066.00	8,03,848	9,453.48	42,577
August 2010	1,534.50	1,220.25	5,34,939	7,558.16	29,572	1,535.10	1,216.00	10,86,988	15,250.03	70,004
September 2010	1,590.95	1,365.00	2,86,564	4,237.01	13,788	1,589.00	1,362.25	5,83,054	8,634.65	37,864
October 2010	1,524.00	1,400.10	3,56,926	5,175.41	13,762	1,525.00	1,399.90	8,66,932	12,569.09	39,280
November 2010	1,560.00	1,265.00	1,96,753	2,812.89	11,122	1,554.80	1,260.00	4,69,826	6,742.85	28,239
December 2010	1,484.75	1,245.00	1,45,459	1,954.17	7,905	1,484.20	1,252.05	4,00,008	5,407.49	24,953
January 2011	1,465.00	1,273.00	76,320	1,036.31	4,656	1,469.00	1,261.15	2,61,827	3,547.31	15,681
February 2011	1,315.00	1,166.65	1,48,213	1,860.55	2,868	1,317.90	1,170.00	1,77,206	2,222.02	9,997
March 2011	1,365.70	1,219.00	73,665	945.63	2,724	1,370.00	1,211.25	2,22,432	2,849.94	11,307

* The Company has allotted bonus shares on 10th June, 2010, in the ratio of one equity share of ₹10/- each for every two equity shares held in the Company. Share price after that date is adjusted for the bonus issue.

Performance of Rallis Share Price in comparison with BSE Sensex



Rallis Share Price against BSE Sensex
(As of last trading day of March)



Registrar and Transfer Agents:

TSR DARASHAW LTD.
6-10 Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.
Tel. No.: 022-6656 8484
Fax No.: 022-6656 8494
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com
Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)

Rallis India Limited

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following Branch Offices/ agencies of TSR Darashaw Ltd. (TSRDL):

Branches of TSRDL

TSR Darashaw Ltd.,
503, Barton Centre, (5th Floor),
84, Mahatma Gandhi Road,
Bangalore 560 001.
Tel.: 080-2532 0321
Fax: 080-2558 0019
Email: tsrdlbang@tsrdarashaw.com

TSR Darashaw Ltd.,
2/42, Sant Vihar, Ansari Road,
Daryaganj,
New Delhi 110 002.
Tel.: 011-2327 1805
Fax: 011-2327 1802
Email: tsrdldel@tsrdarashaw.com

TSR Darashaw Ltd.,
Tata Centre, 1st Floor,
43, J. L. Nehru Road,
Kolkata 700 071.
Tel.: 033-2288 3087
Fax: 033-2288 3062
Email: tsrdlcal@tsrdarashaw.com

TSR Darashaw Ltd.,
Bungalow No.1, "E" Road,
Northern Town, Bistupur,
Jamshedpur 831 001.
Tel.: 0657-242 6616
Fax: 0657-242 6937
Email: tsrdljsr@tsrdarashaw.com

Agent of TSRDL

Shah Consultancy Services Ltd.,
3, Sumatinath Complex, 2nd Dhal,
Pritam Nagar, Ellisbridge,
Ahmedabad 380 006.
Telefax: 079-2657 6038
Email: shahconsultancy@hotmail.com

Share Transfer System

Documents for transfer of shares in physical form can be lodged with TSR Darashaw Limited at the registered address or at any of the above mentioned branch offices or at the office of the Agent of TSRDL. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects.

Secretarial Audit

- Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Distribution of shareholding as on 31st March, 2011:

Holding of Nominal Value: ₹10/-

Sr. No.	Range	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	9,37,768	93,77,680	4.82	13,801	93.57
2	501 to 1000	3,11,981	31,19,810	1.60	429	2.91
3	1001 to 2000	3,65,938	36,59,380	1.88	254	1.72
4	2001 to 3000	1,84,788	18,47,880	0.95	72	0.49
5	3001 to 4000	69,376	6,93,760	0.36	20	0.14
6	4001 to 5000	1,09,550	10,95,500	0.56	24	0.16
7	5001 to 10000	3,64,934	36,49,340	1.88	50	0.34
8	Greater than 10000	1,71,02,554	17,10,25,540	87.95	99	0.67
	Total	**1,94,46,889**	**19,44,68,890**	**100.00**	**14,749**	**100.00**

Shareholding pattern as on 31st March, 2011:

Sr. No.	Category of Shareholders	Total Holding	Percentage
1	Tata Companies	98,51,529	50.66
2	Government/ Other Public Financial Institutions and Insurance Companies	6,20,179	3.19
3	Foreign Institutional Investors and Foreign Companies	8,17,618	4.20
4	Non Resident Individuals	86,000	0.44
5	Other Bodies Corporate & Trust	7,32,195	3.77
6	Nationalized Banks and Mutual Funds	35,33,451	18.17
7	Foreign Banks and Other Banks	2,213	0.01
8	Individuals	38,03,704	19.56
	Total	**1,94,46,889**	**100.00**

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Percentage of shares held in physical and dematerialized form as on 31st March, 2011:

Physical form	:	2.03
Electronic form with NSDL	:	95.56
Electronic form with CDSL	:	2.41

Plant locations:

(i) 15A, MIDC, Turbhe, Thane-Belapur Road, New Mumbai 400 703, Maharashtra.

(ii) GIDC Estate, Plot No.3301, Ankleshwar 393 002, Dist. Bharuch, Gujarat.

(iii) GIDC Estate, Plot No.2808, Ankleshwar 393 002, Dist. Bharuch, Gujarat.

(iv) GIDC Estate, Plot No.3000, Ankleshwar 393 002, Dist. Bharuch, Gujarat.

(v) C 5/6, MIDC Industrial Area, Phase III, Shivani, Akola 444 104, Maharashtra.

(vi) Plot No.D-26, Lote Parashuram, MIDC, Near Hotel Vakratunda, Taluka Khed, Dist. Ratnagiri 415 722, Maharashtra.

Investor correspondence address:

Rallis India Ltd.
Secretarial Division
15 MIDC Industrial Estate
Thane Belapur Road
Turbhe
Navi Mumbai 400 703

OR

TSR Darashaw Ltd.
Unit: Rallis India Ltd.
6-10 Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road,
Mahalaxmi,
Mumbai 400 011.

Rallis India Limited

To,
The Members of Rallis India Limited.

Declaration by the Managing Director under Clause 49 of the Listing Agreement

I, V. Shankar, Managing Director & CEO of Rallis India Limited hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2011.

V. Shankar
Managing Director & CEO

Mumbai, 29th April, 2011

CERTIFICATE

TO THE MEMBERS OF
RALLIS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Rallis India Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS AND SELLS
Chartered Accountants
(Firm Registration No.: 117366W)

Sanjiv V. Pilgaonkar
Partner
Membership No.39826

Mumbai, April 29, 2011

AUDITORS' REPORT TO THE MEMBERS OF RALLIS INDIA LIMITED

1. We have audited the attached Balance Sheet of RALLIS INDIA LIMTED (the "Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / the "Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, 29th April, 2011.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, the provisions of clause 4(xiii) of CARO are not applicable.

(ii) In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
   (b) Most of the Company's fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for the physical verification of all the fixed assets at reasonable intervals. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories, excluding materials in transit and materials lying with third parties were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that were required to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this respect.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of fertilisers and insecticides business and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	**Nature of Dues**	**Forum where Dispute is pending**	**Period to which the amount relates**	**Amount involved (₹ in lacs)**
Sales Tax Laws	Sales Tax (including interest and penalty)	Joint Commissioner (Appeals)	1998-99, 1999-00, 2000-01, 2001-02, 2005-06, 2006-07, 2007-08, 2009-10 and 2010-11	503.72
		Additional Commissioner	1990-91,1998-99, 2000-01, 2001-02 and 2007-08	346.06
		Deputy Commissioner	1983-84, 1992-93, 1994-95, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07	622.81

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
		Assistant Commissioner	1993-94, 1998-99, 1999-00, 2001-02, 2003-04, 2004-05, 2007-08 and 2009-10	119.15
		Tribunal	1992-93, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02 and 2003-04	134.83
		Commercial Tax Officer	1990-91, 1996-97 and 1997-98	12.13
Finance Act, 1994	Service Tax	Assistant Commissioner	2001-02, 2005-08, 2006-07, 2007-08 and 2010	34.68
Customs Act, 1962	Custom Duty	High Court	1990-91	144.10
		Additional Commissioner	2008-09	5.40
Central Excise Act, 1944	Excise duty (including Interest and Penalty)	Commissioner	2001-02 and 2005-06	47.73
		Joint Commissioner	1999-2000 and 2000-01	62.80
		Deputy Commissioner	1999-00	8.48
		Tribunal	1986-87, 1990-911996 to 2002	910.46
Income Tax Act, 1961	Income tax (including interest and Penalty)	Income Tax Appellant Tribunal, Mumbai	Asst. Yr. 2006-07	13.50
		Commissioner of Income Tax (Appeals)	Asst. Yr. 2007-08 and 2008-09	609.35

(xi) The Company does not have any accumulated losses as at the year end. The Company has not incurred cash losses during the financial year covered by our audit and in immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xviii) According to the information and explanation given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of paragraph 4(xviii) of CARO are not applicable to the Company.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 750 Secured, Redeemable, Non-Convertible Debentures of ₹ 10 lacs each. The Company has created security in respect of the debentures issued.

(xx) According to the information and explanation given to us, the Company has not raised any money by public issue, during the period covered by our audit. Therefore, the provisions of paragraph 4(xx) of CARO are not applicable to the Company.

(xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, 29th April, 2011.

BALANCE SHEET AS AT 31ST MARCH, 2011

₹ lacs

	Schedule No.	Page	As at 31st March, 2011		*As at 31st March, 2010*	
SOURCES OF FUNDS						
SHAREHOLDERS' FUNDS						
Capital	1	50	**1,944.71**		*1,296.48*	
Reserves and Surplus	2	50	**48,390.80**		*40,982.73*	
				50,335.51		*42,279.21*
LOAN FUNDS						
Secured Loans	3	51	**8,471.52**		*161.18*	
Unsecured Loans	4	51	**764.96**		*650.07*	
				9,236.48		*811.25*
DEFERRED TAX LIABILITY (Net) (Refer Note No.15(a) in Schedule 19)				**322.98**		*-*
TOTAL				**59,894.97**		*43,090.46*
APPLICATION OF FUNDS						
FIXED ASSETS						
Gross Block			**38,274.83**		*30,909.69*	
Less: Depreciation/Amortisation			**16,707.45**		*15,635.01*	
Net Block	5	51	**21,567.38**		*15,274.68*	
Capital Work-in-Progress at cost, including capital advances			**16,877.72**		*11,202.91*	
				38,445.10		*26,477.59*
INVESTMENTS	6	52-53		**15,193.02**		*14,028.32*
DEFERRED TAX ASSETS (Net) (Refer Note No.15(a) in Schedule 19)				**-**		*534.77*
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	7	54	**20,703.11**		*14,824.85*	
Sundry Debtors	8	54	**9,155.50**		*7,550.55*	
Cash and Bank Balances	9	54	**1,126.74**		*1,117.27*	
Other Current Assets	10	54	**128.40**		*145.91*	
Loans and Advances	11	55	**11,339.73**		*8,811.23*	
			42,453.48		*32,449.81*	
LESS: CURRENT LIABILITIES AND PROVISIONS						
Current Liabilities	12	55	**30,474.52**		*25,945.52*	
Provisions	13	55	**5,722.11**		*4,454.51*	
			36,196.63		*30,400.03*	
NET CURRENT ASSETS				**6,256.85**		*2,049.78*
TOTAL				**59,894.97**		*43,090.46*
Notes to the Accounts	19	58-80				

Schedules referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Mumbai, 29th April , 2011

HOMI R. KHUSROKHAN
B. D. BANERJEE
E. A. KSHIRSAGAR
S. RAMANATHAN
PRAKASH R. RASTOGI
BHARAT VASANI
K. P. PRABHAKARAN NAIR
R. MUKUNDAN
YOGINDER K. ALAGH
Directors

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2011

₹ lacs

	Schedule No.	Page	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
INCOME						
Turnover (Gross)				**112,763.51**		*93,348.66*
Less: Excise Duty				**8,091.47**		*5,835.30*
Turnover (Net) - *(Refer Note No.17 in Schedule 19)*				**104,672.04**		*87,513.36*
Other Income	14	56		**3,435.96**		*2,881.94*
				108,108.00		*90,395.30*
EXPENDITURE						
Materials Consumed	15	56		**57,804.96**		*45,157.84*
Purchase of Finished Goods (Refer Note No.20(b) in Schedule 19)				**8,969.50**		*6,181.03*
(Increase)/Decrease in Closing Stock of Finished Goods and Work in Process	16	56		**(3,950.38)**		*(1,000.14)*
Operating Expenses	17	57		**24,878.20**		*22,738.95*
Interest Charge	18	57		**332.21**		*267.16*
Depreciation/Amortisation				**1,716.07**		*1,831.03*
				89,750.56		*75,175.87*
PROFIT BEFORE TAXATION				**18,357.44**		*15,219.43*
Provision for Taxation						
— Current Tax			**(5,070.23)**		*(4,507.38)*	
— For prior years			**211.91**		*(182.57)*	
— Deferred Tax - charge (Net) (Refer Note No. 15(b) in Schedule 19)			**(877.85)**	**(5,736.17)**	*(425.55)*	*(5,115.50)*
PROFIT AFTER TAXATION				**12,621.27**		*10,103.93*
Balance brought forward from previous year				**15,718.52**		*18,320.81*
AMOUNT AVAILABLE FOR APPROPRIATIONS				**28,339.79**		*28,424.74*
APPROPRIATIONS						
Transfer to/(from):						
Capital Redemption Reserve				-		*8,800.00*
Debenture Redemption Reserve				**1,250.00**		-
Preference Dividend				-		*224.22*
Distribution Tax on Preference Dividend				-		*38.11*
Interim Dividend on Equity Shares				**1,750.22**		*958.77*
Distribution Tax on Interim Dividend				**290.69**		*162.94*
Proposed Equity Dividend				**2,139.16**		*1,296.46*
Distribution Tax on Proposed Equity Dividend				**347.02**		*215.33*
General Reserve				**1,262.13**		*1,010.39*
Balance carried to Balance Sheet				**21,300.57**		*15,718.52*
				28,339.79		*28,424.74*
Basic and Diluted Earnings per share ₹ (Refer Note No.5 and 24 in Schedule 19)				**64.90**		*52.21*
Nominal value per share in ₹				**10.00**		*10.00*
Notes to the Accounts	19	58-80				

Schedules referred to above form an integral part of the Profit and Loss Account and should be read in conjunction therewith.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

HOMI R. KHUSROKHAN
B. D. BANERJEE
E. A. KSHIRSAGAR
S. RAMANATHAN
PRAKASH R. RASTOGI
BHARAT VASANI
K. P. PRABHAKARAN NAIR
R. MUKUNDAN
YOGINDER K. ALAGH
Directors

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 29th April , 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

₹ lacs

	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Taxation		**18,357.44**		*15,219.43*
Adjustment for:				
Depreciation / Amortisation	**1,716.07**		*1,831.03*	
Capital work in progress written off	-		*398.44*	
Interest (Net)	**185.91**		*227.16*	
Voluntary Retirement Compensation - Amortised	-		*824.86*	
Voluntary Retirement Compensation Paid	-		*(112.35)*	
Income from Investments	**(484.82)**		*(516.44)*	
Provision for Compensated absences	**(47.52)**		*23.11*	
Provision for Supplemental Payments & Pension	**(10.19)**		*2.21*	
Provision for Gratuity	**(106.86)**		*(473.18)*	
Credit balances written back	**(583.45)**		*(181.43)*	
(Profit)/Loss on Sale of Assets (net) (includes assets w/off)	**(27.13)**		*(110.89)*	
Unrealised foreign exchange translation loss/(gain) on Hedge Reserve	**(2.46)**	**639.55**	*14.13*	*1,926.65*
Operating Profit before working capital changes		**18,996.99**		*17,146.08*
Adjustments for:				
Trade and other Receivables	**(1,571.66)**		*4,848.15*	
Inventories	**(5,878.26)**		*(97.63)*	
Trade Payables	**5,110.65**		*6,032.94*	
Deposits pledged with Banks and Government Authorities	**(84.89)**	**(2,424.16)**	*(12.11)*	*10,771.35*
CASH GENERATED FROM OPERATIONS		**16,572.83**		*27,917.43*
Direct Taxes paid (Net of refund and interest on refund received)		**(6,904.74)**		*(6,571.48)*
NET CASH FROM OPERATING ACTIVITIES (A)		**9,668.09**		*21,345.95*
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	**(14,011.12)**		*(10,297.88)*	
Proceeds on sale of Fixed Assets	**354.66**		*811.12*	
Purchase of Investments	**(37,970.00)**		*(73,179.70)*	
Proceeds on sale of Investments	**49,243.67**		*73,216.36*	
Proceeds from redemption of Debentures	**189.62**		-	
Investment in Subsidiaries	**(12,627.99)**		*(5.00)*	
Advance received against sale of assets	-		*241.00*	
Interest / Dividend received	**535.50**		*78.82*	
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)		**(14,285.66)**		*(9,135.28)*

₹ lacs

	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issue of Equity Share Capital	-		8,903.40	
Share issue expenses	-		(11.52)	
Redemption of Preference Share Capital	-		(8,800.00)	
Repayment of Long Term Borrowings	(23.35)		(60.47)	
Proceeds from Issue of Debentures	7,500.00		-	
Proceeds from Long Term Borrowings	138.24		110.38	
(Repayment) of /Proceeds from Short Term Borrowings (Net)	810.34		(7,293.74)	
Interest paid	(330.38)		(278.62)	
Dividend and taxes thereon paid	(3,571.27)		(4,399.63)	
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)		4,523.58		(11,830.20)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A) + (B) + (C)		(93.99)		380.47
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR				
Cash in Hand	2.31		34.82	
Balances with Scheduled Banks on Current Account	960.06		547.08	
		962.37		581.90
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Cash in Hand	2.22		2.31	
Balances with Scheduled Banks on Current Account	866.16		960.06	
		868.38		962.37
Notes to the Accounts - see Schedule No. 19				
Footnotes:				
(1) Cash and cash equivalents as above		868.38		962.37
Restricted Bank Balance		58.66		40.09
Balances with Scheduled Banks;				
On Fixed Deposit Accounts (over three months maturity)	9.71		9.71	
On Fixed Deposit as Margin Money against Bank Guarantees	189.99	199.70	105.10	114.81
CASH AND BANK BALANCES AS PER SCHDULE 9		1,126.74		1,117.27

Schedules referred to above form an integral part of the Cash Flow Statement and should be read in conjunction therewith.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

HOMI R. KHUSROKHAN
B. D. BANERJEE
E. A. KSHIRSAGAR
S. RAMANATHAN
PRAKASH R. RASTOGI
BHARAT VASANI
K. P. PRABHAKARAN NAIR
R. MUKUNDAN
YOGINDER K. ALAGH
} *Directors*

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 29th April , 2011

SCHEDULES 1 TO 19 FORMING PART OF THE ACCOUNTS

₹ lacs

		As at 31st March, 2011		As at 31st March, 2010	
SCHEDULE 1. CAPITAL :-					
Authorised:					
50,000,000	Equity Shares of ₹ 10/- each		**5,000.00**		*5,000.00*
150,000,000	Cumulative Redeemable Preference Shares of ₹ 10/- each		**15,000.00**		*15,000.00*
			20,000.00		*20,000.00*
Issued and Subscribed:					
19,446,889 *(12,964,593)*	Equity Shares of ₹ 10/- each fully paid-up	**1,944.69**		*1,296.46*	
	Add: Amount paid-up on forfeited shares	**0.02**		*0.02*	
			1,944.71		*1,296.48*
			1,944.71		*1,296.48*

Notes: (1) Of the above equity shares

a) 2,604,140 shares of ₹ 10/- each were allotted as fully paid-up pursuant to contracts without payment being received in cash.

b) 1,144,700 shares of ₹ 10/- each were issued as fully paid up Bonus Shares by way of capitalisation of ₹ 114.47 lacs out of General Reserve.

c) 6,482,296 shares of ₹ 10 each were issued as Bonus Shares by way of capitalisation of ₹ 648.23 lacs out of Capital Redemption Reserve.

(2) Of the above issued and subscribed capital, 9,734,161 equity shares (including 980,000 equity shares issued by the Company on a preferential basis on 9th November, 2009) are held by Tata Chemicals Limited (TCL). Consequently, TCL has become the holding company with effect from 9th November, 2009.

SCHEDULE 2. RESERVES AND SURPLUS :-

₹ lacs

	As at 31st March, 2010	Additions	Deductions	As at 31st March, 2011	As at 31st March, 2009	Additions	Deductions	As at 31st March, 2010
Capital Reserve (see footnote 1)	*1,680.93*	-	437.83	1,243.10	1,680.93	-	-	1,680.93
Capital Redemption Reserve (see footnote 2)	*8,800.00*	-	648.23	8,151.77	-	8,800.00	-	8,800.00
Debenture Redemption Reserve	-	1,250.00	-	1,250.00	-	-	-	-
Securities Premium	*8,793.88*	-	-	8,793.88	-	8,793.88	-	8,793.88
Capital Subsidy	*63.58*	-	-	63.58	63.58	-	-	63.58
Investment Allowance Reserve (see footnote 3)	*17.80*	-	17.80	-	17.80	-	-	17.80
Reserve under Sec.45IC of the Reserve Bank of India Act, 1934 (see footnote 4)	*10.39*	-	10.39	-	10.39	-	-	10.39
Hedging Reserve Account (Refer Note No.28(a) in Schedule 19)	*111.54*	-	37.88	73.66	-	111.54	-	111.54
General Reserve (see footnote 5)	*5,786.09*	1,728.15	-	7,514.24	4,775.70	1,010.39	-	5,786.09
	25,264.21	2,978.15	1,152.13	27,090.23	6,548.40	18,715.81	-	25,264.21
Profit & Loss Account	*15,718.52*	12,621.27	7,039.22	21,300.57	18,320.81	10,103.93	12,706.22	15,718.52
	40,982.73	15,599.42	8,191.35	48,390.80	24,869.21	28,819.74	12,706.22	40,982.73

Footnotes

1. A sum of ₹ 437.83 lacs representing amount received by the Company in earlier years on surrender of tenancy rights has been transferred to the General Reserve.
2. An amount of ₹ 648.23 lacs out of the Capital Redemption Reserve was utilised for the issue of 6,482,295 fully paid up Bonus Shares of ₹ 10 each.
3. As the amount appropriated to Investment Allowance Reserve has been fully utilized for acquisition of new plant and machinery, the balance has been transferred to the General Reserve.
4. As the entity is not engaged in non banking finance activities the amount appropriated to Reserve u/s 45IC of the Reserve Bank of India Act, 1934, the balance has been transferred to the General Reserve.
5. The amount appropriated/transferred to General Reserve during the year comprises
   (a) ₹ 466.02 lacs transferred as per footnotes no 1,3 and 4
   (b) ₹ 1,262.13 lacs has been appropriated out of the Profit and Loss Account to the General Reserve during the year.

₹ lacs

	As at 31st March, 2011	*As at 31st March, 2010*
SCHEDULE 3. SECURED LOANS :-		
(Refer Note Nos. 8 and 9 in Schedule 19)		
Debentures (see footnote 1)	**7,500.00**	-
Loans from Banks:		
Bank overdrafts and temporary loans (see footnote 2)	**971.52**	*160.85*
Loans from entities other than Banks and Financial Institutions	**-**	*0.33*
(Note: Amount repayable within one year in respect of loans other than bank overdrafts ₹ Nil; *Previous Year ₹ 0.33 lacs)*		
	8,471.52	*161.18*

Footnote :

1. 9.05% Secured Redeemable Non-Convertible Debentures (2010-11 Series 1) have a face value ₹ 10 lacs each redeemable at par on 29th October, 2013. These are secured by first pari passu charge on certain immovable and/or movable fixed assets at Lote and Ankleshswar units of the Company.
2. Amount repayable within one year in respect of loans other than bank overdrafts ₹ Nil *(Previous Year ₹ 0.33 lacs)*

₹ lacs

	As at 31st March, 2011	*As at 31st March, 2010*
SCHEDULE 4. UNSECURED LOANS :-		
Loans and Advances (from entities other than banks, not being short term)	**122.20**	*145.55*
Payable under Sales Tax Deferral Scheme	**642.76**	*504.52*
(Note: Amount repayable within one year ₹ 22.89 lacs; *Previous Year ₹ 21.67 lacs*)		
	764.96	*650.07*

Schedule 5. FIXED ASSETS

(Refer Note Nos 3, 6, 8(b), 8(c), and 12 in Schedule No.19)

₹ lacs

	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
	As at 31st March, 2010	Additions	Deductions	As at 31st March, 2011	*As at 31st March, 2010*	For the year	Deductions during the year	As at 31st March, 2011	As at 31st March 2011	*As at 31st March 2010*
Intangible Assets										
Software	*948.23*	-	-	**948.23**	*797.48*	**52.00**	-	**849.48**	**98.75**	*150.75*
Goodwill	*163.63*	-	-	**163.63**	*163.63*	-	-	**163.63**	-	-
Studies for registration approvals	*493.25*	-	-	**493.25**	*493.25*	-	-	**493.25**	-	-
Total Intangible Assets	*1,605.11*	-	-	**1,605.11**	*1,454.36*	**52.00**	-	**1,506.36**	**98.75**	*150.75*
Tangible Assets										
Freehold Land	*254.15*	-	-	**254.15**	-	-	-	-	**254.15**	*254.15*
Leasehold Land	*2,301.79*	**2,195.95**	**15.62**	**4,482.12**	*86.69*	**65.38**	**2.54**	**149.53**	**4,332.59**	*2,215.10*
Buildings (see footnote 1 and 2)	*5,670.44*	**46.82**	**132.59**	**5,584.67**	*1,914.04*	**163.44**	**65.96**	**2,011.52**	**3,573.15**	*3,756.40*
Plant and Machinery	*19,171.19*	**6,025.32**	**742.50**	**24,454.01**	*11,425.64*	**1,284.20**	**536.21**	**12,173.63**	**12,280.38**	*7,745.55*
Furniture, Fixtures and Office Equipments	*714.00*	**44.44**	**4.36**	**754.08**	*371.57*	**36.73**	**2.61**	**405.69**	**348.39**	*342.43*
Vehicles	*1,193.01*	**23.78**	**76.10**	**1,140.69**	*382.71*	**114.32**	**36.31**	**460.72**	**679.97**	*810.30*
Total Tangible Assets	*29,304.58*	**8,336.31**	**971.17**	**36,669.72**	*14,180.65*	**1,664.07**	**643.63**	**15,201.09**	**21,468.63**	*15,123.93*
Total	*30,909.69*	**8,336.31**	**971.17**	**38,274.83**	*15,635.01*	**1,716.07**	**643.63**	**16,707.45**	**21,567.38**	*15,274.68*
Previous Year	*33,765.65*	*1,947.11*	*4,803.07*	*30,909.69*	*17,906.82*	*1,831.03*	*4,102.84*	*15,635.01*	*15,274.68*	

Footnote:

1. Cost of buildings include cost of 50 shares *(Previous year 50 shares)* of ₹ 50/- each fully paid and cost of 5 shares *(Previous Year 5 Shares)* of ₹ 100/- each fully paid in respect of ownership flats in 7 *(Previous Year 7)* Co-operative Societies.
2. Buildings include an asset having a gross block of ₹ 181.63 lacs (*Previous Year ₹ 181.63 lacs)* and net block of ₹ 127.10 lacs *(Previous Year ₹ 130.06 lacs)* where the conveyance in favour of the Company is not completed.

₹ lacs

	Nos.	Nominal Value	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 6. INVESTMENTS :- LONG TERM				
(at cost less provision for diminution in value)				
(I) Investment in Subsidiary Company				
Rallis Australasia Pty. Ltd. (wholly owned subsidiary)				
(Nominal value of AUD 1 each) (refer note no. 31 in schedule 19)	1,000		**0.35**	*0.35*
Rallis Chemistry Exports Ltd. (wholly owned subsidiary)	50,000	**10**	**5.00**	*5.00*
Metahelix Life Sciences Ltd. (subsidiary w.e.f. 30th December, 2010)				
(Equity shares of 63,666 of nominal value ₹ 10 each, acquired during the year) (Refer Note No. 4 in Schedule 19)	63,666		**12,627.99**	*-*
	A		**12,633.34**	*5.35*
(II) Trade Investments				
(Unquoted-Fully paid):				
Aich Aar Chemicals Pvt. Ltd. - Equity Shares	124,002	10	**9.31**	*9.31*
Biotech Consortium India Ltd. - Equity Shares	50,000	10	**5.00**	*5.00*
Indian Potash Ltd. - Equity Shares	54,000	10	**0.90**	*0.90*
Bharuch Enviro Infrastructure Ltd. - Equity Shares	36,750	10	**3.68**	*3.68*
Bharuch Eco-Acqua Infrastructure Ltd. - Equity Shares (See footnote 3)	300,364	10	**30.03**	*18.17*
Sipcot Industries Common Utilities Ltd. - Equity Shares (₹ 1)	113	100	**-**	*-*
Patancheru Enviro-Tech Ltd.- Equity Shares	10,822	10	**1.08**	*1.08*
Advinus Therapeutics Pvt. Ltd. - Equity Shares	18,286,000	10	**1,828.60**	*1,828.60*
4.25% Advinus Therapeutics Pvt. Ltd. - Non Convertible Debentures (Refer Note No. 27 in Schedule 19)	69,038	1,000	**690.38**	*880.00*
	B		**2,568.98**	*2,746.74*
(Unquoted-Partly paid):				
(Refer Note No. 2 (c) in Schedule 19)				
Bharuch Eco-Acqua Infrastructure Ltd. - Equity Shares (₹ 6.34 paid up)- (convereted to fully paid up during the year) (See footnote 3)	118,550	10	**-**	*7.52*
	C		**-**	*7.52*
	D=B+C		**2,568.98**	*2,754.26*

₹ lacs

	Nos.	Nominal Value	**As at 31st March, 2011**	*As at 31st March, 2010*
SCHEDULE 6. INVESTMENTS :- (Contd.)				
(III) **Non-Trade Investments**				
(Quoted-Fully paid): (see footnote 1)				
Spartek Ceramics India Ltd. -Equity Shares (₹ 1)	7,226	10	-	-
Nagarjuna Finance Ltd. - Equity Shares (₹ 1)	400	10	-	-
Pharmaceuticals Products of India Limited - Equity Shares (₹ 1)	10,000	10	-	-
14% Spartek Ceramics India Limited-Debentures - Redeemable Partly Convertible (₹ 1)	560	60	-	-
Ballasore Alloys Ltd. (Previously known as Ispat Alloys Ltd.) - Equity Shares (₹ 1)	504	10	-	-
J.K.Cement Ltd. - Equity Shares (₹ 1)	44	10	-	-
Uniscans & Sonics Ltd. - Equity Shares (₹ 1)	96	10	-	-
	E		-	-
(Unquoted-Fully paid):				
Amba Trading Company Limited - Equity Shares	130,000	10	**53.32**	*53.32*
Associated Inds. (Assam) Ltd. - Equity Shares (₹ 1)	30,000	10	-	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each) - Equity Shares	2,100,000		**146.30**	*146.30*
	F		**199.62**	*199.62*
	G=E+F		**199.62**	*199.62*
TOTAL LONG TERM INVESTMENTS	H = A+D+G		**15,401.94**	*2,959.23*
CURRENT INVESTMENTS				
(Lower of the cost and fair value)				
(Refer Note No. 26 in Schedule 19)				
Units of Mutual Funds (see footnote 2)				
Tata Floater Fund - Daily Dividend			-	*1,548.14*
Reliance Money Manager Fund - IP - Daily Dividend			-	*4,440.56*
HDFC Cash Management Fund - Treasury Advantage WP - Daily Dividend			-	*3,839.15*
Tata Liquid Super High Investment Fund - Daily Dividend			-	*1,450.16*
TOTAL CURRENT INVESTMENTS	I		-	*11,278.01*
TOTAL	J=H+I		**15,401.94**	*14,237.24*
Less: Provision for diminution in value			**208.92**	*208.92*
GRAND TOTAL			**15,193.02**	*14,028.32*
Aggregate Book Value of Investments:				
Unquoted - At cost less Provision for diminution in value			**15,193.02**	*14,028.32*
Quoted - At cost less Provision for diminution in value			-	-
			15,193.02	*14,028.32*

Footnotes:

1. Market value of quoted investments ₹ 0.17 lacs *(Previous Year ₹ 0.19 lacs)*
2. Net assets value of units of mutual funds ₹ Nil *(Previous Year ₹ 11,278.01 lacs)*
3. During the year 118,550 Shares of Bharuch Eco-Acqua Infrastructure Limited have become fully paid up pursuant to payment of final call of ₹ 3.66 per share on 118,550 shares by the Company.

₹ lacs

	As at 31st March, 2011		As at 31st March, 2010	
SCHEDULE 7. INVENTORIES :-				
(Refer Note Nos.8, 20(a) and 20(b) in Schedule 19)				
(Valued at lower of the cost and net realisable value)				
Stores and Spare Parts		**94.12**		*57.23*
Stock-in-trade:				
Raw Materials (including goods in transit of ₹ 1,172.73 lacs; *Previous Year ₹614.89 lacs)*	**6,071.16**		*4,271.29*	
Packing Material	**750.78**		*659.66*	
Work-in-Process	**605.16**		*704.78*	
Finished Goods	**13,181.89**	**20,608.99**	*9,131.89*	*14,767.62*
		20,703.11		*14,824.85*
SCHEDULE 8. SUNDRY DEBTORS :-				
(Considered good, unless otherwise stated)				
(Refer Note Nos. 2(b), 8 and 11 in Schedule 19)				
(a) Debts outstanding for a period exceeding six months:				
(i) Considered Good				
Secured	**15.90**		*19.55*	
Unsecured	**653.15**		*1,291.63*	
(ii) Considered Doubtful				
Unsecured	**869.95**	**1,539.00**	*1,740.17*	*3,051.35*
(b) Other Debts: Considered Good				
Secured	**313.36**		*281.84*	
Unsecured	**8,173.09**		*5,957.53*	
		8,486.45		*6,239.37*
Gross Debtors		**10,025.45**		*9,290.72*
Less: Provision for doubtful debts		**869.95**		*1,740.17*
		9,155.50		*7,550.55*
SCHEDULE 9. CASH AND BANK BALANCES :-				
Cash in Hand (including Cheques in Hand of ₹ 0.23 lacs; *Previous Year ₹Nil lacs)*		**2.22**		*2.31*
Balances with Scheduled Banks:				
On Current Accounts	**924.82**		*1,000.15*	
On Fixed Deposit Accounts	**9.71**		*9.71*	
On Fixed Deposit as Margin Money against Bank Guarantees	**189.99**	**1,124.52**	*105.10*	*1,114.96*
		1,126.74		*1,117.27*
SCHEDULE 10. OTHER CURRENT ASSETS :-				
Interest Accrued on Investments		**128.40**		*145.91*
		128.40		*145.91*

₹ lacs

	As at 31st March, 2011		As at 31st March, 2010	
SCHEDULE 11. LOANS AND ADVANCES :-				
(Unsecured, considered good unless otherwise stated)				
(Refer Note No.11 in Schedule 19)				
Advances recoverable in cash or in kind or for value to be received		**3,107.07**		*2,707.81*
Advances/Deposits considered doubtful of recovery	**4,523.28**		*4,523.03*	
Less: Provision for doubtful advances/deposits	**4,523.28**	**-**	*4,523.03*	*-*
(Includes ₹ 18.61 lacs (*Previous Year ₹18.61 lacs*) due from Rallis Chemistry Exports Ltd)				
Balances with Customs, Port Trust and Central Excise		**836.23**		*1,324.32*
Advance Income Tax (net of provision)		**7,388.91**		*4,771.58*
Advance Fringe Benefit Tax (net of provision)		**7.52**		*7.52*
		11,339.73		*8,811.23*
SCHEDULE 12. CURRENT LIABILITIES :-				
Sundry Creditors (Refer Note No. 7 in Schedule 19)				
Dues to Micro Small and Medium Enterprises (including interest ₹ 40.78 lacs; *Previous Year ₹28.49 lacs*)		**379.83**		*415.69*
Other Creditors		**26,624.83**		*20,165.07*
Liability towards Investor Education and Protection Fund (not due) :				
Unclaimed Dividends	**56.97**		*38.40*	
Unclaimed Interest on Debentures	**1.69**	**58.66**	*1.69*	*40.09*
Customers' security deposits, credit balances and advance against supplies and services to be rendered		**2,890.72**		*4,763.68*
Interest accrued but not due on loans		**10.47**		*8.64*
Other Liabilities (Refer Note No 30 in Schedule 19)		**510.01**		*552.35*
		30,474.52		*25,945.52*
SCHEDULE 13. PROVISIONS :-				
Proposed Equity Dividend		**2,139.16**		*1,296.46*
Distribution Tax on Proposed Equity Dividend		**347.02**		*215.33*
Provision for Fringe Benefit Tax (Net of advance tax)		**11.29**		*11.29*
Provision for Income Tax (Net of advance tax)		**1,160.53**		*702.75*
Provision for Gratuity (Refer Note No.29 in Schedule 19)		**52.78**		*159.64*
Provision for Compensated Absences		**448.84**		*496.36*
Provision for Supplemental Payments on Retirement (Refer Note No.29 in Schedule 19)		**1,562.49**		*1,572.68*
		5,722.11		*4,454.51*

₹ lacs

	For the period ended 31st March, 2011		*For the year ended 31st March, 2010*	
SCHEDULE 14. OTHER INCOME :-				
From Operations				
Excise and Duty Drawback Claims	**503.70**		*344.16*	
Scrap and Sundry Sales	**779.97**		*536.82*	
Commission	**-**		*30.50*	
Cash Discount	**186.83**		*93.77*	
Sundry Income (Refer Note No.14 in Schedule 19)	**1,279.30**		*1,178.91*	
		2,749.80		*2,184.16*
Others				
Profit on Sale of Fixed Assets (net)		**27.13**		*110.89*
Rent		**27.91**		*30.45*
Interest Income :				
On refund of taxes	**113.13**		*-*	
On term and fixed deposits	**33.17**		*40.00*	
(Amount is gross of TDS of ₹ 3.21 lacs; *Previous Year ₹ 1.29 lacs*)		**146.30**		*40.00*
Income from Investments:				
Dividend from Long Term Trade Investments	**1.45**		*1.42*	
Dividend from Other Current Investments	**415.66**		*444.30*	
Interest from Long Term Trade Investments	**67.71**		*70.72*	
(Amount is gross of TDS of ₹ 8.47 lacs; *Previous Year ₹ 6.09 lacs)*		**484.82**		*516.44*
		686.16		*697.78*
		3,435.96		*2,881.94*
SCHEDULE 15. MATERIALS CONSUMED :-				
(Refer Note Nos.19 and 23 in Schedule 19)				
Raw Materials Consumed				
Opening Stock	**4,271.29**		*5,163.10*	
Add : Purchases	**55,452.13**		*40,738.37*	
Less : Closing Stock	**6,071.16**	**53,652.26**	*4,271.29*	*41,630.18*
Packing Materials Consumed		**4,152.70**		*3,527.66*
		57,804.96		*45,157.84*
SCHEDULE 16. (INCREASE)/DECREASE IN CLOSING STOCKS OF FINISHED GOODS AND WORK-IN-PROCESS :-				
(Refer Note No. 20 (a) and 20 (b) in Schedule 19)				
Opening Stock				
Finished Goods	**9,131.89**		*8,036.13*	
Work in Process	**704.78**	**9,836.67**	*800.40*	*8,836.53*
Closing Stock				
Finished Goods	**13,181.89**		*9,131.89*	
Work in Process	**605.16**		*704.78*	
		13,787.05		*9,836.67*
		(3,950.38)		*(1,000.14)*

₹ lacs

	For the period ended 31st March, 2011		*For the year ended 31st March, 2010*	
SCHEDULE 17. OPERATING EXPENSES :-				
(Refer Note Nos. 9, 10, 13(a), 13(b), 23 and 29 in Schedule 19)				
Personnel Cost :				
Salaries, Wages, Commission, Bonus etc.	**5,801.78**		*5,475.47*	
Gratuity	**45.06**		*342.53*	
Voluntary Retirement Compensation Amortised	-		*824.86*	
Staff Provident, Superannuation and Other Funds	**450.21**		*383.96*	
Staff Welfare	**661.26**	**6,958.31**	*471.20*	*7,498.02*
Freight, Handling and Packing		**2,947.79**		*1,951.01*
Processing		**735.98**		*902.38*
Changes in Excise Duty on Inventory of Finished Goods		**138.15**		*164.75*
Travelling		**725.01**		*498.16*
Power and Fuel		**3,043.99**		*1,937.72*
Brand Equity Contribution		**144.05**		*119.81*
Repairs :				
to Machinery	**445.44**		*326.15*	
to Buildings	**109.42**		*75.29*	
Others	**346.45**	**901.31**	*327.33*	*728.77*
Stores and Spares Consumed		**528.49**		*402.80*
Rates and Taxes		**163.45**		*215.07*
Bad Debts		**842.79**		*1,556.63*
Cash Discount		**1,441.91**		*1,496.69*
Commission		**177.70**		*124.42*
Insurance		**158.03**		*162.66*
Rent		**495.29**		*354.08*
Bank Charges		**299.03**		*369.27*
Directors' Fees & Commission		**314.00**		*193.60*
Provision for Doubtful Debts/Advances for the year	**0.25**		*195.07*	
Less : Provision for doubtful debts written back	**842.79**		*1,556.63*	
		(842.54)		*(1,361.56)*
Selling Expenses		**1,706.34**		*1,549.57*
Legal and Professional Expenses		**622.39**		*858.68*
Other Expenses		**3,376.73**		*3,016.42*
		24,878.20		*22,738.95*
SCHEDULE 18. INTEREST CHARGE :-				
Loans for fixed term		**290.39**		*240.67*
Other interest		**41.82**		*26.49*
		332.21		*267.16*

Schedule 19: NOTES TO THE ACCOUNTS : -

1. **Significant Accounting Policies**: -

(a) **Basis of Accounting**

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

(b) **Use of Estimates**

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) **Fixed Assets and Depreciation / Amortisation**

(i) **Tangible fixed assets and depreciation**

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition cost are delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation is provided on a straight line basis at rates and in the manner specified in Schedule XIV to the Companies Act, 1956, unless the use of a higher rate or an accelerated charge is justified through technical estimates. Fixed assets costing less than ₹ 5,000 are fully depreciated in the year of purchase. Extra shift depreciation is applied to applicable items of plant and machinery for days additional shifts are worked. Freehold land is not depreciated since it is deemed to have an indefinite economic life. The premium paid for acquiring leasehold land is amortised over the period of lease on a straight line basis.

(ii) **Intangible assets and amortisation**

Intangible assets other than goodwill are valued at cost less amortisation. These generally comprise of costs incurred to acquire computer software licences and implement the software for internal use (including software coding, installation, testing and certain data conversion) as well as costs paid to acquire studies for obtaining approvals from registration authorities of products having proven technical feasibility.

Research costs are charged to earnings as they arise.

Costs incurred for applying research results or other knowledge to develop new products, are capitalised to the extent that these products or registrations are expected to generate future financial benefits. Other development costs are expensed as and when they arise.

Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition, on the share in the acquired company's assets acquired by the Company.

Intangible assets are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.

Amortisation takes place on a straight line basis over the asset's anticipated useful life. The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years.

An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Profit and Loss Account.

(d) Impairment of assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

(e) Investments

Long term investments are valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are valued at the lower of cost and fair value.

(f) Inventory

Inventories are valued at the lower of cost and net realisable value.

In case of raw materials, packing materials, stores and spare parts and traded finished goods, cost are determined in accordance with continuous moving weighted average principle. Costs include purchase price, non-refundable taxes and delivery and handling costs.

Cost of finished goods and work-in-progress are determined using the absorption costing principles. Cost includes cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

(g) Revenue Recognition

Sales include products and services, net off trade discounts and exclude sales tax, state value added tax and service tax.

With regard to sale of products, income is reported when practically all obligations connected with the transaction risks and rights to the buyer have been fulfilled. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

Income recognition for services takes place as and when the services are performed.

Amounts received from customers specifically towards setting up / expansion of manufacturing facilities, linked to a contractual arrangement for supply of specified quantities of product manufactured from the said facilities at pre-determined prices, are treated as current liabilities and recognized as revenue in the Profit and Loss Account over the contracted period of supply in proportion to the quantities dispatched from the increased capacity.

(h) Financial Income and Borrowing Cost

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Profit and Loss Account.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are valued at year end rates, and unrealised translation differences are included in the Profit and Loss Account.

Investments in foreign currency (non monetary items) are reported using the exchange rate at the date of the transaction.

The Company's forward exchange contracts are not held for trading or speculation. The premium/discount arising on entering into such contract is amortised over the life of such contracts and exchange differences arising on such contracts are recognised in the Profit and Loss Account.

Hedge Accounting

The Company uses currency option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. The Company designates such currency option contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Indian Accounting Standard ("Ind AS") 39 Financial Instruments: Recognition and Measurement.

These contracts are stated at fair value at each reporting date. Changes in the intrinsic value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes. The ineffective portion and the time value is recognised immediately in the Profit and Loss Account.

Amounts accumulated in Hedging Reserve Account are reclassified to Profit and Loss Account in the same periods during which the forecasted transaction affects the Profit and Loss Account.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the Profit and Loss Account for the period.

(j) Employee Benefits

i) Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

ii) Long Term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

- **Defined-contribution plans**

  These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

- **Defined-benefit plans**

  Expenses for defined-benefit gratuity and supplemental payment plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

(k) Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(l) Lease Accounting

(i) **Operating Leases**

Lease of an asset whereby the lessor essentially remains the owner of the asset is classified as operating lease. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

(ii) **Finance Leases**

Assets taken on finance lease after 1st April, 2001, are capitalised at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per the Company's accounting policy on depreciation as stated above. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged in accordance with the Company's depreciation policy as stated above or in a straight line basis over the lease period, which ever is shorter.

Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

(m) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Revenue / Expenses / Assets / Liabilities".

(n) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

(o) Cash Flow Statements

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard (AS) 3 - Cash Flow Statements as prescribed under section 211(3C) of the Indian Companies Act 1956.

p) Cash and Cash Equivalents

Cash and bank balances and current investments that have insignificant risk of change in value, which have durations up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

q) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

2. Contingent Liabilities: -

(a) Demands contested by the Company

	₹ lacs As at 31st March 2011	2010
– Sales Tax*	1,916.59	*1,917.82*
– Excise Duty	360.84	*378.77*

		₹ lacs As at 31st March 2011	2010
-	Customs Duty	149.50	*144.10*
-	Income Tax	6,583.76	*3,754.60*
–	Service Tax	35.03	*1.85*
–	Property Cases	47.36	*47.36*
–	Labour Cases	103.75	*156.71*
–	Other Cases	453.79	*449.82*
–	Number of cases where amount is not quantifiable 29 Nos; *(Previous year 31 Nos)*		
(b)	Bills discounted	338.56	*Nil*
(c)	Uncalled partly paid shares held as Investments	Nil	*4.34*

(d) Other guarantees issued by Bank for which the Company is contingently liable to ₹ 1.10 lacs *(Previous Year ₹ 2.00 lacs)*. These are covered by the charge created in favour of Company's bankers by way of hypothecation of stock and debtors.

The Company does not expect any liability in respect of item (a), (b) and (d) to devolve in respect of its exposure and therefore no provision has been made in respect thereof.

3. Estimated amount of contracts remaining to be executed on capital account is ₹ 2,451.22 lacs *(Previous Year ₹ 8,550.75 lacs)* against which advances paid aggregate to ₹ 1,676.34 lacs (*Previous Year ₹3,145.49 lacs*).

4. During the year, the Company acquired a majority of the equity shares of Metahelix Life Sciences Limited (Metahelix). Besides, the shares already acquired, it has made the following commitments:

(a) to acquire from certain shareholders (other than founder shareholders) 16,099 equity shares held by them for an amount aggregating ₹ 3,148.80 lacs;

(b) to allow the founder shareholders, a put option exercisable over a period of 5 years, 14,055 shares held by them for an amount aggregating ₹ 2,749.02 lacs;

At the end of 5 years, the Company has a call option to acquire the balance shares held by founder shareholders, at the fair market value as at the date of exercise.

5. The shareholders approved the issue of 6,482,296 fully paid up Equity Shares of ₹ 10 each as bonus share in the proportion of one bonus share for every two equity shares held by postal ballot on May 29, 2010. Accordingly, a sum of ₹ 648.23 lacs has been transferred to Equity Share Capital Account from Capital Redemption Reserve Account. Consequently, the earnings per share have been adjusted for all the periods presented. As no cash flows were involved, the same has not been disclosed under financing activity.

6. Fixed assets include ₹ 449.45 lacs *(Previous Year ₹720.14 lacs)* representing the book value of assets held for disposal. The Management expects to recover amounts higher than the carrying value of these assets.

7. Amount payable to Micro, Small and Medium Enterprises are as follows:

(a) The total amount of delayed payments during the year aggregates ₹ 1,552.36 lacs in respect of 61 parties *(Previous Year ₹1174.14 lacs in respect of 106 parties with amounts ranging from ₹0.01 lacs to ₹34.61 lacs)* with amounts ranging from ₹ 0.01 lacs to ₹ 47.48 lacs.

(b) The amount of principal outstanding in respect of the above as at Balance Sheet date is ₹ 339.06 lacs in respect of 35 parties *(Previous Year ₹387.20 lacs in respect of 90 parties with amounts ranging from ₹0.01 lacs to ₹171.41 lacs)* with amounts ranging from ₹ 0.06 lacs to ₹ 83.39 lacs.

(c) The total interest payable on account of delayed payment during the year is ₹ 17.09 lacs. The Company has made payments of ₹ 1.20 lacs during the year. The total interest payable aggregates to ₹ 40.78 lacs *(Previous Year ₹28.49 lacs)* and this entire amount was outstanding as at the year end.

8. Secured Loans :-

(a) Bank overdrafts and temporary loans have been secured by a first charge by way of hypothecation of stocks and receivables. The hypothecation also extends to guarantees issued by the Company's Bankers in the ordinary course of business.

(b) Loans from others on account of purchase of vehicles have been secured by way of hypothecation of vehicles.

(c) 750 Secured, Redeemable, Non Convertible Debentures 2010-11 Series I (Non Convertible Debentures) of face value of ₹ 10 lacs each were issued on 29.10.2010 amounting to ₹ 7,500.00 lacs with redemption period of 3 years at 9.05% rate of interest. These Non Convertible Debentures are secured by a first pari-passu mortgage over factory building and certain plant and machinery of Ankleshwar and Lote units.

9. The Company has acquired certain vehicles under hire purchase arrangements. These arrangements are non-cancellable. The fair value of such assets aggregates ₹ 319.28 lacs *(Previous Year ₹ 406.10 lacs)*. The total minimum lease payments (MLP) in respect thereof and present value of future lease payments, discounted at the interest rates implicit in the lease are ₹ Nil lacs as of 31.03.2011.

₹ lacs

Due	31.03.2011			*31.03.2010*		
	MLP			*MLP*		
	Principal	Interest	Total	*Principal*	*Interest*	*Total*
Within 1 Year	-	-	-	*0.33*	*0.01*	*0.34*

The legal titles, in the said vehicles remain with the Company.

The Company has procured 44 motor vehicles *(Previous Year Nil)* under a non-cancellable operating lease. Lease rent charged to the Profit and Loss Account during the year is ₹ 23.81 lacs *(Previous Year ₹Nil)* net of amount recovered from employees ₹ 8.22 lacs *(Previous Year ₹Nil)*. Disclosures in respect of non-cancellable lease are given below :

As at (₹ lacs)

	31.03.2011	*31.03.2010*
a) Total of minimum lease payments	386.27	-
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	102.51	-
Later than one year and not later than five years	283.76	-
c) Lease payments recognised in the statement of profit and loss for the year	23.81	-

The terms of operating lease do not contain any exceptional / restrictive covenants.
Premises are taken by the Company on operating leases that are cancellable.

10. Other Expenses include:-

	₹ lacs	
Auditors' Remuneration	2010-11	*2009-10*
Audit Fees	46.98	*46.98*
Tax Audit	10.00	*10.00*
Fees for Company Law Matters	-	*0.25*
Fees for other services including ₹ 48.50 lacs *(Previous Year ₹ 49.90 lacs)* for attest services.	63.50	*49.90*
Reimbursement of out-of-pocket expenses	2.89	*0.61*

Service tax which is being claimed for set-off as input credit has not been included in the expenditure above.

11. "Sundry Debtors" include ₹ Nil (*Previous Year ₹Nil*), being amount receivable from Rallis Australasia Pty. Ltd. (RAPL), a wholly owned subsidiary. The maximum amount outstanding during the year was ₹ 5.85 lacs *(Previous Year ₹1,101.46 lacs)*.

Also, included in "Loans and Advances" is a sum of ₹ 18.61 lacs *(Previous Year ₹18.61)* being amount due from Rallis Chemistry Exports Ltd., a wholly owned subsidiary. The maximum amount outstanding during the year was ₹ 18.61 lacs *(Previous Year ₹18.61 lacs)*.

12. The Company has incurred the following expenses on research and development activity:

₹ lacs

	2010-11	*2009-10 #*
On tangible fixed assets	23.86	*90.35*
On items which have been expensed during the year *	899.98	*512.12*
Total	**923.84**	***602.47***

* includes amount of ₹ 364.14 lacs *(Previous Year ₹129.37 lacs)* paid to an external agency.
# Recast

During the year the Company has also incurred ₹ 445.98 lacs (*Previous Year ₹271.31 lacs*) towards product development and registration which is included under Capital Work in Progress ("CWIP"). The total amount included in CWIP as at 31st March 2011 ₹ 1,161.53 lacs *(Previous Year ₹715.57 lacs)*. Out of the CWIP a sum of ₹ Nil lacs (*Previous Year ₹398.44 lacs)* was written off during the year.

13. (a) Computation of net profit in accordance with Section 349 of the Companies Act, 1956:

₹ lacs

	2010-11		*2009-10*	
Profit for the year before taxation		18,357.44		15,219.43
Add:				
Provision for doubtful debts and advances	0.25		195.07	
Managerial remuneration	400.25	400.50	263.75	458.82
		18,757.94		**15,678.25**
Less:				
Capital profit on sale of fixed / capital assets	120.52		-	
Bad debts and advances	842.79	963.31	1,556.63	1,556.63
Net Profit / (Loss) under section 349 of the Companies Act, 1956		**17,794.63**		**14,121.62**
Maximum amount permissible for the Managing Director and Whole-time Directors under Section 309 of the Companies Act, 1956		889.73		706.08
*Remuneration to the Managing Director and Whole-time Directors		246.25		135.15
Maximum amount permissible for Commission to non Whole-time Directors		177.95		141.22
#Commission to non Whole-time Directors		125.00		95.00

* Commission payable to Managing Director for the year 2010-11 includes ₹ 40 lacs relating to the previous year *(Previous Year ₹ 5 lacs).*

\# *Commission payable to Non Whole Time Directors for the year 2009-10 includes ₹ 5 lacs relating to the corresponding previous year.*

(b) Directors Remuneration

₹ lacs

	2010-11	*2009-10*
Remuneration to Managing Director & CEOSalary	34.80	*31.20*
Contribution to Provident & Superannuation fund	9.40	*8.42*
Other benefits in cash and kind	42.05	*30.53*
	86.25	*70.15*
Commission to Managing Director & CEO		
– for current year	120.00	*60.00*
– for previous year	40.00	*5.00*
Sub-Total (A)	**246.25**	***135.15***
Commission to Non-Whole Time Directors		
– for current year	125.00	*90.00*
– for previous year	-	*5.00*
Directors' Fees	29.00	*33.60*
Sub-Total (B)	**154.00**	***128.60***
Total (A+B)	**400.25**	***263.75***

The remuneration reported above excludes contributions to gratuity fund and provision for leave encashment since the same are ascertained on an aggregated basis for the Company as a whole by way of actuarial valuation and separate values attributable to the Managing Director are not available.

14. "Other Income" includes net gain of ₹ 177.14 lacs (*Previous Year net gain of ₹ 134.34 lacs grouped under "Other Income")* on account of foreign currency translation differences.

15. Deferred tax assets and liabilities: -

(a) The components of deferred tax assets and liabilities are as under:

(₹ lacs)

	As at	
Components	31.03.2011	*31.03.2010*
Deferred Tax Assets		
On Provision against debts and advances	1,749.83	*2,080.55*
On other items	391.49	*445.68*
Total	**2,141.32**	***2,526.23***
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	2,163.52	*1,847.63*
On other items	300.78	*143.83*
Total	**2,464.30**	***1,991.46***
Net Deferred Tax Asset / (Liability) Recognised	**(322.98)**	***534.77***

(b) Deferred tax charge for the year:

		(₹ lacs)
Year Ended	31.03.2011	*31.03.2010*
Opening Net Deferred Tax Asset	534.77	*1,015.80*
Less: Closing Net Deferred Tax Asset / (Liability)	(322.98)	*534.77*
Less: Debited to Hedging Reserve Account	(20.10)	*55.48*
Deferred Tax charge for the year	877.85	*425.55*

16. Segment Reporting

The Company has determined its business segment as "Agri - Inputs" comprising of Pesticides, Plant Growth Nutrients and Seeds. The other business segment comprises "Polymer" and is non reportable.

a. Primary Segment Information

₹ lacs

	Business Segments		
	Agri – Inputs	Others (non-reportable)	Total
REVENUE			
Total External Revenue	106,287.41	1,189.47	107,476.88
	88,809.39	*1,029.47*	*89,838.86*
Total Inter-Segment Revenue	-	-	-
Segment Revenue	106,287.41	1,189.47	107,476.88
	88,809.39	*1,029.47*	*89,838.86*
Unallocable Revenue			631.12
			556.44
Total Revenue (A)			108,108.00
			90,395.30
RESULTS			
Segment Results (B)	17,298.94	889.17	18,188.11
	14,646.44	*419.67*	*15,066.11*
Unallocable Income (Net of Unallocable expenses)			501.54
			420.48
Operating Profit /(Loss)			18,689.65
			15,486.59
Interest Expenses			332.21
			267.16
Profit /(Loss) before taxation			18,357.44
			15,219.43
Taxation			(5,736.17)
			(5,115.50)
Profit /(Loss) after taxation			12,621.27
			10,103.93

₹ lacs

	Business Segments		Total
	Agri – Inputs	Others (non-reportable)	
OTHER INFORMATION			
ASSETS			
Segment Assets (C)	71,388.74 *51,830.34*	1,785.31 *2,057.24*	73,174.05 *53,887.58*
Unallocated assets			22,917.55 19,602.91
Total Assets			96,091.60 *73,490.49*
LIABILITIES			
Segment Liabilities (D)	30,806.20 *26,404.91*	100.81 *147.88*	30,907.01 *26,552.79*
Unallocated Liabilities			14,849.08 *4,658.49*
Total Liabilities			45,756.09 *31,211.28*
CAPITAL EXPENDITURE			
Cost incurred during the year to acquire Segment Assets (E)	13,988.18 *9,119.51*	22.94 *1,522.00*	14,011.12 *10,641.51*
Unallocated Capital Expenditure			- -
Total Cost incurred during the year to acquire assets			14,011.12 *10,641.51*
DEPRECIATION			
Segment Depreciation (F)	1,648.84 *1,723.74*	67.23 *107.29*	1,716.07 *1,831.03*
Unallocated Depreciation			- -
Total Depreciation			1,716.07 1,831.03
NON CASH EXPENSES			
Segment Non Cash expenses other than Depreciation/Amortisation (G)	(167.03) *1,150.40*	- -	(167.03) *1,150.40*
Total Non Cash expenses			(167.03) *1,150.40*

Figures in italics relate to the previous year.

b. Secondary Segment Information

₹ lacs

	2010-11	*2009-10*
1. Segment Revenue		
(a) India	81,609.29	*70,592.66*
(b) Outside India	25,867.59	*19,246.20*
Total	**107,476.88**	***89,838.86***
2. Segment Assets (excluding Deferred Tax Asset)		
(a) India	67,405.57	*48,453.72*
(b) Outside India	5,768.48	*5,433.86*
Total	**73,174.05**	***53,887.58***
3. Cost incurred during the year to acquire Segment Assets		
(a) India	14,011.12	*10,641.51*
(b) Outside India	-	-
Total	**14,011.12**	***10,641.51***

Figures in italics relate to the previous year.

All tangible and intangible fixed assets of the Company are situated in India and therefore cost incurred during the year for acquisition of such assets under different geographic segments is not furnished.

Footnotes:

(i) Unallocable assets include Deferred Tax Assets, Investments, Advance Income Tax, Advance Fringe Benefits Tax and Interest Accrued on Investments.

(ii) Unallocable liabilities includes Secured Loans, Unsecured Loans, Provisions for Equity Dividend and tax thereon, Provisions for Preference Dividend and tax thereon, Provision for Supplemental Payments on Retirement, Provision for Pension under Voluntary Retirement Schemes and Provision for Income and Fringe Benefit Tax.

(iii) Unallocable income includes income from investment activities.

(iv) Unallocable expenditure includes charge in respect of Supplemental Payments on retirement valued on actuarial basis.

17. Turnover:-

₹ lacs

		2010-11		*2009-10*	
	Units	Quantity	Value	*Quantity*	*Value*
Pesticides	Tonnes	14,741	109,713.98	*14,916*	*91,315.49*
	Kl.ltr	12,249		*11,115*	
Plant Growth Nutrients	Tonnes	1,908	2,383.91	*1,105*	*1,322.91*
	Kl.ltr	108		*84*	
Seeds	Tonnes	649	665.62	*115*	*499.55*
Tanning Materials	Tonnes	-	-	*377*	*210.71*
			112,763.51		***93,348.66***
Less: - Excise Duty			**8,091.47**		***5,835.30***
Net Turnover			**104,672.04**		***87,513.36***

18. Related Party Disclosures

Disclosure as required by Accounting Standard (AS) - 18 "Related Party Disclosures" as prescribed under section 211 (3C) of the Companies Act, 1956.

(a) Names of the related parties and description of relationship:

(i) Promoters:	Tata Chemicals Limited
	Tata Tea Limited - up to 18.08.2009
	Tata Sons Limited - up to 18.08.2009
	Tata Investment Corporation
	Ewart Investments Limited
	Tata AIG Life Insurance Co. Limited (w.e.f.- 21.05.2010)
(ii) Holding Company:	Tata Chemicals Limited on and from 09.11.2009
(iii) Subsidiary Companies:	Rallis Australasia Pty. Ltd.
	(Under liquidation from-31.03.2011)
	Rallis Chemistry Exports Ltd. as and from 07.07.2009
	Metahelix Life Sciences Ltd (w.e.f -30.12.2010)
	Dhaanya Seeds Ltd. (w.e.f -30.12.2010)
(iv) Key Management Personnel:	Mr.V.Shankar – Managing Director & CEO

(b) Details of Transactions:

₹ lacs

Nature of Transactions	Holding Company	Subsidiary Companies	Promoters	Key Management Personnel	Total
Purchase of Goods	624.87	84.34	-	-	709.21
	134.93	-	*112.21*	-	*247.14*
Sales of Goods	888.21	15.18	-	-	903.39
	133.63	*183.00*	*582.63*	-	*899.26*
Brand Equity	-	-	-	-	-
	-	-	*39.81*	-	*39.81*
Services Received	55.33	-	-	-	55.33
	-	-	*8.79*	-	*8.79*
Services Given	21.85	-	-	-	21.85
	-	-	-	-	-
Loans given to Subsidiary	-	-	-	-	-
	-	*18.61*	-	-	*18.61*
Provision for loans given to subsidiary	-	-	-	-	-
	-	*18.61*	-	-	*18.61*
Investment in Subsidiary	-	2,500.03	-	-	2,500.03
	-	*5.00*	-	-	*5.00*
Other Expenses	9.69	-	-	-	9.69
	0.71	-	*0.02*	-	*0.73*
Preferential Allotment of Equity	-	-	-	-	-
Shares incl. premium	*8,903.40*	-	-	-	*8,903.40*

₹ lacs

Nature of Transactions	Holding Company	Subsidiary Companies	Promoters	Key Management Personnel	Total
Redemption of Cumulative Redeemable Preference Shares	- -	- -	- *4,100.00*	- -	- 4,100.00
Dividend Paid (Equity)	1,525.02 -	- -	9.21 *1,235.30*	- -	1,534.23 *1,235.30*
Dividend Paid (Preference)	- -	- -	- *411.97*	- -	- *411.97*
Debit Balance outstanding as at year end - Other Receivables	28.16 *9.94*	6.06 -	- -	- -	34.22 *9.94*
Credit Balance outstanding as at year end - Other Payables	111.52 *34.18*	- -	- -	- -	111.52 *34.18*
Investment as at year end	- -	12,633.34 *5.35*	- -	- -	12,633.34 *5.35*
Remuneration Paid	- -	- -	- -	246.25 *135.15*	246.25 *135.15*

Figures in italics relate to the previous year. Transactions included in (b) above which are in excess of 10% of the total related party transactions of the same type are given below:

₹ lacs

Nature of Transactions	Rallis Australasia Pry. Ltd.	Rallis Chemistry Exports Ltd.	Dhaanya Seeds Ltd	Tata Chemicals Ltd.	Metahelix Life Sciences Ltd.	Tata AIG Insurance Company Ltd.	Tata Tea Ltd	Tata Sons Ltd.
Purchase of Goods	84.34 -	- -	- -	624.87 *247.14*	- -	- -	- -	– –
Sales of Goods	5.85 *183.00*	- -	9.33 -	888.21 *716.26*	- -	- -	- -	– –
Brand Equity	- -	- -	- -	- -	- -	- -	- -	– *39.81*
Services Received	- -	- -	- -	55.33 -	- -	- -	- -	– *8.79*
Services Given	- -	- -	- -	21.85 -	- -	- -	- -	- –
Other Expenses	- -	- -	- -	9.69 *0.73*	- -	- -	- -	- –
Redemption of Cumulative Redeemable Preference Shares	- -	- -	- -	- *2,900.00*	- -	- -	- *1,200.00*	– –
Investments in Subsidiary	- -	- *5.00*	- -	- -	2,500.03 -	- -	- -	– –
Loans given	- -	18.61 *18.61*	- -	- -	- -	- -	- -	– -
Provisions for Loans given to subsidiary	- -	18.61 *18.61*	- -	- -	- -	- -	- -	– –
Preferential Allotment of Equity Shares including premium	- -	- -	- -	- *8,903.40*	- -	- -	- -	– –
Dividend Paid (Equity)	- -	- -	- -	1,525.02 *620.98*	- -	9.21 -	- *470.20*	– *144.12*
Dividend Paid (Preference)	- -	- -	- -	- *291.39*	- -	- -	- *120.58*	– –

Figures in italics relate to the previous year.

19. Quantitative and value analysis of materials consumed: -

	Units	2010-11		*2009-10*	
		Quantity	Value ₹ lacs	*Quantity*	*Value ₹ lacs*
Active Ingredients for pesticides	Tonnes KL	5,651 -	25,010.03 -	*3,161* *-*	*15,979.36* *-*
Other Chemicals	Tonnes KL	47,026 601	28,483.61 158.62	*41,774* *423*	*25,191.79* *459.03*
			53,652.26		***41,630.18***

20. (a) Licensed / installed capacities, production and stocks of goods manufactured: -

	Units	Installed Capacity	Production Quantity	Opening Stocks Quantity	Opening Stocks Value ₹ lacs	Closing Stocks Quantity	Closing Stocks Value ₹ lacs
Pesticides Solids	Tonnes	12,720	10,921	2,353	6,029.61	2,271	9,185.55
	Tonnes	*16,720*	*11,067*	*1,731*	*6,132.81*	*2,353*	*6,029.61*
Liquids	KL	16,500	11,601	959	2,454.72	1,070	3,037.07
	KL	*12,500*	*11,120*	*655*	*1,470.90*	*959*	*2,454.72*
Plant Growth Nutrients	Tonnes	N.A.	1,824	202	159.16	402	261.92
	Tonnes	*N.A.*	*489*	*304*	*91.76*	*202*	*159.16*
Total					**8,643.49**		**12,484.54**
					7,695.47		***8,643.49***

Footnotes: -

(i) Licensed Capacity – Delicensed vide Gazette Notification No. S.O.477 (E) dated 25.07.1991.

(ii) Figures in italics are in respect of the previous year.

(iii) Production figures are net of captive consumption and exclude by-products (*Previous Year Recast*).

(iv) Production includes quantities manufactured at sub-contracting plants. Installed capacity represents capacity installed at Company's facilities.

(v) N.A. = Not Applicable.

(b) Purchase and stock of goods traded:

	Units	Purchases Qty	Purchases Value ₹ lacs	Opening Stocks Qty	Opening Stocks Value ₹ lacs	Closing Stocks Qty	Closing Stocks Value ₹ lacs
a. Pesticides	Tonnes	3,717	3,849.44	120	236.58	84	173.18
	KL	785	4,218.92	29	198.30	39	475.21
	Tonnes	*3,643*	*3,250.22*	*145*	*85.68*	*120*	*236.58*
	KL	*350*	*2,059.08*	*17*	*123.60*	*29*	*198.30*
b. Plant Growth Nutrients	Tonnes	217	43.71	105	19.14	28	5.36
	KL	102	205.74	14	32.64	8	16.26
	Tonnes	*592*	*99.28*	*374*	*4.43*	*105*	*19.14*
	KL	*83*	*169.52*	*15*	*28.05*	*14*	*32.64*
c. Seeds	Tonnes	702	651.69	6	1.74	48	27.34
	Tonnes	*94*	*416.37*	*40*	*5.17*	*6*	*1.74*
d. Tanning Materials	Tonnes	-	-	-	-	-	-
	Tonnes	*226*	*186.56*	*151*	*93.73*	*-*	*-*
Total			**8,969.50** ***6,181.03***		**488.40** ***340.66***		**697.35** ***488.40***

Footnote: -

Figures in italics are in respect of the previous year.

21. Value of imports on C. I. F. basis: -

	₹ lacs	
	2010-11	*2009-10*
Raw Materials	27,730.30	*22,427.90*
Stores, Spare Parts and Packing Materials	85.04	*2.76*
Capital Goods	188.15	*64.26*
Total	**28,003.49**	***22,494.92***

22. Expenditure in foreign currency: -

	₹ lacs	
	2010-11	*2009-10#*
Interest	0.63	*35.30*
Professional Fees	20.69	*0.39*
Processing	68.79	-
Commission	179.35	*106.36*
Travelling	34.62	*27.15*
Research & Development	-	*73.22*
Handling and Other Selling Expenses	266.71	*21.89*
Subscription	3.61	*10.99*
Bank Charges	18.44	*15.29*
Others	9.44	*7.37*
Total	**602.28**	***297.96***

Recast

23. Value of Imported and Indigenous Materials consumed: -

	₹ lacs			
	2010-11		*2009-10*	
	Amount	%	Amount	%
Raw Materials				
Imported (including Customs Duty)	28,145.65	52%	*22,382.66*	*54%*
Indigenous	25,506.61	48%	*19,247.52*	*46%*
Total	**53,652.26**	**100%**	***41,630.18***	***100%***
Packing Materials				
Imported (including Customs Duty)	3.53	0%	*2.89*	*0 %*
Indigenous	4149.17	100%	*3,524.77*	*100 %*
Total	**4,152.70**	**100%**	***3,527.66***	***100%***
Spare Parts & Components				
Imported (including Customs Duty)	52.42	10%	*6.54*	*2%*
Indigenous	476.07	90%	*396.26*	*98%*
Total	**528.49**	**100%**	***402.80***	***100%***

24. Earnings per Share: -

	₹ lacs	
	2010-11	*2009-10*
i) Net Profit After Tax	12,621.27	*10,103.93*
Less : Preference dividend including tax thereon	-	*262.33*
Profit attributable to Equity Shareholders	12,621.27	*9,841.60*
ii) Weighted average No. of Equity Shares for Basic / Diluted EPS (Nos) *	19,446,889	*18,850,835*
iii) Nominal Value of Equity Per Share	10.00	*10.00*
iv) Basic / Diluted Earnings Per Share (in ₹)	64.90	*52.21*

*Weighted average No. of Equity Shares includes 980,000 shares issued on 22.09.2009. (Also refer Note No. 5 in schedule No.19).

25. Earnings in foreign exchange: -

	₹ lacs	
	2010-11	*2009-10*
Export of goods on F. O. B. basis	25,510.61	*19,040.84*
Commission	-	*30.50*
Freight, insurance and other matters	356.98	*174.86*
	25,867.59	***19,246.20***

26. Statement of purchase and sales of units of mutual funds:-

		2010-11		*2009-10*	
Particulars of Investment		No. of Units	Cost ₹ lacs	*No. of Units*	*Cost ₹ lacs*
(a)	**Acquired and disposed off during the year**				
	ICICI Prudential Institutional Liquid Plan Super Institutional Daily Dividend-F.V. ₹ 10.0220	-	-	*124,987,159*	*12,526.21*
	ICICI Prudential Institutional Liquid Plan Super Institutional Daily Dividend –F.V. ₹ 100.2200	-	-	*199,975*	*200.42*
	Reliance Money Manager- IP- Dividend	306,652	3,070.73	*474,461*	*4,750.00*
	Reliance Liquid Fund-Treasury	29,604,658	4,525.78	*64,439,077*	*9,850.93*
	HDFC Cash Management Fund-Treasury Advantage WP – Daily Dividend	12,554,600	1,259.41	*57,813,684*	*5,799.58*
	HDFC Cash Management Fund-Saving Plan – Daily Dividend Reinvestment	15,985,401	1,700.27	*96,847,198*	*10,301.05*
	Tata Floater Fund- Daily Dividend	251,626,058	25,252.18	*228,888,126*	*22,970.30*
	ICICI Prudential Flexi Income Plan Premium – Daily Dividend – F.V. ₹ 10.5735	-	-	*91,647,505*	*9,690.35*
	ICICI Prudential Flexi Income Plan Premium – Daily Dividend –F.V. ₹ 105.7350	-	-	*5,662,755*	*5,987.51*
	Tata Liquid Super high Investment Fund – Daily Dividend	3,041,058	33,893.19	*4,323,330*	*48,184.37*
(b)	**Acquired during the year and retained as at the year end**				
	Reliance Money Manager- IP- Dividend	-	-	*443,463*	*4,440.56*
	HDFC Cash Management Fund-Treasury Advantage WP – Daily Dividend	-	-	*38,270,983*	*3,839.15*
	Tata Floater Fund- Daily Dividend	-	-	*15,426,471*	*1,548.14*
	Tata Liquid Super high Investment Fund – Daily Dividend	-	-	*1,30,115*	*1,450.16*
(c)	**Sold out of acquisitions of an earlier year**				
	Tata Floater Fund- Daily Dividend	15,426,471	1,548.14	*42,944,151*	*4,309.70*
	Reliance Money Manager- IP- Dividend	443,463	4,440.56	-	-
	HDFC Cash Management Fund-Treasury Advantage WP – Daily Dividend	38,270,983	3,839.15	-	-
	Tata Liquid Super high Investment Fund – Daily Dividend	130,115	1,450.16	*206,504*	*2,301.53*
	ICICI Prudential Flexi Income Plan Premium – Daily Dividend	-	-	*40,281,243*	*4,259.14*

Out of investments made during the year disclosed above, ₹ 31,736.06 lacs *(Previous Year ₹ 67,914.74 lacs)* were on account of switches not requiring the use of Cash and Cash Equivalents. Therefore, these amounts are not included under "Investing Activities" in the Cash Flow Statement.

27. The Company has invested ₹ 880.00 lacs in Non - Convertible Debentures ("NCDs") of Advinus Therapeutics Pvt. Ltd. having a coupon rate of 4.25%. The NCDs will be redeemed between December 2010 and May 2013 at a premium of 25%. Income recognised during the year includes ₹ 30.44 lacs *(Previous Year ₹ 33.32 lacs)* in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹189.62 lacs were redeemed at a 25% premium which aggregated ₹ 47.96 lacs.

28. Foreign Currency Exposures :-

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts and currency option contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and four years.

Derivative Instruments:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

(a) The following derivative instruments are outstanding as at balance sheet date:

i) Outstanding Forward Exchange Contracts entered into by the Company

Particulars	As at					
	31.03.2011			*31.03.2010*		
	No of Contracts	Amount in Millions	₹ lacs	*No of Contracts*	*Amount in Millions*	*₹ lacs*
Receivables	-	-	-	*6*	*USD 3.60*	*1,623.24*
	-	-	-	*2*	*AUD 0.88*	*364.58*
Payables	3	USD 3.35	1,496.78	*5*	*USD 1.92*	*865.50*
	2	JPY 185.87	1,001.94	*9*	*JPY 341.00*	*1,649.04*

Note: USD = US Dollar; EUR = Euro; JPY = Japanese Yen; AUD = Australian Dollar.

ii) The following is the outstanding currency option contract, which has been designated as Cash Flow Hedges:

	As at 31.03.2011			*As at 31.03.2010*		
Foreign Currency	No of Contracts	Notional amount of currency option contracts	Fair Value Contracts Gain / (Loss) ₹ lacs	*No of Contracts*	*Notional amount of currency option contracts*	*Fair Value Gain / (Loss) ₹ lacs*
USD	1	5.90 Millions	97.36	1	*8.85 Millions*	*152.90*

USD = U.S. Dollar

The net gain on the derivative instrument of ₹ 73.66 lacs (net of Deferred Tax Liability of ₹ 35.38 lacs) is recognised in the Hedging Reserve Account as at 31st March, 2011 of which ₹ 62.02 lacs *(Previous Year ₹ 64.49 lacs)* is expected to be reclassified in the Profit and Loss Account by 31st March 2012.

(b) The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below.

i) Amounts receivable in foreign currency on account of the following: -

Particulars	As at			
	31.03.2011		*31.03.2010*	
	₹ lacs	Amount in Millions	*₹ lacs*	*Amount in Millions*
Exports of goods and services	5,756.94	USD 11.50 AUD 1.27 EUR 0.05	*3,794.15*	*USD 8.37* *AUD -* *EUR 0.03*
Investment in Subsidiary Company	0.35	AUD 0.001	*0.35*	*AUD 0.001*

ii) Amounts payable in foreign currency on account of the following: -

Particulars	As at			
	31.03.2011		*31.03.2010*	
	₹ lacs	Amount in Millions	*₹ lacs*	*Amount in Millions*
Packing Credit	418.14	USD 0.82	-	-
Imports of goods and services	8,466.54	USD 18.77 JPY 254.57 EUR 0.11 AUD 0.02	*5,647.77*	*USD 12.31* *JPY -* *EUR 0.16* *AUD -*
Customer Advances	141.61	USD 0.32	*130.74*	*USD 0.29*

Note: USD = US Dollar; EUR = Euro; JPY = Japanese Yen; AUD = Australian Dollar.

29. Employee Benefit Obligations

Defined-Contribution Plans

The Company makes contributions towards provident fund, family pension fund and superannuation fund to defined contribution retirement benefit plans for qualifying employees. The provident fund is administered by the Trustees of Rallis India Limited Provident Fund Trust, the family pension fund is administered by the Government of India and the superannuation fund is administered by the Life Insurance Corporation of India and HDFC Standard Life Insurance Company Ltd. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. The rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under paragraph 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

A sum of ₹ 450.21 lacs (*Previous Year ₹383.96 lacs*) has been charged to the revenue account in this respect.

Defined–Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and a supplemental pay scheme (a life long pension). Benefits under the defined benefit plans are typically based either on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees, while supplemental pay plan covers certain executives. In the case of the gratuity scheme, the Company contributes funds to Gratuity Trust, which is irrevocable, while the supplemental pay scheme is not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the profit and loss account.

The net value of the defined-benefit commitment is detailed below:

₹ lacs

	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2010-11			*2009-10*		
Present Value of Commitments	1,471.98	1,562.49	3,034.47	*1,501.24*	*1,572.68*	*3,073.92*
Fair Value of Plans	1,419.20	-	1,419.20	*1,341.60*	*-*	*1,341.60*
Net liability in the balance sheet	52.78	1,562.49	1,615.27	*159.64*	*1,572.68*	*1,732.32*

Defined Benefit Obligation:

₹ lacs

	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2010-11			*2009-10*		
Opening balance as at 1st April, 2010	1,501.24	1,572.68	3,073.92	*1,238.59*	*1,567.17*	*2,805.76*
Benefits earned during the year	-	-	-	*-*	*-*	*-*
Past Service Cost	78.43	-	78.43	*-*	*-*	*-*
Current Service Cost	115.14	19.85	134.99	*119.46*	*17.20*	*136.66*
Interest expenses	116.35	116.87	233.22	*102.53*	*106.15*	*208.68*
Paid benefits	(178.38)	(168.94)	(347.32)	*(152.94)*	*(135.96)*	*(288.90)*
Actuarial (gain) / loss	(160.80)	22.03	(138.77)	*193.60*	*18.12*	*211.72*
Closing balance as at 31st March, 2011	1,471.98	1,562.49	3,034.47	*1,501.24*	*1,572.68*	*3,073.92*

Plan assets: Gratuity

₹ lacs

	2010-11	*2009-10*
Opening balance as at 1st April, 2010	1,341.60	*605.77*
Expected return on scheme assets	107.33	*107.60*
Contributions by the Company	151.91	*815.71*
Paid funds	(178.37)	*(152.94)*
Actuarial gain / (loss)	(3.27)	*(34.54)*
Balance with the Trust as at 31st March, 2011	1,419.20	*1,341.60*
Closing balance as at 31st March, 2011	1,419.20	*1,341.60*

Investment Details:

₹ lacs

	31.03.2011	*31.03.2010*
(a) Debentures	464.01	*545.08*
(b) Equity	186.69	*174.83*
(c) Government Securities	188.32	*122.98*
(d) Deposits, Money market Securities & Other Assets	144.51	*89.51*
(e) Other – Fund managed by other insurer whose pattern of investment is not available with the Company	339.98	*314.53*
(f) Others	95.69	*94.67*
Total Asset	1,419.20	*1,341.60*

The plan assets are managed by the Gratuity Trust formed by the Company. The management of funds is entrusted with the Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited.

Return on plan assets: - Gratuity

₹ lacs

	2010-11	*2009-10*
Expected return on plan assets	107.33	*107.60*
Actuarial gain / (loss)	(3.27)	*(34.54)*
Actual return on plan assets	104.06	*73.06*

Expenses on defined benefit plan:

₹ lacs

	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2010-11			*2009-10*		
Current service costs	115.14	19.85	134.99	*119.46*	*17.20*	*136.66*
Past service cost	78.43	-	78.43	*-*	*-*	*-*
Interest expense	116.35	116.87	233.22	*102.53*	*106.15*	*208.68*
Expected return on investment	(107.33)	-	(107.33)	*(107.60)*	*-*	*(107.60)*
Net actuarial (gain) / loss	(157.53)	22.03	(135.50)	*228.14*	*18.12*	*246.26*
Expenses charged to the profit and loss account	45.06	158.75	203.81	*342.53*	*141.47*	*484.00*

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense.

	2010-11	2009-10
Rate for discounting liabilities	8.50% p.a.	*7.75% p.a.*
Expected salary increase rate	8.00% p.a.	*8.00% p.a.*
Expected return on scheme assets	8.00% p.a.	*8.00% p.a.*
Mortality rates	LIC 1994-96 ultimate table	*LIC 1994-96 ultimate table*

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

Experience adjustment:

(a) Gratuity

₹ lacs

	2010-11	*2009-10*	*2008-09*	*2007-08*	*2006-07*
Defined benefit obligation	1,471.98	*1,501.24*	*1,238.59*	*1,138.26*	*806.41*
Plan asset	1,419.20	*1,341.60*	*605.77*	*860.98*	*558.15*
Surplus/(Deficit)	(52.78)	*(159.64)*	*(632.82)*	*(277.28)*	*(248.26)*
Experience adjustment on plan assets	(3.27)	*(34.54)*	*(146.09)*	*	*
Experience adjustment on plan liabilities	(72.57)	*(19.50)*	*25.81*	*	*

(b) Supplemental Pay

₹ lacs

	2010-11	*2009-10*	*2008-09*	*2007-08*	*2006-07*
Defined benefit obligation	1,562.49	*1,572.68*	*1,567.17*	*1,569.63*	*1506.25*
Plan asset	-	-	-	-	-
Surplus/(Deficit)	(1,562.49)	*(1,572.68)*	*(1,567.17)*	*(1,569.63)*	*(1506.25)*
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	21.19	*63.94*	*(79.49)*	*	*

*The figures in respect of previous two periods are not available.

The contributions expected to be made by the Company during the financial year 2011-12 amount to ₹ 52.78 lacs.

30. Other Liabilities include provision held in respect of indirect tax matters in dispute:

₹ lacs

Particulars	2010-11	*2009-10*
Opening Balance as at 01st April, 2010	185.21	*185.21*
Additional provisions made during the year	-	*161.27*
Total	185.21	*346.48*
Payments made adjusted against above sum	-	*(161.27)*
Closing Balance as at 31st March, 2011	185.21	*185.21*

31. Rallis Australasia Pty. Ltd., a subsidiary of the Company, has applied for voluntary liquidation as of 31st March, 2011. The Company expects to recover an amount higher than the carrying value of the investment.

32. Previous year's figures have been regrouped / restated wherever necessary to conform to the classification of the current year.

Signature to Schedules 1 to 19

HOMI R. KHUSROKHAN B. D. BANERJEE E. A. KSHIRSAGAR S. RAMANATHAN PRAKASH R. RASTOGI BHARAT VASANI K. P. PRABHAKARAN NAIR R. MUKUNDAN YOGINDER K. ALAGH	*Directors*	R. GOPALAKRISHNAN V. SHANKAR P. S. MEHERHOMJI	*Chairman* *Managing Director & CEO* *Company Secretary*

Mumbai, 29th April , 2011

Balance Sheet Abstract & Company's General Business Profile :-

I. Registration Details

Registration No. 14083 State Code 11

Balance Sheet Date 31 03 2011

Date Month Year

II. Capital Raised during the Year (Amount in ₹ Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
64823	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities (including Current Liabilities)	Total Assets
9609160	9609160

Sources of Funds

Paid-up Capital	Reserves & Surplus
194471	4839080
Secured Loans	**Unsecured Loans**
847152	76496
Deferred Tax Liability	
32298	

Application of Funds

Net Fixed Assets	Investments
3844510	1519302
Net Current Assets	
625685	

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	Total Expenditure
10810800	8975056
Profit Before Tax (+ ✓ / -)	**Profit After Tax** (+ ✓ / -)
1835744	1262127
Earnings per Share ₹	**Dividend Rate %**
64.90	200

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product
380820-09	HEXACONAZOLE
380810-29	ACEPHATE
380820-90	METCONAZOLE

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

₹ lacs

Name of the subsidiary company	Financial year of the subsidiary company	Number of shares held by Rallis India Limited	Profits/(loss) so far as it concerns the members of Rallis India Limited and not dealt with in the accounts of Rallis India Limited for the year ended 31/03/2011	Profits/(loss) so far as it concerns the members of Rallis India Limited and dealt with in the accounts of Rallis India Limited for the year ended 31/03/2011
1	2	3	4	5
Metahelix Life Sciences Limited *	1/4/2010 to 31/03/2011	63,666	59.53	Nil
Rallis Australasia Pty Ltd	1/4/2010 to 31/03/2011	1,000	(83.90)	Nil
Rallis Chemistry Exports Ltd	1/4/2010 to 31/03/2011	50,000	(3.92)	Nil

** Date of acquisition 30th December, 2010*

On behalf of the Board

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 29th April , 2011

Summary of Financial information of Subsidiaries

₹ lacs

Particulars	Rallis Australasia Pty Ltd $	Rallis Chemistry Exports Ltd	Metahelix Life Sciences Ltd#	Dhaanya Seeds Ltd@#
Capital	0.35	5.00	10.57	257.25
Reserve	98.08	(18.92)	5,570.37	(291.58)
Total Asset	98.43	4.80	5,936.41	5,357.49
Total Liabilities	-	18.72	355.47	5,391.82
Investment other than investment in subsidiary	-	-	-	-
Turnover	76.62	-	1,185.39	4,983.95
Profit before taxation	(83.90)	(3.92)	251.17	(1,335.10)
Provision for taxation	-	-	67.89	-
Profit after taxation	(83.90)	(3.92)	183.28	(1,335.10)
Proposed dividend	-	-	-	-

Footnotes:

$ The financial statementes of Rallis Australasia Pty. Ltd. have been tralsated into Indian Rupees using the closing exchange rate for monetary items, the exchange rate prevailing on the date of transactions for non-monetary items and the average exchange rate for the year for items of income and expense.

Turnover, Profit/(Loss) before taxation, Provision for Tax and Profit/(Loss) after Tax shown above is for the period 01/04/2010 to 31/03/2011. However, same is considered on a proportionate basis for the purposes of Consolidation from the date of acquisition as disclosed in Note 1(a) of Schedule 19 based on the consolidated financial statements of Metahelix Life Sciences Ltd.

@ Dhaanya Seeds Ltd. is a subsidiary of Metahelix Life Sciences Ltd.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF RALLIS INDIA LIMITED

1. We have audited the attached Consolidated Balance Sheet of **RALLIS INDIA LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets (net of current liabilities and provisions) of ₹ 98.43 lacs as at 31st March, 2011 and net cash outflows amounting to ₹ 31.04 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, 29th April, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

₹ lacs

	Schedule No.	Page	As at 31st March, 2011		*As at 31st March, 2010*	
SOURCES OF FUNDS						
SHAREHOLDERS' FUNDS						
Capital	1	88	**1,944.71**		*1,296.48*	
Reserves and Surplus	2	88	**48,547.45**		*41,149.14*	
				50,492.16		*42,445.62*
MINORITY INTEREST				**214.62**		–
LOAN FUNDS						
Secured Loans	3	89	**10,873.13**		*161.18*	
Unsecured Loans	4	89	**848.23**		*650.07*	
				11,721.36		*811.25*
DEFERRED TAX LIABILITY (Net) (Refer Note No.9 in Schedule 19)				**322.98**		-
TOTAL				**62,751.12**		*43,256.87*
APPLICATION OF FUNDS						
FIXED ASSETS						
Gross Block			**40,568.76**		*30,909.69*	
Less: Depreciation/Amortisation			**17,425.33**		*15,635.01*	
Net Block	5	90	**23,143.43**		*15,274.68*	
Capital Work-in-Progress at cost, including capital advances			**16,945.09**		*11,202.91*	
				40,088.52		*26,477.59*
GOODWILL ON CONSOLIDATION				**12,362.77**		-
INVESTMENTS	6	90-91		**2,559.69**		*14,022.97*
DEFERRED TAX ASSETS (Net) (Refer Note No.9 in Schedule 19)				-		*534.77*
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	7	92	**22,891.98**		*14,886.95*	
Sundry Debtors	8	92	**10,635.02**		*7,550.55*	
Cash and Bank Balances	9	92	**1,457.45**		*1,189.66*	
Other Current Assets	10	92	**128.40**		*145.91*	
Loans and Advances	11	93	**11,542.22**		*8,861.67*	
			46,655.07		*32,634.74*	
LESS: CURRENT LIABILITIES AND PROVISIONS						
Current Liabilities	12	93	**33,057.84**		*25,953.76*	
Provisions	13	93	**5,857.09**		*4,459.44*	
			38,914.93		*30,413.20*	
NET CURRENT ASSETS				**7,740.14**		*2,221.54*
TOTAL				**62,751.12**		*43,256.87*
Notes to the Accounts	19	96-112				

Schedules referred to above form an integral part of the Consolidated Balance Sheet and should be read in conjunction therewith.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Mumbai, 29th April , 2011

HOMI R. KHUSROKHAN
B. D. BANERJEE
E. A. KSHIRSAGAR
S. RAMANATHAN
PRAKASH R. RASTOGI
BHARAT VASANI
K. P. PRABHAKARAN NAIR
R. MUKUNDAN
YOGINDER K. ALAGH
Directors

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2011

₹ lacs

	Schedule No.	Page	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
INCOME						
Turnover (Gross)				**114,661.91**		*93,703.04*
Less : Excise Duty				**8,091.47**		*5,835.30*
Turnover (Net)				**106,570.44**		*87,867.74*
Other Income	14	94		**3,459.59**		*2,887.52*
				110,030.03		*90,755.26*
EXPENDITURE						
Materials Consumed	15	94		**58,563.14**		*45,272.38*
Purchase of Finished Goods				**8,969.50**		*6,181.03*
(Increase)/Decrease in Closing Stock of Finished Goods and Work in Process	16	94		**(4,171.50)**		*(901.68)*
Operating Expenses	17	95		**26,074.85**		*22,828.59*
Interest Charge	18	95		**398.47**		*272.85*
Depreciation/Amortisation				**1,748.45**		*1,831.03*
				91,582.91		*75,484.20*
PROFIT BEFORE TAXATION				**18,447.12**		*15,271.06*
Provision for Taxation						
- Current Tax			**(5,138.12)**		*(4,514.10)*	
- For prior years			**211.91**		*(182.57)*	
- Deferred Tax - charge (Net) (Refer Note No. 9 in Schedule 19)			**(877.85)**	**(5,804.06)**	*(425.55)*	*(5,122.22)*
PROFIT AFTER TAXATION BEFORE MINORITY INTEREST				**12,643.06**		*10,148.84*
MINORITY INTEREST				**39.34**		*-*
PROFIT AFTER TAXATION AND MINORITY INTEREST				**12,603.72**		*10,148.84*
Balance brought forward from previous year				**15,893.60**		*18,450.98*
AMOUNT AVAILABLE FOR APPROPRIATIONS				**28,497.32**		*28,599.82*
APPROPRIATIONS						
Transfer to/(from):						
Capital Redemption Reserve				**-**		*8,800.00*
Debenture Redemption Reserve				**1,250.00**		*-*
Preference Dividend				**-**		*224.22*
Distribution Tax on Preference Dividend				**-**		*38.11*
Interim Dividend on Equity Shares				**1,750.22**		*958.77*
Distribution Tax on Interim Dividend				**290.69**		*162.94*
Proposed Equity Dividend				**2,139.16**		*1,296.46*
Distribution Tax on Proposed Equity Dividend				**347.02**		*215.33*
General Reserve				**1,262.13**		*1,010.39*
Balance carried to Balance Sheet				**21,458.10**		*15,893.60*
				28,497.32		*28,599.82*
Basic and Diluted Earnings per share ₹ (Refer Note No.12 in Schedule 19)				**64.81**		*52.45*
Nominal value per share in ₹				**10.00**		*10.00*
Notes to the Accounts	19	96-112				

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account and should be read in conjunction therewith.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Mumbai, 29th April , 2011

HOMI R. KHUSROKHAN
B. D. BANERJEE
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YOGINDER K. ALAGH
} *Directors*

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

₹ lacs

	For the year ended 31st March, 2011		*For the year ended 31st March, 2010*	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Taxation		**18,447.12**		*15,271.06*
Adjustment for :				
(Profit)/Loss on Foreign Exchnage	**7.79**		*15.30*	
Depreciation / Amortisation	**1,748.45**		*1,831.03*	
Capital work in progress written off	**-**		*398.44*	
Interest (Net)	**250.14**		*227.27*	
Preliminary Expenses - Amortised	**-**		*18.61*	
Voluntary Retirement Compensation - Amortised	**-**		*824.86*	
Voluntary Retirement Compensation Paid	**-**		*(112.35)*	
Income from Investments	**(484.82)**		*(516.44)*	
Provision for Compensated absences	**(37.41)**		*25.22*	
Provision for Supplemental Payments & Pension	**(10.19)**		*2.21*	
Provision for Gratuity	**(104.31)**		*(473.18)*	
Credit balances written back	**(583.45)**		*(181.43)*	
(Profit)/Loss on Sale of Assets (net) (includes assets w/off)	**(27.13)**		*(110.89)*	
Unrealised foreign exchange translation loss/(gain) on Hedge Reserve	**(2.46)**	**756.61**	*14.13*	*1,962.78*
Operating Profit before working capital changes		**19,203.73**		*17,233.84*
Adjustments for:				
Trade and other Receivables	**(1,985.38)**			*5,010.68*
Inventories	**(5,834.32)**			*38.13*
Trade Payables	**5,560.88**			*5,918.95*
Deposits pledged with Banks and Government Authorities	**(98.07)**	**(2,356.89)**	*(12.11)*	*10,955.65*
CASH GENERATED FROM OPERATIONS		**16,846.84**		*28,189.49*
Direct Taxes paid (Net of refund received)		**(6,974.21)**		*(6,668.43)*
Pre-Operative Expenses		**-**		*(18.61)*
NET CASH FROM OPERATING ACTIVITIES (A)		**9,872.63**		*21,502.56*
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	**(14,138.21)**		*(10,297.88)*	
Proceeds on sale of Fixed Assets	**354.66**		*811.12*	
Purchase of Investments	**(37,970.00)**		*(73,179.70)*	
Proceeds on sale of Investments	**49,243.67**		*73,216.36*	
Proceeds form redemption of Debentures	**189.62**		*-*	
Investment in Subsidiaries	**(12,627.99)**		*-*	
Advance received against sale of assets	**-**		*241.00*	
Interest received/Dividend received	**537.54**		*84.40*	
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)		**(14,410.71)**		*(9,124.70)*

₹ lacs

	For the year ended 31st March, 2011		*For the year ended 31st March, 2010*	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from issue of Equity Share Capital	**-**		*8,903.40*	
Share issue expenses	**-**		*(11.52)*	
Redemption of Preference Share Capital	**-**		*(8,800.00)*	
Repayment of Long Term Borrowings	**(449.79)**		*(60.47)*	
Proceeds from Issue of Debentures	**7,500.00**		*-*	
Proceeds from Long Term Borrowings	**189.72**		*110.38*	
(Repayment) of /Proceeds from Short Term Borrowings (Net)	**1,251.31**		*(7,486.12)*	
Interest paid	**(393.72)**		*(284.31)*	
Dividend and taxes thereon paid	**(3,571.27)**		*(4,399.63)*	
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)		**4,526.25**		*(12,028.27)*
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A) + (B) + (C)		**(11.83)**		*349.48*
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR				
Cash in Hand	**2.31**		*34.82*	
Balances with Scheduled Banks on Current Account	**1,032.45**		*650.46*	
		1,034.76		*685.28*
Add: Cash and bank balance taken over on acquisition		**146.09**		*-*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Cash in Hand	**25.50**		*2.31*	
Balances with Scheduled Banks on Current Account	**1,143.52**		*1,032.45*	
		1,169.02		*1,034.76*
Footnotes :				
(1) Cash and cash equivalents as above		**1,169.02**		*1,034.76*
Restricted Bank Balance		**58.66**		*40.09*
Balances with Scheduled Banks;				
On Fixed Deposit Accounts (over three months maturity)	**32.25**		*9.71*	
On Fixed Deposit as Margin Money against Bank Guarantees	**197.52**	**229.77**	*105.10*	*114.81*
CASH AND BANK BALANCES AS PER SCHDULE 9		**1,457.45**		*1,189.66*

Schedules referred to above form an integral part of the Consolidated Cash Flow Statement and should be read in conjunction therewith.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

SANJIV V. PILGAONKAR
Partner

Mumbai, 29th April , 2011

HOMI R. KHUSROKHAN
B. D. BANERJEE
E. A. KSHIRSAGAR
S. RAMANATHAN
PRAKASH R. RASTOGI
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Directors

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

SCHEDULES 1 TO 19 FORMING PART OF THE CONSOLIDATED ACCOUNTS

₹ lacs

		As at 31st March, 2011		*As at 31st March, 2010*	
SCHEDULE 1. CAPITAL :-					
Authorised :					
50,000,000	Equity Shares of ₹ 10/- each		**5,000.00**		*5,000.00*
150,000,000	Cumulative Redeemable Preference Shares of ₹ 10/- each		**15,000.00**		*15,000.00*
			20,000.00		*20,000.00*
Issued and Subscribed :					
19,446,889 *(12,964,593)*	Equity Shares of ₹ 10/- each fully paid-up	**1,944.69**		*1,296.46*	
	Add: Amount paid-up on forfeited shares	**0.02**		*0.02*	
			1,944.71		*1,296.48*
			1,944.71		*1,296.48*

Notes: (1) Of the above equity shares

a) 2,604,140 shares of ₹ 10/- each were allotted as fully paid-up pursuant to contracts without payment being received in cash.

b) 1,144,700 shares of ₹ 10/- each were issued as fully paid up Bonus Shares by way of capitalisation of ₹ 114.47 lacs out of General Reserve.

c) 6,482,296 shares of ₹ 10 each were issued as Bonus Shares by way of capitalisation of ₹ 648.23 lacs out of Capital Redemption Reserve.

(2) Of the above issued and subscribed capital, 9,734,161 equity shares (including 980,000 equity shares issued by the Company on a preferential basis on 9th November, 2009) are held by Tata Chemicals Limited (TCL). Consequently, TCL has become the holding company with effect from 9th November, 2009.

SCHEDULE 2. RESERVES AND SURPLUS :-

₹ lacs

	As at 31st March, 2010	**Additions**	**Deductions**	**As at 31st March, 2011**	*As at 31st March, 2009*	*Additions*	*Deductions*	*As at 31st March, 2010*
Capital Reserve (see footnote 1)	*1,680.93*	**-**	**437.83**	**1,243.10**	*1,680.93*	*-*	*-*	*1,680.93*
Capital Redemption Reserve (see footnote 2)	*8,800.00*	**-**	**648.23**	**8,151.77**	*-*	*8,800.00*	*-*	*8,800.00*
Debenture Redemption Reserve	*-*	**1,250.00**	**-**	**1,250.00**	*-*	*-*	*-*	*-*
Securities Premium	*8,793.88*	**-**	**-**	**8,793.88**	*-*	*8,793.88*	*-*	*8,793.88*
Capital Subsidy	*63.58*	**-**	**-**	**63.58**	*63.58*	*-*	*-*	*63.58*
Investment Allowance Reserve (see footnote 3)	*17.80*	**-**	**17.80**	**-**	*17.80*	*-*	*-*	*17.80*
Foreign Currency Translation Reserve	*(8.67)*	**7.79**	**-**	**(0.88)**	*(23.97)*	*15.30*	*-*	*(8.67)*
Reserve under Sec.45IC of the Reserve Bank of India Act, 1934 (see footnote 4)	*10.39*	**-**	**10.39**	**-**	*10.39*	*-*	*-*	*10.39*
Hedging Reserve Account (Refer Note No.15 in Schedule 19)	*111.54*	**-**	**37.88**	**73.66**	*-*	*111.54*	*-*	*111.54*
General Reserve (see footnote 5)	*5,786.09*	**1,728.15**	**-**	**7,514.24**	*4,775.70*	*1,010.39*	*-*	*5,786.09*
	25,255.54	**2,985.94**	**1,152.13**	**27,089.35**	*6,524.43*	*18,731.11*	*-*	*25,255.54*
Profit & Loss Account	*15,893.60*	**12,603.72**	**7,039.22**	**21,458.10**	*18,450.98*	*10,148.84*	*12,706.22*	*15,893.60*
	41,149.14	**15,589.66**	**8,191.35**	**48,547.45**	*24,975.41*	*28,879.95*	*12,706.22*	*41,149.14*

Footnotes

1. A sum of ₹ 437.83 lacs representing amount received by the Compnay in earlier years on surrender of tennancy rights has been transferred to the General Reserve.
2. An amount of ₹ 648.23 lacs out of the Capital Redemption Reserve was utilised for the issue of 6,482,295 fully paid up Bonus Shares of ₹ 10 each.
3. As the amount appropriated to Investment Allowence Reserve has been fully utilized for acquisition of new plant and machinery, the balance has been transferred to the General Reserve.
4. As the entity is not engaged in non banking finance activities the amount appropriated to Reserve u/s 45IC of the Reserve Bank of India Act, 1934, the balance has been transferred to the General Reserve.
5. The amount appropriated to General Reserve during the year comprises
   (a) ₹ 466.02 lacs transferred as per footnotes no 1,3 and 4
   (b) ₹ 1,262.13 lacs has been appropriated out of the Profit and Loss Account to the General Reserve during the year.

₹ lacs

	As at 31st March, 2011	*As at 31st March, 2010*
SCHEDULE 3. SECURED LOANS :-		
(Refer Note Nos.7 and 8 in Schedule 19)		
Debentures (see footnote below)	**7,500.00**	-
Loans from Banks :		
Term Loans	**267.60**	-
Bank overdrafts and temporary loans	**3,049.43**	*160.85*
Loans from Financial Institutions :		
Term Loan	**56.10**	-
Loans from entities other than Banks and Financial Institutions	**-**	*0.33*
	10,873.13	*161.18*

Footnote :
9.05% Secured Redeemable Non-Convertible Debentures (2010-11 Series 1) having face value ₹ 10 lacs each redeemable at par on 29th October, 2013. These are secured by first pari passu charge on certain immovable and/or movable fixed assets at Lote and Ankleshswar units of the Company.

₹ lacs

	As at 31st March, 2011	*As at 31st March, 2010*
SCHEDULE 4. UNSECURED LOANS :-		
Loans and advances (from entities other than banks, not being short term)	**205.47**	*145.55*
Payable under Sales Tax Deferral Scheme	**642.76**	*504.52*
	848.23	*650.07*

Schedule 5. FIXED ASSETS

(Refer Note Nos 6, 7 and 8 in Schedule No.19)

₹ lacs

	Gross Block (at cost)					Depreciation/Amortisation					Net Block	
	As at 31st March, 2010	**Acquisition During the Year**	**Additions**	**Deductions**	**As at 31st March, 2011**	*As at 31st March, 2010*	**On Acquired Assets**	**For the year**	**Deductions during the year**	**As at 31st March, 2011**	**As at 31st March 2011**	*As at 31st March 2010*
Intangible Assets												
Software	*948.23*	**60.32**	**0.04**	**-**	**1,008.59**	*797.48*	**53.76**	**52.50**	**-**	**903.74**	**104.85**	*150.75*
Goodwill	*163.63*	**-**	**-**	**-**	**163.63**	*163.63*	**-**	**-**	**-**	**163.63**	**-**	*-*
Studies for registration approvals	*493.25*	**-**	**-**	**-**	**493.25**	*493.25*	**-**	**-**	**-**	**493.25**	**-**	*-*
Technical Knowhow	*-*	**633.65**	**120.04**	**-**	**753.69**	*-*	**52.35**	**4.08**	**-**	**56.43**	**697.26**	*-*
Total Intangible Assets	*1,605.11*	**693.97**	**120.08**	**-**	**2,419.16**	*1,454.36*	**106.11**	**56.58**	**-**	**1,617.05**	**802.11**	*150.75*
Tangible Assets												
Freehold Land	*254.15*	**203.10**	**-**	**-**	**457.25**	*-*	**-**	**-**	**-**	**-**	**457.25**	*254.15*
Leasehold Land	*2,301.79*	**7.70**	**2,195.95**	**15.62**	**4,489.82**	*86.69*	**7.70**	**65.38**	**2.54**	**157.23**	**4,332.59**	*2,215.10*
Buildings (see footnote 1 and 2)	*5,670.44*	**367.82**	**46.82**	**132.59**	**5,952.49**	*1,914.04*	**204.26**	**170.64**	**65.97**	**2,222.97**	**3,729.52**	*3,756.40*
Plant and Machinery	*19,171.19*	**790.26**	**6,028.11**	**742.50**	**25,247.06**	*11,425.64*	**300.33**	**1,302.00**	**536.21**	**12,491.76**	**12,755.30**	*7,745.55*
Furniture, Fixtures and Office Equipments	*714.00*	**59.11**	**44.98**	**4.36**	**813.73**	*371.57*	**39.72**	**37.61**	**2.60**	**446.30**	**367.43**	*342.43*
Vehicles	*1,193.01*	**48.57**	**23.77**	**76.10**	**1,189.25**	*382.71*	**27.40**	**116.23**	**36.32**	**490.02**	**699.23**	*810.30*
Total Tangible Assets	*29,304.58*	**1,476.56**	**8,339.63**	**971.17**	**38,149.60**	*14,180.65*	**579.41**	**1,691.86**	**643.64**	**15,808.28**	**22,341.32**	*15,123.93*
Total	*30,909.69*	**2,170.53**	**8,459.71**	**971.17**	**40,568.76**	*15,635.01*	**685.52**	**1,748.44**	**643.64**	**17,425.33**	**23,143.43**	*15,274.68*
Previous Year	*33,765.65*	*-*	*1,947.11*	*4,803.07*	*30,909.69*	*17,906.82*	*-*	*1,831.03*	*4,102.84*	*15,635.01*	*15,274.68*	*-*

Footnote :

1. Cost of buildings include cost of 50 shares *(Previous year 50 shares)* of ₹ 50/- each fully paid and cost of 5 shares *(Previous Year 5 Shares)* of ₹ 100/- each fully paid in respect of ownership flats in 7 *(Previous Year 7)* Co-operative Societies.
2. Buildings include an asset having a gross block of ₹ 181.63 lacs (*Previous Year ₹181.63 lacs)* and net block of ₹ 127.10 lacs *(Previous Year ₹130.06 lacs)* where the conveyance in favour of Company is not completed.

₹ lacs

	Nos.	Nominal Value	**As at 31st March, 2011**	*As at 31st March, 2010*
SCHEDULE 6. INVESTMENTS :-				
LONG TERM				
(i) **Trade Investments**				
(Unquoted-Fully paid):				
Aich Aar Chemicals Pvt. Ltd. - Equity Shares	124,002	10	**9.31**	*9.31*
Biotech Consortium India Ltd. - Equity Shares	50,000	10	**5.00**	*5.00*
Indian Potash Ltd. - Equity Shares	54,000	10	**0.90**	*0.90*
Bharuch Enviro Infrastructure Ltd. - Equity Shares	36,750	10	**3.68**	*3.68*
Bharuch Eco-Acqua Infrastructure Ltd. - Equity Shares (See footnote 3)	300,364	10	**30.04**	*18.17*
Sipcot Industries Common Utilities Ltd. - Equity Shares (₹ 1)	113	100	**-**	*-*
Patancheru Enviro-Tech Ltd.- Equity Shares	10,822	10	**1.08**	*1.08*
Advinus Therapeutics Pvt. Ltd. - Equity Shares	18,286,000	10	**1,828.60**	*1,828.60*
4.25% Advinus Therapeutics Pvt. Ltd. - Non Convertible Debentures (Refer Note No. 13 in Schedule 19)	69,038	1,000	**690.38**	*880.00*
	A		**2,568.99**	*2,746.74*
(Unquoted-Partly paid):				
(Refer Note No. 2 (c) in Schedule 19)				
Bharuch Eco-Acqua Infrastructure Ltd. - Equity Shares (₹ 6.34 paid up) - (converted to fully paid up during the year) (See footnote 3)	118,550	10	**-**	*7.52*
	B		**-**	*7.52*
	C=A+B		**2,568.99**	*2,754.26*

₹ lacs

	Nos.	Nominal Value	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 6. INVESTMENTS :- (Contd.)				
(ii) **Non-Trade Investments**				
(Quoted-Fully paid): (see footnote 1)				
Spartek Ceramics India Ltd. -Equity Shares (₹ 1)	7,226	10	-	-
Nagarjuna Finance Ltd. - Equity Shares (₹ 1)	400	10	-	-
Pharmaceuticals Products of India Limited - Equity Shares (₹ 1)	10,000	10	-	-
14% Spartek Ceramics India Limited-Debentures - Redeemable Partly Convertible (₹ 1)	560	60	-	-
Ballasore Alloys Ltd. (Previously known as Ispat Alloys Ltd.) - Equity Shares (₹ 1)	504	10	-	-
J.K.Cement Ltd. - Equity Shares (₹ 1)	44	10	-	-
Uniscans & Sonics Ltd. - Equity Shares (₹ 1)	96	10	-	-
	D		-	-
(Unquoted-Fully paid):				
Amba Trading Company Limited - Equity Shares	130,000	10	**53.32**	*53.32*
Associated Inds. (Assam) Ltd. - Equity Shares (₹ 1)	30,000	10	-	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each) - Equity Shares	2,100,000		**146.30**	*146.30*
	E		**199.62**	*199.62*
	F=D+E		**199.62**	*199.62*
TOTAL LONG TERM INVESTMENTS	G = C+F		**2,768.61**	*2,953.88*
CURRENT INVESTMENTS				
(Lower of the cost and fair value)				
(Refer Note No. 19 in Schedule 19)				
Units of Mutual Funds (see footnote 2)				
Tata Floater Fund - Daily Dividend			-	*1,548.14*
Reliance Money Manager Fund - IP - Daily Dividend			-	*4,440.56*
HDFC Cash Management Fund - Treasury Advantage WP - Daily Dividend			-	*3,839.15*
Tata Liquid Super High Investment Fund - Daily Dividend			-	*1,450.16*
TOTAL CURRENT INVESTMENTS	H		-	*11,278.01*
TOTAL	I=G+H		**2,768.61**	*14,231.89*
Less :Provision for diminution in value			**208.92**	*208.92*
GRAND TOTAL			**2,559.69**	*14,022.97*
Aggregate Book Value of Investments :				
Unquoted - At cost less Provision for diminution in value			**2,559.69**	*14,022.97*
Quoted - At cost less Provision for diminution in value			-	-
			2,559.69	*14,022.97*

Footnotes:

1. Market value of quoted investments ₹ 0.17 lacs *(Previous Year ₹ 0.19 lacs)*
2. Net assets value of units of mutual funds ₹ Nil *(Previous Year ₹ 11,278.01 lacs)*
3. During the year 118,550 Shares of Bharuch Eco-Acqua Infrastructure Limited have become fully paid up pursuant to payment of final call of ₹ 3.66 per share on 118,550 shares by the Company.

₹ lacs

	As at 31st March, 2011		*As at 31st March, 2010*	
SCHEDULE 7. INVENTORIES :-				
(Refer Note No.7 in Schedule 19)				
(Valued at lower of the cost and net realisable value)				
Stores and Spare Parts		**94.12**		*57.23*
Stock-in-trade:				
Raw Materials	**6,809.14**		*4,308.08*	
Packing Material	**924.00**		*659.66*	
Work-in-Process	**648.12**		*730.09*	
Finished Goods	**14,416.60**	**22,797.86**	*9,131.89*	*14,829.72*
		22,891.98		*14,886.95*
SCHEDULE 8. SUNDRY DEBTORS :-				
(Considered good, unless otherwise stated)				
(Refer Note Nos. 2(b) and 7 in Schedule 19)				
(a) Debts outstanding for a period exceeding six months:				
(i) Considered Good				
Secured	**15.90**		*19.55*	
Unsecured	**824.35**		*1,291.63*	
(ii) Considered Doubtful				
Unsecured	**1,297.87**	**2,138.12**	*1,740.17*	*3,051.35*
(b) Other Debts: Considered Good				
Secured	**313.36**		*281.84*	
Unsecured	**9,481.41**		*5,957.53*	
		9,794.77		*6,239.37*
Gross Debtors		**11,932.89**		*9,290.72*
Less: Provision for doubtful debts		**1,297.87**		*1,740.17*
		10,635.02		*7,550.55*
SCHEDULE 9. CASH AND BANK BALANCES :-				
Cash in Hand (including Cheques in Hand of ₹ 0.23 lacs; *Previous Year ₹ Nil lacs)*		**25.50**		*2.36*
Balances with Scheduled Banks:				
On Current Accounts	**1,103.75**		*1,005.15*	
On Fixed Deposit Accounts	**32.25**		*9.71*	
On Fixed Deposit as Margin Money against Bank Guarantees	**197.52**	**1,333.52**	*105.10*	*1,119.96*
Balances with Foreign Bank :				
On Current Accounts		**98.43**		*67.34*
		1,457.45		*1,189.66*
SCHEDULE 10. OTHER CURRENT ASSETS :-				
Interest Accrued on Investments		**128.40**		*145.91*
		128.40		*145.91*

₹ lacs

	As at 31st March, 2011		As at 31st March, 2010	
SCHEDULE 11. LOANS AND ADVANCES :-				
(Unsecured, considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received		**3,306.10**		*2,707.81*
Advances/Deposits considered doubtful of recovery	**4,523.28**		*4,504.42*	
Less: Provision for doubtful advances/deposits	**4,523.28**	**-**	*4,504.42*	-
Balances with Customs, Port Trust and Central Excise		**836.23**		*1,324.32*
Advance Income Tax (net of provision)		**7,392.37**		*4,822.02*
Advance Fringe Benefit Tax (net of provision)		**7.52**		*7.52*
		11,542.22		*8,861.67*
SCHEDULE 12. CURRENT LIABILITIES :-				
Sundry Creditors				
Dues to Micro Small and Medium Enterprises (including interest ₹ 40.78 lacs; *Previous Year ₹ 28.49 lacs*)		**379.83**		*415.69*
Other Creditors		**27,723.76**		*20,173.31*
Liability towards Investor Education and Protection Fund (not due) :				
Unclaimed Dividends	**56.97**		*38.40*	
Unclaimed Interest on Debentures	**1.69**		*1.69*	
		58.66		*40.09*
Customers' security deposits, credit balances and advance against supplies and services to be rendered		**4,309.10**		*4,763.68*
Interest accrued but not due on loans		**25.95**		*8.64*
Other Liabilities (Refer Note No.16 in Schedule 19)		**560.54**		*552.35*
		33,057.84		*25,953.76*
SCHEDULE 13. PROVISIONS :-				
Proposed Equity Dividend		**2,139.16**		*1,296.46*
Distribution Tax on Proposed Equity Dividend		**347.02**		*215.33*
Provision for Contingency		**50.00**		-
Provision for Fringe Benefit Tax (Net of advance tax)		**14.04**		*11.29*
Provision for Income Tax (Net of advance tax)		**1,160.53**		*702.75*
Provision for Gratuity (Refer Note No.14 in Schedule 19)		**72.13**		*159.64*
Provision for Compensated absences		**511.72**		*501.29*
Provision for Supplemental Payments on Retirement (Refer Note No.14 in Schedule 19)		**1,562.49**		*1,572.68*
		5,857.09		*4,459.44*

₹ lacs

	For the period ended 31st March, 2011		*For the year ended 31st March, 2010*	
SCHEDULE 14. OTHER INCOME :-				
From Operations				
Excise and Duty Drawback Claims	**503.70**		*344.16*	
Scrap and Sundry Sales	**779.97**		*536.82*	
Commission	**-**		*30.50*	
Cash Discount	**186.83**		*93.77*	
Sundry Income	**1,302.16**		*1,178.91*	
		2,772.66		*2,184.16*
Others				
Profit on Sale of Fixed Assets (net)		**27.13**		*110.89*
Rent		**27.91**		*30.45*
Interest Income on :				
Trade Accounts	**-**		*5.58*	
Refund of taxes	**113.13**		*-*	
Term and fixed deposits	**33.94**		*40.00*	
(Amount is gross of TDS of ₹ 3.21 lacs; *Previous Year ₹ 1.29 lacs*)		**147.07**		*45.58*
Income from Investments :				
Dividend from Long Term Trade Investments	**1.45**		*1.42*	
Dividend from Other Current Investments	**415.66**		*444.30*	
Interest from Long Term Trade Investments	**67.71**		*70.72*	
(Amount is gross of TDS of ₹ 8.47 lacs; *Previous Year ₹ 6.09 lacs*)		**484.82**		*516.44*
		686.93		*703.36*
		3,459.59		*2,887.52*
SCHEDULE 15. MATERIALS CONSUMED :-				
Raw Materials Consumed				
Opening Stock	**4,308.08**		*5,237.19*	
Add : Opening stock of acquired entity	**1,001.47**		*-*	
Add : Purchases	**55,901.87**		*40,815.61*	
Less : Closing Stock	**6,809.14**		*4,308.08*	
		54,402.28		*41,744.72*
Packing Materials Consumed		**4,160.86**		*3,527.66*
		58,563.14		*45,272.38*
SCHEDULE 16. (INCREASE)/DECREASE IN CLOSING STOCKS OF FINISHED GOODS AND WORK-IN-PROCESS :-				
Opening Stock				
Finished Goods	**9,131.89**		*8,135.65*	
Work in Process	**730.09**		*824.65*	
		9,861.98		*8,960.30*
Add : Opening stock of acquired entity				
Finished Goods	**1,019.35**		*-*	
Work in Process	**11.89**		*-*	
		1,031.24		*-*
Closing Stock				
Finished Goods	**14,416.60**		*9,131.89*	
Work in Process	**648.12**		*730.09*	
		15,064.72		*9,861.98*
		(4,171.50)		*(901.68)*

₹ lacs

	For the period ended 31st March, 2011		*For the year ended 31st March, 2010*	
SCHEDULE 17. OPERATING EXPENSES :-				
(Refer Note Nos. 8 and 14 in Schedule 19)				
Personnel Cost :				
Salaries, Wages, Commission, Bonus etc.	**6,086.28**		*5,529.06*	
Gratuity	**57.80**		*342.53*	
Voluntary Retirement Compensation Amortised	-		*824.86*	
Staff Provident, Superannuation and Other Funds	**463.81**		*383.96*	
Staff Welfare	**680.10**		*471.20*	
		7,287.99		*7,551.61*
Freight, Handling and Packing		**3,024.09**		*1,951.01*
Processing		**735.98**		*902.38*
Changes in Excise Duty on Inventory of Finished Goods		**138.15**		*164.75*
Travelling		**814.16**		*501.04*
Power and Fuel		**3,056.17**		*1,937.72*
Brand Equity Contribution		**144.05**		*119.81*
Repairs :				
to Machinery	**447.05**		*326.15*	
to Buildings	**109.42**		*75.29*	
Others	**358.74**		*327.33*	
		915.21		*728.77*
Stores and Spares Consumed		**528.50**		*402.80*
Rates and Taxes		**175.06**		*215.07*
Bad Debts		**842.79**		*1,556.63*
Cash Discount		**1,870.92**		*1,496.69*
Commission		**177.70**		*124.42*
Insurance		**164.37**		*162.66*
Rent		**501.49**		*354.79*
Bank Charges		**318.04**		*369.49*
Directors' Fees & Commission		**314.00**		*193.60*
Provision for Doubtful Debts/Advances for the year	**0.25**		*176.46*	
Less : Provision for doubtful debts written back	**842.79**		*1,556.63*	
		(842.54)		*(1,380.17)*
Selling Expenses		**1,818.13**		*1,549.57*
Legal and Professional Expenses		**652.87**		*863.85*
Loss on Sale of Fixed Assets (net)		-		*154.68*
Other Expenses		**3,437.72**		*2,907.42*
		26,074.85		*22,828.59*
SCHEDULE 18. INTEREST CHARGE :-				
Loans for fixed term		**299.97**		*240.67*
Other interest		**98.50**		*32.18*
		398.47		*272.85*

SCHEDULE 19: - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2010-11.

1. **Significant Accounting Policies**: -

(a) **Principles of Consolidation**:

The Consolidated Financial Statements relate to Rallis India Limited ("the Company") and its subsidiaries. The Company and its subsidiaries constitute the "Group". The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard (AS) 21 "Consolidated Financial Statements" referred to in section 211 (3C) of the Companies Act 1956.

The foreign subsidiary's revenue items are consolidated at the average foreign currency exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains / (losses) arising on conversion are recognised under Foreign Currency Translation Reserve.

The excess of the cost of the Company of its investment in subsidiaries over the Company's portion of equity as at the date on which the investment in subsidiary companies are made is recognised in financial statement as "Goodwill on Consolidation."

Minority interest in net assets of subsidiaries consists of:

a) The amount of equity attributable to minority at the date on which investment in subsidiary is made.

b) The minority share of movements in equity since the date parent-subsidiary relationship comes into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to minority over and above the minority interest in equity of the subsidiary is absorbed by the Group.

Details of the subsidiaries whose assets, liabilities, income and expenses are included in the consolidation and the Company's holdings therein are as under:

Entity	Incorporated in	Proportion of Groups interest (%)	Date of acquisition - of control
Held Directly:			
Rallis Australasia Pty Ltd#	Australia	100%	May 4th , 2006*
Rallis Chemistry Exports Ltd	India	100%	July 7th , 2009*
Metahelix Life Sciences Ltd	India	60.21%	December 30th 2010
Held through Subsidiary:			
Dhaanya Seeds Ltd	India	(wholly owned subsidiary of Metahelix Life Sciences Ltd)	December 30th 2010

Rallis Australasia Pty. Ltd., a subsidiary of the Company, has applied for voluntary liquidation as of 31st March, 2011. The Company expects to recover an amount higher than the carrying value of the investment.

* Date of incorporation

Metahelix Life Sciences Ltd became a Subsidiary of Group on 30th December, 2010 with the Group acquiring 60.21% of its shareholding. From the said date the consolidation has been done on a line by line basis. The financial position and results (before elimination) included in the consolidation financial statements are as given below:-

₹ lacs

PARTICULARS	As at 31.03.2011
LIABILITIES	
Shareholder's fund	539.36
Loan Funds	2,484.88
Total	3,024.24
ASSETS	
Fixed Asset-Net Block	1,643.41
Net Current Assets	1,380.83
Total	3,024.24

₹ lacs

INCOME	For the Period of 3 months ended 31.03.2011
Turnover(Net)	1,913.58
Other Income	22.42
Total Income	**1,936.00**
EXPENDITURE	
Manufacturing and other expenses	1,670.61
Interest Expense	66.26
Depreciation and amortization	32.38
PROFIT/(LOSS) BEFORE TAX FOR THE PERIOD	**166.75**
Provision for Tax	67.89
PROFIT/(LOSS) AFTER TAX FOR THE PERIOD	**98.86**

(b) **Basis of Accounting**

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards referred to in section 211(3C) of the Companies Act,1956. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

(c) **Use of Estimates**

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(d) **Fixed Assets and Depreciation / Amortisation**

(i) **Tangible fixed assets and depreciation**

Tangible fixed assets acquired by the Group are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition cost are delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Extra shift depreciation is applied to applicable items of plant and machinery for days additional shifts are worked. Freehold land is not depreciated since it is deemed to have an indefinite economic life. The premium paid for acquiring leasehold land is amortised over the period of lease on a straight line basis.

Depreciation is provided on a straight line basis at rates estimated over the useful lives of assets are as follows:-

Type of Asset	Estimated Useful Life
Leasehold Land	Amortised over the period of lease
Buildings	10 to 61 Years
Plant and Machinery	5 to 21 Years
Furniture and Fixtures	4 to 15 Years
Office Equipments	5 to 21 Years
Vehicles	4 to 10 Years
Computer Hardware	3 to 6 Years
Computer Software	1 to 5 Years
Green House	5 Years

(ii) **Intangible assets and amortisation**

Intangible assets other than goodwill are valued at cost less amortisation. These generally comprise of costs incurred to acquire computer software licences and implement the software for internal use (including software coding, installation, testing and certain data conversion) as well as costs paid to acquire studies for obtaining approvals from registration authorities of products having proven technical feasibility.

Research costs are charged to earnings as they arise.

Costs incurred for applying research results or other knowledge to develop new products, are capitalised to the extent that these products or registrations are expected to generate future financial benefits. Other development costs are expensed as and when they arise.

Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition, on the share in the acquired company's assets acquired by the Company.

Intangible assets are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.

Amortisation takes place on a straight line basis over the asset's anticipated useful life. The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years.

An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Profit and Loss Account.

(e) Impairment of assets

The carrying values of assets of the Group's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

(f) Investments

Long term investments are valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are valued at the lower of cost and fair value.

(g) Inventory

Inventories are valued at the lower of cost and net realisable value.

In the case of raw materials, packing materials, stores and spare parts and traded finished goods, cost are determined in accordance with continuous moving weighted average principle. Cost includes purchase price, non-refundable taxes and delivery and handling costs.

Cost of finished goods and work-in-progress are determined using the absorption costing principles. Cost includes cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

(h) Revenue Recognition

Sales include products and services, net off trade discounts and exclude sales tax, state value added tax and service tax.

With regard to sale of products, income is reported when practically all obligations connected with the transaction risks and rights to the buyer have been fulfilled. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

Revenue from Technology fee contracts are recognised as per the terms of contracts on completion of specific performance obligations under the contract and when certainty of receiving the consideration is established.

Income recognition for services takes place as and when the services are performed.

Amounts received from customers specifically towards setting up / expansion of manufacturing facilities, linked to a contractual arrangement for supply of specified quantities of product manufactured from the said facilities at pre-determined prices, are treated as current liabilities and recognized as revenue in the Profit and Loss Account over the contracted period of supply in proportion to the quantities dispatched from the increased capacity.

(i) Financial Income and Borrowing Cost

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(j) Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Profit and Loss Account.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are valued at year end rates, and unrealised translation differences are included in the Profit and Loss Account.

Investments in foreign currency (non monetary items) are reported using the exchange rate at the date of the transaction.

The Group's forward exchange contracts are not held for trading or speculation. The premium/discount arising on entering into such contract is amortised over the life of such contracts and exchange differences arising on such contracts are recognised in the Profit and Loss Account.

Hedge Accounting

The Group uses currency option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. The Group designates such currency option contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard ("Ind AS") 39 Financial Instruments: Recognition and Measurement.

These contracts are stated at fair value at each reporting date. Changes in the intrinsic value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes. The ineffective portion and the time value is recognised immediately in the Profit and Loss Account.

Amounts accumulated in Hedging Reserve Account are reclassified to Profit and Loss Account in the same periods during which the forecasted transaction affects the Profit and Loss Account.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the Profit and Loss Account for the period.

(k) Employee Benefits

i) Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

ii) Long Term

The Group has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Group and in the case of some defined contribution plans by the Group along with its employees.

- **Defined-contribution plans**

  These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Group's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

- **Defined-benefit plans**

  Expenses for defined-benefit gratuity and supplemental payment plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

(l) Taxes on Income

The Group's income taxes include taxes on the Group's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Group carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(m) Lease Accounting

(i) **Operating Leases**

Lease of an asset whereby the lessor essentially remains the owner of the asset is classified as operating lease. The payments made by the Group as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

(ii) **Finance Leases**

Assets taken on finance lease after 1st April, 2001, are capitalised at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on the assets taken on lease is charged at the rate applicable to similar type of fixed assets as per the Group's accounting policy on depreciation as stated above. If the leased assets are returnable to the lessor on the expiry of the lease period, depreciation is charged in accordance with the Group's depreciation policy as stated above or in a straight line basis over the lease period, which ever is shorter.

Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

(n) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Revenue / Expenses / Assets / Liabilities".

(o) **Provisions and Contingencies**

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

(p) **Goodwill on Consolidation**

Goodwill on consolidation represents the difference between Group's share in investment made. The said Goodwill is not amortised however, it is tested for impairment at each balance sheet date and impairment loss, if any, is provided for.

(q) **Cash Flow Statements**

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard (AS-3) – Cash Flow Statements as prescribed under section 211(3C) of the Indian Companies Act 1956.

(r) **Cash and Cash Equivalents**

Cash and bank balances and current investments that have insignificant risk of change in value, which have durations up to three months, are included in the Group's cash and cash equivalents in the Cash Flow Statement.

(s) **Earnings per Share**

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares in issue during the year.

2. Contingent Liabilities: -

		₹ lacs	
		As at 31st March	
		2011	2010
(a)	Demands contested by the Group		
	- Sales Tax*	1,916.59	*1,917.82*
	- Excise Duty	360.84	*378.77*
	- Customs Duty	149.50	*144.10*
	- Income Tax	6,583.76	*3,754.60*
	- Service Tax	35.03	*1.85*
	- Property Cases	47.36	*47.36*
	- Labour Cases	103.75	*156.71*
	- Other Cases	453.79	*449.82*
	- Number of cases where amount is not quantifiable 29 Nos; *(Previous year 31 Nos)*		
(b)	Bills discounted	338.56	*Nil*
(c)	Uncalled partly paid shares held as Investments	-	*4.34*

(d) Claims against the Group not acknowledged as Debts is ₹ 51.08 lacs.

(e) Other guarantees issued by Bank for which the Group is contingently liable to ₹ 1.10 lacs *(Previous Year ₹ 2.00 lacs)*. These are covered by the charge created in favour of Company's bankers by way of hypothecation of stock and debtors.

The Group does not expect any liability in respect of item (a), (b), (d) and (e) to devolve in respect of its exposure and therefore no provision has been made in respect thereof.

3. Estimated amount of contracts remaining to be executed on capital account is ₹ 2,451.22 lacs *(Previous Year ₹ 8,550.75 lacs)* including advances paid aggregate ₹ 1,676.34 lacs (*Previous Year ₹ 3,145.49 lacs*).

4. During the year the Group acquired a majority of the equity shares of Metahelix Life Sciences Limited (Metahelix). Besides, the shares already acquired, it has made the following commitments;

a. to acquire from certain shareholders (other than founder shareholders) 16,099 equity shares held by them for an amount aggregating ₹ 3,148.80 lacs

b. to allow founder shareholders, a put option exercisable over a period of 5 years, 14,055 shares held by them for an amount aggregating ₹ 2,749.02 lacs.

At the end of 5 years, the Group has a call option to acquire the balance shares held by founder shareholders, at the fair market value as at the date of exercise.

5. The shareholders approved the issue of 6,482,296 fully paid up Equity Shares of ₹ 10 each as bonus share in the proportion of one bonus share for every two equity shares held by postal ballot on May 29, 2010. Accordingly, a sum of ₹ 648.23 lacs has been transferred to Equity Share Capital Account from Capital Redemption Reserve Account. Consequently, the earnings per share have been adjusted for all the periods presented. As no cash flows were involved, the same has not been disclosed under financing activity.

6. Fixed assets include ₹ 449.45 lacs *(Previous Year ₹720.14 lacs)* representing the book value of assets held for disposal. The Management expects to recover amounts higher than the carrying value of these assets.

7. Secured Loans/Guarantees :-

(a) Bank overdrafts and temporary loans have been secured by a first charge by way of hypothecation of stocks and receivables. The hypothecation also extends to guarantees issued by the Company's Bankers in the ordinary course of business.

(b) Loans from others on account of purchase of vehicles have been secured by way of hypothecation of vehicles.

(c) 750 Secured, Redeemable, Non Convertible Debentures 2010-11 Series I (Non Convertible Debentures) of face value of ₹ 10 lacs each were issued on 29.10.2010 amounting to ₹ 7,500.00 lacs with redemption period of 3 years at 9.05% rate of interest. These Non Convertible Debentures are secured by a first pari-passu mortgage over factory building and certain plant and machinery of Ankleshwar and Lote units.

8. The Group has acquired certain vehicles under hire purchase arrangements. These arrangements are non-cancellable. The fair value of such assets aggregates ₹ 319.28 lacs *(Previous Year ₹406.10 lacs)*. The total minimum lease payments (MLP) in respect thereof and present value of future lease payments, discounted at the interest rates implicit in the lease are ₹ Nil lacs as of 31.03.2011.

₹ lacs

Due	31.03.2011 MLP			*31.03.2010 MLP*		
	Principal	Interest	Total	*Principal*	*Interest*	*Total*
Within 1 Year	-	-	-	*0.33*	*0.01*	*0.34*

The legal title, in the said vehicles remain with the Company.

The Group has procured 44 motor vehicles *(Previous Year Nil)* under a non-cancellable operating lease. Lease rent charged to the Profit and Loss Account during the year is ₹ 23.81 lacs *(Previous Year ₹ Nil)* net of amount recovered from employees ₹ 8.22 lacs *(Previous Year ₹ Nil)*. Disclosures in respect of non-cancellable lease are given below:

₹ lacs

	As at	
	31.03.2011	31.03.2010
a) Total of minimum lease payments	386.27	-
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	102.51	-
Later than one year and not later than five years	283.76	-
c) Lease payments recognised in the statement of profit and loss for the year	23.81	-

The terms of operating lease do not contain any exceptional / restrictive covenants.

Premises are taken by the Group on operating leases that are cancellable.

9. Deferred tax assets and liabilities:-

a) The components of deferred tax assets and liabilities are as under

₹ lacs

Components	As at 31st March,	
	2011	*2010*
Deferred Tax Assets		
On Provision against debts and advances	1,749.83	*2,080.55*
On other items	391.49	*445.68*
Total	**2,141.32**	***2,526.23***
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	2,163.52	*1,847.63*
On other items	300.78	*143.83*
Total	**2,464.30**	***1,991.46***
Net Deferred Tax Asset/(Liability) Recognised	**(322.98)**	***534.77***

b) Deferred tax charge for the year:

₹ lacs

Year ended	31.03.2011	*31.03.2010*
Opening Net Deferred Tax Asset	534.77	*1,015.80*
Less: Closing Net Deferred Tax Asset/(Liability)	(322.98)	*534.77*
Less: Debited to Hedging Reserve Account	(20.10)	*55.48*
Deferred Tax charge for the year	877.85	*425.55*

10. Segment Reporting

The Group has determined its business segment as "Agri Inputs" comprising of Pesticides, Plant Growth Nutrients and Seeds. The other business segment comprises "Polymer" and is non reportable.

a) Primary Segment Information

₹ lacs

	Business Segments		**Consolidated Total**
	Agri-Inputs	**Others (non - reportable)**	
REVENUE			
Total External Revenue	108,208.67 *89,163.77*	1,189.47 *1,029.47*	109,398.14 *90,193.24*
Total Inter Segment Revenue	-	-	-
Segment Revenue	108,208.67 *89,163.77*	1,189.47 *1,029.47*	109,398.14 *90,193.24*
Unallocable Revenue			631.89 *562.02*
Total Revenue (A)			110,030.03 *90,755.26*
RESULTS			
Segment Results (B)	17,454.11 *14,698.18*	889.17 *419.67*	18,343.28 *15,117.85*
Un-allocable Income (Net of un-allocable expenses)			502.31 *426.06*
Operating Profit/(Loss)			18,845.59 *15,543.91*
Interest Expenses			398.47 *272.85*

₹ lacs

	Business Segments		Consolidated Total
	Agri-Inputs	Others (non - reportable)	
Profit before taxation			18,447.12
			15,271.06
Taxation			(5,804.06)
			(5,122.22)
Profit after taxation			12,643.06
			10,148.84
OTHER INFORMATION			
ASSETS			
Segment Assets (C)	89,562.99	1,785.31	91,348.30
	51,964.83	*2,057.24*	*54,022.07*
Unallocated assets			10,317.75
			19,648.00
Total Assets			101,666.05
			73,670.07
LIABILITIES			
Segment Liabilities (D)	33,456.27	100.81	33,557.08
	26,418.09	*147.88*	*26,565.97*
Unallocated Liabilities			17,402.19
			4,658.49
Total Liabilites			50,959.27
			31,224.46
CAPITAL EXPENDITURE			
Total Cost incurred during the Year to acquire	28,712.25	22.94	28,735.19
	9,119.51	*1,522.00*	*10,641.51*
Total Cost incurred during the Year to acquire assets			28,735.19
			10,641.51
DEPRECIATION			
Segment Depreciation (F)	1,681.22	67.23	1,748.45
	1,723.74	*107.29*	*1,831.03*
Unallocated Depreciation			-
			-
Total Depreciation			1,748.45
			1,831.03
NON CASH EXPENSES			
Segment Non Cash expenses other than	(146.58)	-	(146.58)
Depreciation/ Amortisation (G)	*1,152.51*	*-*	*1,152.51*
Total Non Cash expenses			(146.58)
			1,152.51

Figures in italics relate to the previous year.

b. **Secondary Segment Information**

₹ lacs

	2010-11	2009-10
1. Segment Revenue		
(a) India	83,070.59	*70,592.66*
(b) Outside India	26,327.55	*19,600.58*
Total	**109,398.14**	***90,193.24***
2. Segment Assets (excluding Deferred Tax Assets)		
(a) India	85,285.77	*48,458.72*
(b) Outside India	6,062.53	*5,563.35*
	91,348.30	***54,022.07***
3. Cost incurred during the Year to acquire Segment Assets		
(a) India	28,735.19	*10,641.51*
(b) Outside India	-	-
Total	**28,735.19**	***10,641.51***

All the tangible and intangible fixed assets of the Group are situated in India and therefore cost incurred during the year for acquisition of such assets under different geographic segments is not furnished.

Footnotes:

(i) Un-allocable assets include Deferred Tax Assets, Investments, Advance Income Tax, Advance Fringe Benefits Tax and Interest Accrued on Investments.

(ii) Unallocable liabilities includes Secured Loans, Unsecured Loans, Provisions for Equity Dividend and tax thereon, Provisions for Preference Dividend and tax thereon, Provision for Supplemental Payments on Retirement, Provision for Pension under Voluntary Retirement Schemes and Provision for Income and Fringe Benefit Tax.

(iii) Unallocable income includes income from investment activities.

(iv) Unallocable expenditure includes charge in respect of Supplemental Payments on retirement valued on actuarial basis.

11. Related Party Disclosures:

Disclosure as required by Accounting Standard (AS) - 18 "Related Party Disclosures" as prescribed under section 211 (3C) of the Companies Act, 1956.

(a) Names of the related parties and description of relationship:

(i) Promoters:	Tata Chemicals Limited
	Tata Tea Limited - up to 18.08.2009
	Tata Sons Limited – up to 18.08.2009
	Tata Investment Corporation
	Ewart Investments Limited
	Tata AIG Life Insurance Co. Limited (w.e.f.- 21.05.2010)
(ii) Holding Company:	Tata Chemicals Limited on and from 09.11.2009
(iv) Key Management Personnel:	Mr. V. Shankar – Managing Director & CEO

(b) Details of Transactions:

₹ lacs

Nature of Transactions	Holding	Promoters	Key Management Personnel	Total
Purchase of Goods	624.87 *134.93*	- *112.21*	- -	624.87 *247.14*
Sales of Goods	888.21 *133.63*	- *582.63*	- -	888.21 *716.26*

₹ lacs

Nature of Transactions	Holding	Promoters	Key Management Personnel	Total
Brand Equity	- -	- *39.81*	- -	- *39.81*
Services Received	55.33 -	- *8.79*	- -	55.33 *8.79*
Services Given	21.85 -	- -	- -	21.85 -
Other Expenses	9.69 *0.71*	- *0.02*	- -	9.69 *0.73*
Preferential Allotment of Equity Shares including premium	- *8,903.40*	- -	- -	- *8,903.40*
Redemption of Cumulative Redeemable Preference Shares	- -	- *4,100.00*	- -	- *4,100.00*
Dividend Paid (Equity)	1,525.02 -	9.21 *1,235.30*	- -	1,534.23 *1,235.30*
Dividend Paid (Preference)	- -	- *411.97*	- -	- *411.97*
Debit Balance outstanding as at year end - Other Receivables	28.16 *9.94*	- -	- -	28.16 *9.94*
Credit Balance outstanding as at year end - Other Payables	111.52 *34.18*	- -	- -	111.52 *34.18*
Remuneration Paid	- -	- -	246.25 *135.15*	246.25 *135.15*

Figures in italics relate to the previous year.

Transactions included in (b) above which are in excess of 10% of the total related party transactions of the same type are given below:

₹ lacs

Nature of Transactions	Tata Chemicals Ltd up to 08/11/09	Tata Tea Ltd.	Tata Sons Ltd
Purchase of Goods	- *112.21*	- -	- -
Sales of Goods	- *580.23*	- -	- -
Brand Equity	- -	- -	- *39.81*
Services Received	- -	- -	- *8.79*
Other Expenses	- *0.02*	- -	- -
Redemption of Cumulative Redeemable Preference Shares	- *2,900.00*	- *1,200.00*	- -
Dividend Paid(Equity)	- *620.98*	- *470.20*	- *144.12*
Dividend Paid (Preference)	- *291.39*	- *120.58*	- -

Figures in italics relate to the previous year

12. Earnings per Share:-

₹ lacs

		2010-11	*2009-10*
i)	Net Profit After Tax (after adjustment of minority interest)	12,603.72	*10,148.84*
	Less : Preference dividend including tax thereon	-	*262.33*
	Profit attributable to Equity Shareholders	12,603.72	*9,886.51*
ii)	Weighted average No. of Equity Shares for Basic/Diluted EPS (Nos)*	19,446,889	*18,850,835*
iii)	Nominal Value of Equity Per Share	10.00	*10.00*
iv)	Basic/Diluted Earnings Per Share (in ₹)	64.81	*52.45*

* Weighted average No. of Equity Shares includes 9,80,000 shares issued on 22.09.2009. (Also refer Note No. 5 in schedule No.19).

13. The Group has invested ₹ 880.00 lacs in Non - Convertible Debentures (NCDs) of Advinus Therapeutics Pvt. Ltd. having a coupon rate of 4.25%. The NCDs will be redeemed between December 2010 and May 2013 at a premium of 25%. Income recognised during the year includes ₹ 30.44 lacs *(Previous Year ₹ 33.32 lacs)* in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹ 189.62 lacs were redeemed at a 25% premium which aggregated ₹ 47.96 lacs.

14. Employee Benefit Obligation

Defined-Contribution Plans

The Group makes contributions towards provident fund, family pension fund and superannuation fund to defined contribution retirement benefit plans for qualifying employees. The provident fund is administered by the Trustees of Rallis India Limited Provident Fund Trust, the family pension fund is administered by the Government of India and the superannuation fund is administered by the Life Insurance Corporation of India and HDFC Standard Life Insurance Company Ltd. Under the schemes, the Group is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. The rules of the Group's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under paragraph 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Group. Having regard to the assets of the Fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

A sum of ₹ 463.81 lacs (*Previous Year ₹ 383.96 lacs*) has been charged to the revenue account in this respect.

Defined–Benefits Plans

The Group offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and a supplemental pay scheme (a life long pension). Benefits under the defined benefit plans are typically based either on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees, while supplemental pay plan covers certain executives. In the case of the gratuity scheme, the Group contributes funds to Gratuity Trust, which is irrevocable, while the supplemental pay scheme is not funded. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the profit and loss account.

The net value of the defined-benefit commitment is detailed below:

₹ lacs

	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2010-11			*2009-10*		
Present Value of Commitments	1,541.81	1,562.49	3,104.30	*1,501.24*	*1,572.68*	*3,073.92*
Fair Value of Plans	1,469.68	-	1,469.68	*1,341.60*	-	*1,341.60*
Net liability in the balance sheet	72.13	1,562.49	1,634.62	*159.64*	*1,572.68*	*1,732.32*

₹ lacs

	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2010-11			*2009-10*		
Opening balance as at 1st April, 2010	1,501.24	1,572.68	3,073.92	*1,238.59*	*1,567.17*	*2,805.76*
Adjustment upon Acquisition of Subsidiary	59.93	-	59.93	-	-	-
Past Service Cost	80.02	-	80.02			
Current Service Cost	123.04	19.85	142.89	*119.46*	*17.20*	*136.66*
Interest expenses	118.08	116.87	239.95	*102.53*	*106.15*	*208.68*
Paid benefits	(182.28)	(168.94)	(351.22)	*(152.94)*	*(135.96)*	*(288.90)*
Actuarial (gain) / loss	(158.22)	22.03	(136.19)	*193.60*	*18.12*	*211.72*
Closing balance as at 31st March, 2011	1,541.81	1,562.49	3,104.30	*1,501.24*	*1,572.68*	*3,073.92*

Plan assets: Gratuity

₹ lacs

	2010-11	*2009-10*
Opening balance as at 1st April, 2010	1,341.60	*605.77*
Adjustment upon Acquisition of Subsidiary	38.14	-
Expected return on scheme assets	109.22	*107.60*
Contributions by the Group	167.10	*815.71*
Paid funds	(182.28)	*(152.94)*
Actuarial gain / (loss)	(4.10)	*(34.54)*
Balance with the Trust as at 31st March 2011	1,469.68	*1,341.60*
Closing balance as at 31st March, 2011	1,469.68	*1,341.60*

Investment Details:

₹ lacs

	31.03.2011	*31.03.2010*
(a) Debentures	464.01	*545.08*
(b) Equity	186.69	*174.83*
(c) Government Securities	188.32	*122.98*
(d) Deposits, Money market Securities & Other Assets	144.51	*89.51*
(e) Other – Fund managed by other insurer whose pattern of investment is not available with the Company	339.97	*314.53*
(f) Others	146.18	*94.67*
Total Asset	1,469.68	*1,341.60*

The plan assets are managed by the Gratuity Trust formed by the Company. The management of funds is entrusted with the Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited.

Return on plan assets: - Gratuity

₹ lacs

	2010-11	*2009-10*
Expected return on plan assets	109.22	*107.60*
Actuarial gain / (loss)	(4.10)	*(34.54)*
Actual return on plan assets	105.12	*73.06*

Expenses on defined benefit plan:

₹ lacs

	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2010-11			*2009-10*		
Current service costs	123.04	19.85	142.89	*119.46*	*17.20*	*136.66*
Past service cost	80.02	-	80.02	*-*	*-*	*-*
Interest expense	118.08	116.87	234.95	*102.53*	*106.15*	*208.68*
Expected return on investment	(109.22)	-	(109.22)	*(107.60)*	*-*	*(107.60)*
Net actuarial (gain) / loss	(154.12)	22.03	(132.09)	*228.14*	*18.12*	*246.26*
Expenses charged to the profit and loss account	57.80	158.75	216.55	*342.53*	*141.47*	*484.00*

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense.

	2010-11	2009-10
Rate for discounting liabilities	8% to 8.50% p.a.	7.75% p.a.
Expected salary increase rate	5% to 8.00% p.a.	8.00% p.a.
Expected return on scheme assets	8.00% to 10 % p.a.	8.00% p.a.
Mortality rates	LIC 1994-96 ultimate table	LIC 1994-96 ultimate table

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

Experience adjustment:

(a) Gratuity

₹ lacs

	2010-11	*2009-10*	*2008-09*	*2007-08*	*2006-07*
Defined benefit obligation	1,541.81	*1,501.24*	*1,238.59*	*1,138.26*	*806.41*
Plan asset	1,469.69	*1,341.60*	*605.77*	*860.98*	*558.15*
Surplus/(Deficit)	(72.13)	*(159.64)*	*(632.82)*	*(277.28)*	*(248.26)*
Experience adjustment on plan assets	(3.79)	*(34.54)*	*(146.09)*	*	*
Experience adjustment on plan liabilities	(78.81)	*(19.50)*	*25.81*	*	*

* The figures in respect of previous two periods are not available.

(b) Supplemental Pay

₹ lacs

	2010-11	*2009-10*	*2008-09*	*2007-08*	*2006-07*
Defined benefit obligation	1,562.49	*1,572.68*	*1,567.17*	*1,569.63*	*1506.25*
Plan asset	-	-	-	-	-
Surplus/(Deficit)	(1,562.49)	*(1,572.68)*	*(1,567.17)*	*(1,569.63)*	*(1506.25)*
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	21.19	*63.94*	*(79.49)*	*	*

* The figures in respect of previous two periods are not available.

The contributions expected to be made by the Group during the financial year 2011-12 amounts to ₹ 72.12 lacs.

15. Foreign Currency Exposures:-

The Group, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts and currency option contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and four years.

Derivative Instruments:

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

(a) The following derivative instruments are outstanding as at balance sheet date:

i) Outstanding Forward Exchange Contracts entered into by the Group: -

Particulars	As at					
	31.03.2011			*31.03.2010*		
	No of Contracts	Amount in Millions	₹ lacs	*No of Contracts*	*Amount in Millions*	*₹ lacs*
Receivables	-	-	-	*6*	*USD 3.60*	*1,623.24*
	-	-	-	*2*	*AUD 0.88*	*364.58*
Payables	3	USD 3.35	1,496.78	*5*	*USD 1.92*	*865.50*
	2	JPY 185.87	1,001.94	*9*	*JPY 341.00*	*1,649.04*

Note: USD = US Dollar; EUR = Euro; JPY = Japanese Yen; AUD = Australian Dollar.

ii) The following is the outstanding currency option contract, which has been designated as Cash Flow Hedges:

₹ lacs

Foreign Currency	31.03.2011			*31.03.2010*		
	No of Contracts	Notional amount of currency option contracts	Fair Value Gain/(Loss)	*No of Contracts*	*Notional amount of currency option contracts*	*Fair Value Gain/(Loss)*
USD	1	5.90 Millions	97.36	*1*	*8.85 Millions*	*152.90*

USD = U.S. Dollar

The net gain on the derivative instrument of ₹ 73.66 lacs (net of Deferred Tax Liability of ₹ 35.38 lacs) is recognized in the Hedging Reserve Account as at 31st March, 2011 of which ₹ 62.02 lacs *(Previous Year ₹ 64.49 lacs)* is expected to be reclassified in the Profit and Loss Account by 31st March 2012.

(b) The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below.

(i) Amounts receivable in foreign currency on account of the following: -

Particulars	As at			
	31.03.2011		*31.03.2010*	
	₹ lacs	Amount in Millions	*₹ lacs*	*Amount in Millions*
Exports of goods and services	5,952.57	USD 11.93	*3,844.58*	*USD 8.37*
		AUD 1.27		*AUD 0.12*
		EUR 0.05		*EUR 0.03*

(ii) Amounts payable in foreign currency on account of the following: -

Particulars	As at			
	31.03.2011		*31.03.2010*	
	₹ lacs	Amount in Millions	*₹ lacs*	*Amount in Millions*
Packing Credit	418.14	USD 0.82		-
		-		-
Imports of goods and services	8,466.54	USD 18.77	*5,655.90*	*USD 12.31*
		JPY 254.57		*JPY-*
		EUR 0.11		*EUR 0.16*
		AUD 0.02		*AUD 0.02*
Customer Advances	141.61	USD 0.32	*130.74*	*USD 0.29*

Note: USD = US Dollar; EUR = Euro; JPY = Japanese Yen; AUD = Australian Dollar.

16. (a) **Other Liabilities include provision held in respect of indirect tax matters in dispute:**

₹ lacs

Particulars	2010-11	*2009-10*
Opening Balance as at 1st April, 2010	185.21	*185.21*
Additional provisions made during the year	-	*161.27*
Total	185.21	*346.48*
Payments made adjusted against above sum	-	*(161.27)*
Closing Balance as at 31st March, 2011	185.21	*185.21*

a) Solacium amounting to ₹ 9.65 lacs was incurred for the year ended 31st March 2011. The Solacium represents compensation paid to customers for issues related to products dealt by the company.

b) Provision for Contingencies to ₹ 50.00 lacs *(Previous Year ₹ Nil)* was provided for the year ended 31st March 2011.

₹ lacs

Nature of Expenses	Probable outflow estimated within	Opening balance on 01.04.2010	Provision made during the year	Amount used during the year	Unused amount reversed during the year	Provision at the end of the year
Contingencies for claims in business operation	1 year	Nil	50.00	Nil	Nil	50.00

17. The Group has incurred the following expenses on research and development activity:

₹ lacs

	2010-11	2009-10#
On tangible fixed assets	33.19	90.35
On items which have been expensed during the year *	1,071.59	512.12
Total	**1,104.78**	**602.47**

* includes amount of ₹ 405.89 lacs *(Previous Year ₹ 129.37 lacs)* paid to an external agency.
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During the year the Group has also incurred ₹ 445.98 lacs (*Previous Year ₹ 271.31 lacs*) towards product development and registration which is included under Capital Work In Progress (CWIP). The total amount included in CWIP as on 31st March 2011 ₹ 1,161.53 lacs *(Previous Year ₹ 715.57 lacs)*. Out of the CWIP a sum of ₹ Nil lacs (*Previous Year ₹ 398.44 lacs)* was written off during the year.

18. "Other Income" includes net gain of ₹ 176.34 lacs (*Previous Year net gain of ₹ 134.34 lacs grouped under "Other Income")* on account of foreign currency translation differences.

19. Investments made by the Group during the year includes ₹ 31,736.06 lacs *(Previous Year ₹ 67,914.74 lacs)* on account of switches not requiring the use of Cash and Cash Equivalents. Therefore, these amounts are not included under "Investing Activities" in the Cash Flow Statement.

20. Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies :-

₹ lacs

Name of Subsidiary Company	Rallis Australasia Pty Ltd $	Rallis Chemistry Exports Ltd	Metahelix Life Sciences Ltd #	Dhaanya Seeds Ltd @#
Country	Australia	India	India	India
Year	2010-2011	2010-2011	2010-2011	2010-2011
Capital	0.35	5.00	10.57	257.25
Reserve	98.08	(18.92)	5,570.37	(291.58)
Total Asset	98.43	4.80	5,936.41	5,357.49
Total Liabilities	-	18.72	355.47	5,391.82
Investment other than investment in subsidiary	-	-	-	-
Turnover	76.62	-	1,185.39	4,983.95
Profit before taxation	(83.90)	(3.92)	251.17	(1,335.10)
Provision for taxation	-	-	67.89	-
Profit after taxation	(83.90)	(3.92)	183.28	(1,335.10)
Proposed dividend	-	-	-	-

Footnotes:

$ The financial statementes of Rallis Australasia Pty. Ltd. have been tralsated into Indian Rupees using the closing exchange rate for monetary items, the exchange rate prevailing on the date of transactions for non-monetary items and the average exchange rate for the year for items of income and expense.

Turnover, Profit/(Loss) before taxation, Provision for Tax and Profit/(Loss) after Tax shown above is for the period 01/04/2010 to 31/03/2011. However, same is considered on a proportionate basis for the purposes of Consolidation from the date of acquisition as disclosed in Note 1(a) of Schedule 19 based on the consolidated financial statements of Metahelix Life Sciences Ltd.

@ Dhaanya Seeds Ltd. is a subsidiary of Metahelix Life Sciences Ltd.

21. Previous year's figures have been regrouped / restated wherever necessary to conform to the classification of the current year.

Signature to Schedules 1 to 19

HOMI R. KHUSROKHAN
B. D. BANERJEE
E. A. KSHIRSAGAR
S. RAMANATHAN
PRAKASH R. RASTOGI
BHARAT VASANI
K. P. PRABHAKARAN NAIR
R. MUKUNDAN
YOGINDER K. ALAGH

Directors

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 29th April , 2011

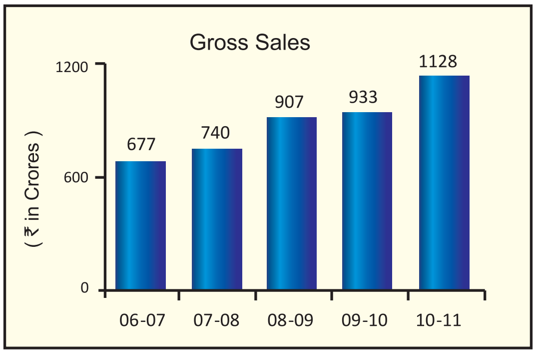
Rallis India Limited-Financial Statistics

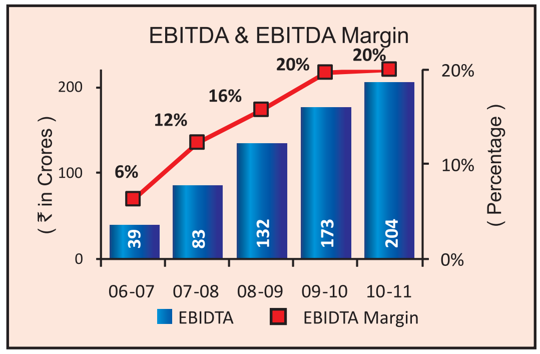
₹ lacs

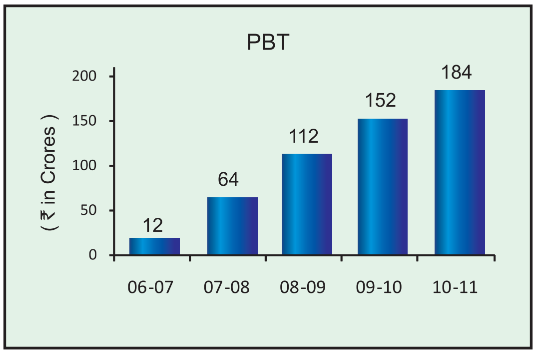
Year-ended 31st March Financial Position	2011	2,010	2,009	2,008	2,007	2,006	2,005	2,004	2,003	2,002
Net Fixed Assets	**38,445**	26,478	18,766	14,787	14,411	16,528	18,186	17,665	15,608	16,079
Deferred Tax Assets	**-**	535	1,016	1,323	1,222	336	-	-	-	-
Investments	**15,193**	14,028	13,616	5,551	3,173	4,948	46	309	2,663	2,383
Total	**53,638**	41,041	33,397	21,661	18,805	21,812	18,231	17,973	18,270	18,462
Current Assets	**42,453**	32,450	34,727	33,431	31,551	30,420	26,979	38,055	54,402	63,606
Current Liabilities	**36,197**	30,400	25,914	20,022	25,913	23,650	17,747	20,374	33,265	35,742
Net Current Assets	**6,257**	2,050	8,813	13,409	5,637	6,770	9,232	17,681	21,137	27,864
TOTAL CAPITAL EMPLOYED	**59,895**	43,090	42,210	35,070	24,443	28,582	27,463	35,654	39,408	46,326
Capital										
- Preference	**-**	-	8,800	8,800	8,800	8,800	8,800	8,800	-	-
- Equity	**1,945**	1,296	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198
Total	**1,945**	1,296	9,998	9,998	9,998	9,998	9,998	9,998	1,198	1,198
Reserves	**48,391**	40,983	24,869	20,755	11,179	7,563	4,618	7,255	6,707	12,338
Less: Debit Balance in Profit & Loss A/c.	**-**	-	-	-	-	-	-	4,969	2,155	-
Less: Miscellaneous Expenditure	**-**	-	713	73	214	544	1,006	1,551	1,653	1,223
Net Worth	**50,336**	42,279	34,155	30,681	20,963	17,017	13,610	10,733	4,098	12,314
Borrowings										
- Short term	**972**	161	2,455	3,604	2,541	2,901	5,607	16,236	30,513	28,239
- Long term	**8,265**	650	5,600	786	938	8,664	8,246	8,686	4,797	5,773
Total	**9,236**	811	8,055	4,389	3,479	11,565	13,853	24,921	35,310	34,012
Deferred Tax Liability	**323**	-	-	-	-	-	-	-	-	-
TOTAL SOURCES	**59,895**	43,090	42,210	35,070	24,443	28,582	27,463	35,654	39,408	46,326
Summary of Operations										
Sales (including Excise)	**112,764**	93,349	90,683	73,966	67,680	65,275	60,350	54,587	88,508	103,768
Other Income	**3,436**	2,882	2,262	11,163	8,378	3,900	5,332	11,753	3,921	16,884
Total Income	**116,199**	96,231	92,946	85,129	76,058	69,175	65,682	66,339	92,429	120,652
Expenses										
Materials consumed	**62,824**	50,339	50,557	40,844	40,339	37,025	33,420	30,202	67,112	78,054
Personnel cost	**6,958**	7,498	7,274	6,135	5,520	5,165	5,281	5,631	5,654	4,988
Excise duty	**8,230**	6,000	7,291	6,847	5,475	6,140	6,241	5,667	3,919	5,185
Interest	**332**	267	326	409	1,089	841	1,449	3,956	4,152	4,222
Depreciation	**1,716**	1,831	2,295	2,007	3,100	1,675	1,611	1,703	1,522	1,415
Other expenses	**17,782**	15,076	14,603	14,270	15,034	13,874	14,264	16,562	17,784	20,442
Total	**97,842**	81,011	82,345	70,512	70,556	64,721	62,266	63,721	100,142	114,307
Profit before tax and prior year adjustment	**18,357**	15,219	10,601	14,617	5,502	4,454	3,416	2,619	(7,714)	6,345
Tax	**5,736**	5,116	3,472	2,098	(309)	201	67	64	(342)	(1,349)
Profit after tax before prior year adjustment	**12,621**	10,104	7,129	12,519	5,811	4,252	3,350	2,555	(7,372)	7,694
Prior year's adjustment	**-**	-	-	**-**	-	-	-	-	355	1,820
Profit after tax	**12,621**	10,104	7,129	12,519	5,811	4,252	3,350	2,555	(7,727)	5,874
IMPORTANT RATIOS										
Current Assets : Liabilities	**1.2**	1.1	1.3	1.7	1.2	1.3	1.5	1.9	1.6	1.8
Debt : Equity	**0.2**	0.0	0.2	0.1	0.2	0.7	1.0	2.3	8.6	2.8
PBT/Turnover %	**16.3**	16.3	11.7	19.8	8.1	6.8	5.6	4.8	(8.7)	6.1
Return (PBIT) on Capital Employed %	**31.2**	35.9	25.9	42.8	27.0	18.5	17.7	18.4	(9.0)	22.8
Dividend (per share)	**20.0**	18.0	16.0	10.0	8.0	4.0	1.0	-	-	10.0
Earnings (per share) *	**65**	52	53	22	42	29	22	20	(64)	47
Net Worth (per share)	**259**	326	212	183	101	69	40	16	34	103

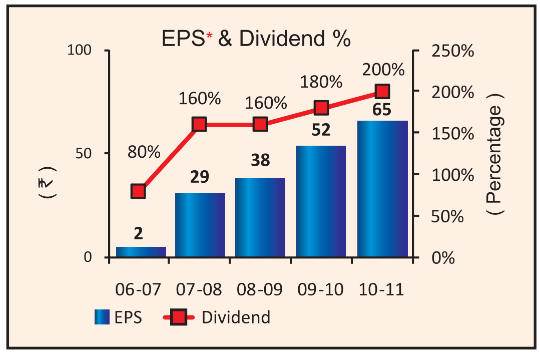
Previous years figures have been regrouped, wherever necessary.
Figures upto 2004 are only for Rallis India Limited . Figure from 2004 onwards is that of merged entiity
Earnings per share upto 2009 is pre-bonus
Networth per share upto 2010 is pre bonus

Rallis India Limited-Performance Summary

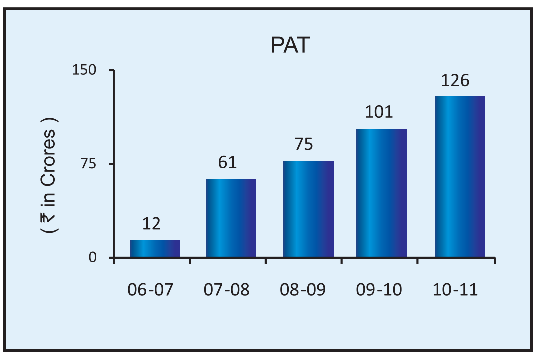


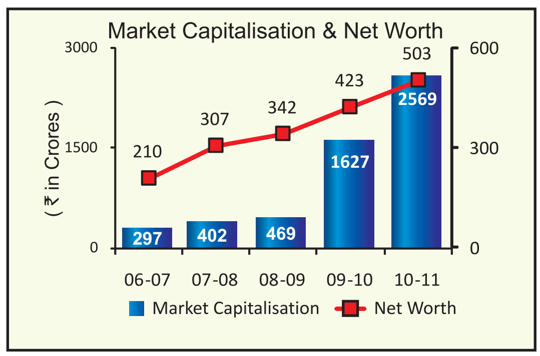


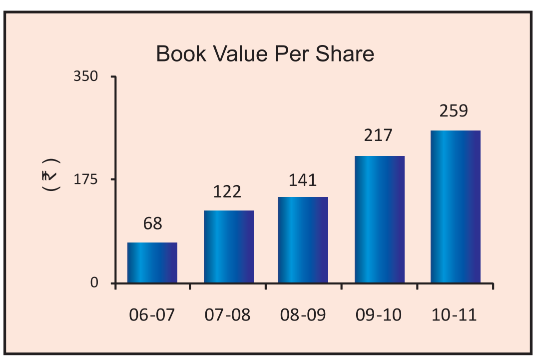


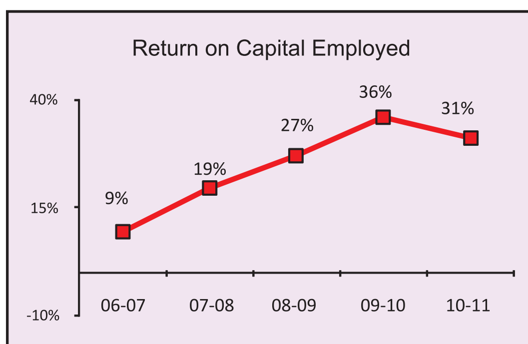


* Adjusted for Bonus issue



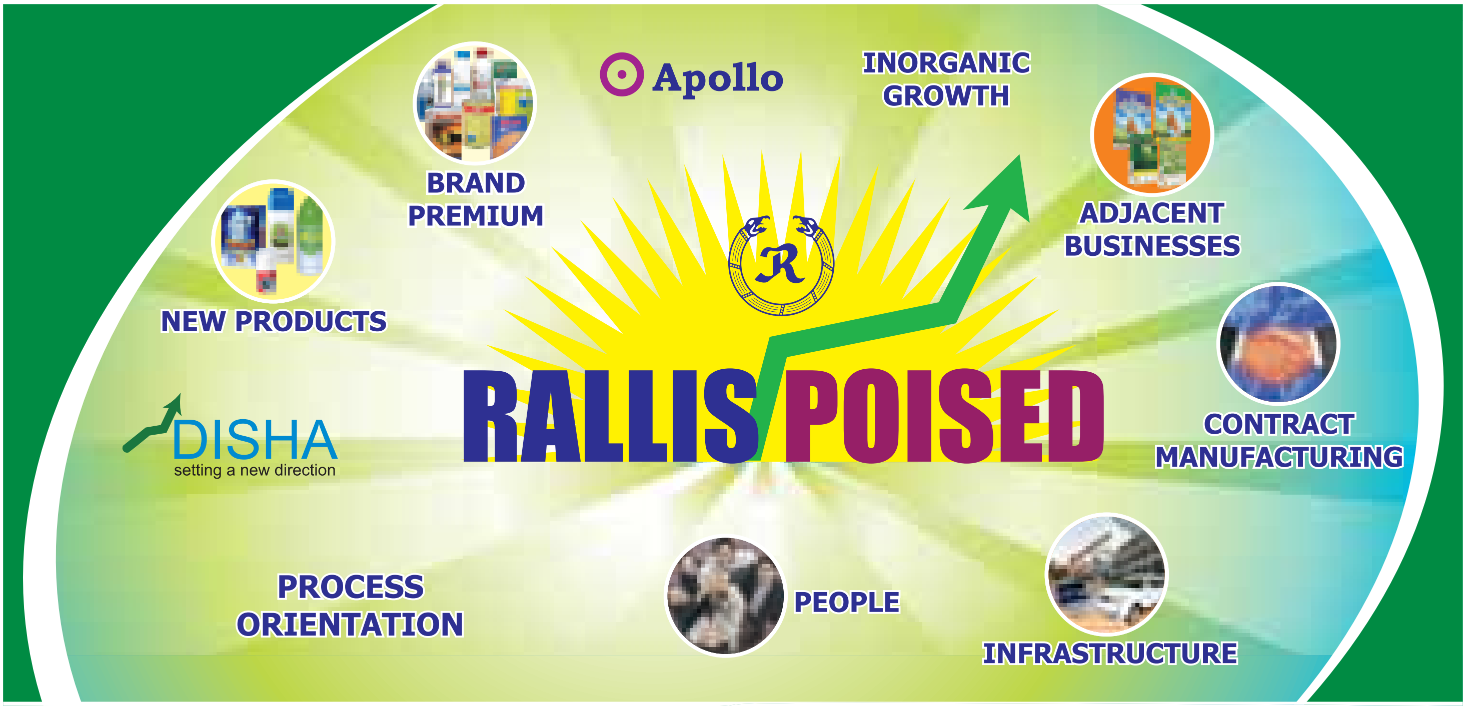






Note: Income figures reclassified showing operating income, net of extraordinary items.

RALLIS INDIA LIMITED
A TATA Enterprise

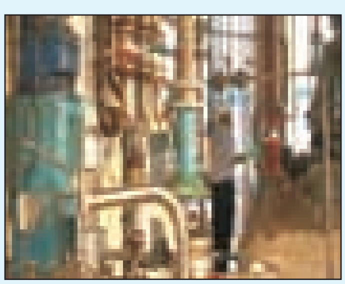
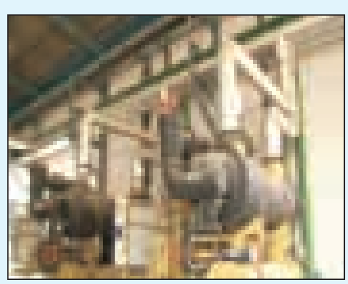
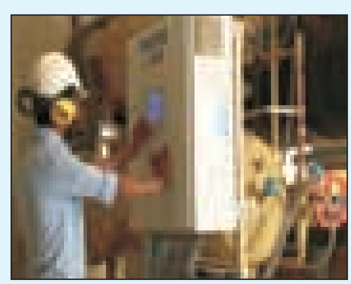


DAHEJ

New Manufacturing Facility





RALLIS INDIA LIMITED

A TATA Enterprise

Registered Office 156/157 15th Floor 227 Nariman Bhavan
Nariman Point Mumbai 400 021

RALLIS INDIA LIMITED

Registered Office 156/157 15TH FLOOR NARIMAN BHAVAN 227 NARIMAN POINT MUMBAI 400 021

Attendance Slip

I hereby record my presence at the SIXTY-THIRD ANNUAL GENERAL MEETING of the Company at Auditorium, Ground Floor, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021, on Thursday, the 30th June, 2011 at 3.30 p.m.

SIGNATURE OF THE ATTENDING MEMBER/ PROXY

NOTES:
1. Shareholder/ Proxyholder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. Shareholder/ Proxyholder desiring to attend the meeting should bring his/her copy of Annual Report for reference at the meeting.

RALLIS INDIA LIMITED

Registered Office 156/157 15TH FLOOR NARIMAN BHAVAN 227 NARIMAN POINT MUMBAI 400 021

Proxy

I/We ....

of .... in the district of .... being

a Member/ Members of the abovenamed Company, hereby appoint ....

.... of .... in the district of

.... or failing him .... of .... in the district of

.... as my/ our Proxy to attend and vote for me/ us and on my/ our behalf

at the Sixty-third Annual General Meeting of the Company, to be held on Thursday, the 30th June, 2011 at 3.30 p.m. or at any adjournment thereof.

Signed this .... day of 2011

Reference Folio No.:

DP ID/BEN ID:

No. of Shares held:

Signature

Affix Revenue Stamp

This form is to be used *In favour of / * against the resolution. Unless otherwise instructed, the Proxy will vote as he thinks fit.

* Strike out whichever is not desired.

NOTE: The Proxy must be returned so as to reach the Registered Office of the Company, at 156/157, 15th Floor, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid Meeting.