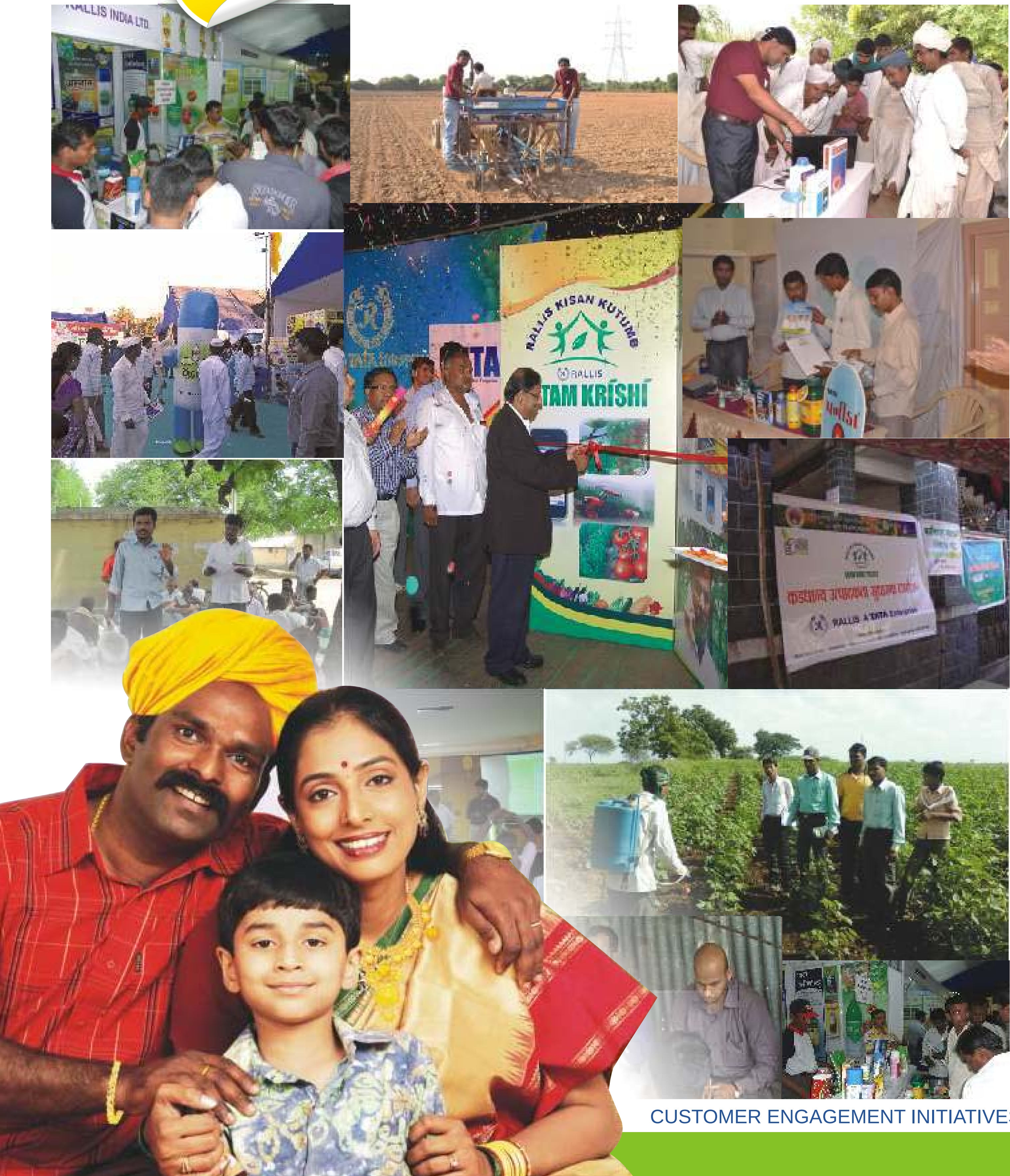
RALLIS INDIA LIMITED

A TATA Enterprise

64th Annual Report | 2011-12

Extension Programs



CUSTOMER ENGAGEMENT INITIATIVES

RALLIS INDIA LIMITED
A TATA Enterprise

Environment, Health and Safety

LOTE Factory

NATIONAL SAFETY COUNCIL - MAHARASHTRA CHAPTER

MAHARASHTRA SAFETY AWARDS - 2010

This Certificate of MERIT
is presented to
RALLIS INDIA LTD
NAVI MUMBAI
for
MERITORIOUS PERFORMANCE IN INDUSTRIAL SAFETY DURING THE YEAR - 2010
in
CHEMICALS & FERTILIZERS
Industry Group
Mumbai, This Twentyfourth Day of September 2011

AKOLA Factory

NABL accreditation of DAHEJ

AKOLA Factory

ANKLESHWAR Factory

SAFETY AWARDS AT VARIOUS FORA

Corporate Sustainability

Various Initiatives such as Tree Plantation, Women Self-help Groups, Self defence training in schools.

MoPu - More Pulses program


MoU with Govt. Of Maharashtra


A farmer meeting in Progress


Sharing the experiences


Showcasing the difference


Red gram procurement

TRAITS - TATA Rallis Agri Input Training School


TRAITS Trainee Undertaking Demo


KVK Faculty explaining the topic to the TRAITS Trainees


Participants at the inaugural session at Bolpur

Samruddh Krishi


A customer education session in progress


Explaining the new techniques


Testing Soil Temperature


Addressing a group of progressive customers

RALLIS

A TATA Enterprise

Sixty-fourth annual report 2011-2012

Contents

Annual General Meeting	:	Wednesday, 27th June, 2012
Time	:	3.00 p.m.
Venue	:	Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021.

BOOK CLOSURE DATES
13TH JUNE, 2012 TO 27TH JUNE, 2012

Rallis India Limited

Rallis India Limited

Board of Directors

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

Company Secretary

P. S. Meherhomji

Corporate Identity Number (CIN)

L36992MH1948PLC014083

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

Auditors

Deloitte Haskins & Sells

Solicitors & Advocates

Crawford Bayley & Company

Senior Leadership

V. Shankar	*Managing Director & CEO*
K. R. Venkatadri	*Chief Operating Officer - Agri Business*
Ashish Mehta	*Financial Controller*
K. Amuthan	*Vice President - Human Resources & Business Excellence*
Ravindra R. Joshi	*Vice President - Manufacturing*
Subhash R. Kadam	*Vice President - Research & Development*
K. B. Belliappa	*Vice President - Planning & Logistics*
C. M. Singh	*Vice President - Domestic Sales*
D. G. Shetty	*Vice President - International Business*
P. V. Reddy	*Vice President - Marketing & CRM Services*
Umesh K. Mehendale	*Vice President - Agri Services*
Coomie N. Kapadia	*Head - Internal Audit*

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

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,

Over the last few years, through the Chairman's statement, I have expressed a general concern about a global food imbalance that is emerging. After all, at the end of the Second World War, the earth supported about 2.5 billion people versus 6.5 billion today. It took thousands of years for the population to reach 2.5 billion, but within a mere 65 years since then, the population has exploded. The shift in growth from west to east, rapid urbanization and rising per capita income spur higher demand for food, both in quantity and in quality. Juxtapose this reality with the impact of climate change, land degradation, water depletion and the dwindling availability of arable land: the global food production system faces several challenges.

FY 2011-12 has been a food grain production landmark for India. However, the prices of coarse grains, pulses and vegetable have soared – something significant is happening on our farms. This reflects a simultaneous adjustment in consumption as well as crop production patterns.

Economists tend to view the farmer as a producer. However, for an agri-input Company like yours, the farmer is a consumer. We tend to develop a somewhat different perspective. Understanding the farmer's needs and minimizing his pain areas is core to our business development.

This year I would like to report on how Rallis tries to do these.

NEED FOR A HOLISTIC RESPONSE

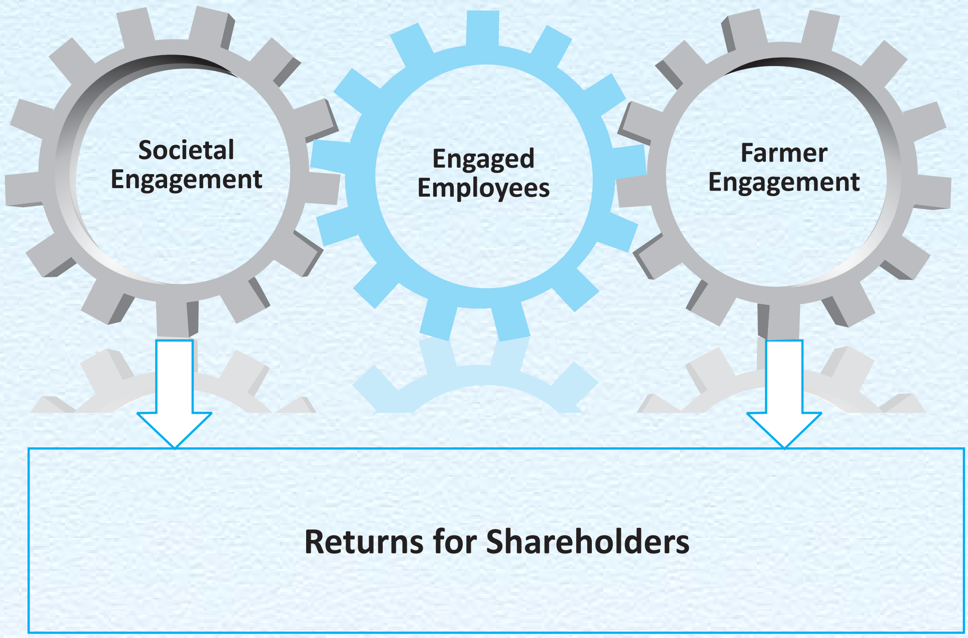
With over 100 million farmers, India has multiple segments. Farmers in the upper tier have economic-sized land-holdings and are better endowed; they are adaptive and experimental. A large number of farmers reside in the lower tier with smaller and less economic landholding. These farmers tend to be a bit risk-averse and face numerous uncertainties and constraints.

For a transformational impact, the needs of both these segments have to be addressed on priority. Over the years, in its own small way, your Company has attempted a holistic approach to serve the farmer and to raise overall farm prosperity. Sometimes by working with other Tata companies, an option is given to the farmer to sell his produce back to a Tata company. For example through the 'Grow More Pulses' programme, Rallis and Tata Chemicals have joined hands to touch very poor farmers of pulses.

Over the last seven years, your Company has conducted numerous Focused Group Discussions (FGDs) covering over 20,000 farmers across 4,000 villages across multiple crops. Our farmer-connect initiatives give us a deep understanding of farmer needs and preferences. By interpreting the farmers' needs derived through FGDs, Rallis strives to create products, services and value.

To develop top class farmer services, a company needs engaged employees. Rallis is fortunate to have close to 3,000 direct and indirect employees working across 16 locations across the country. They constantly engage with more than 2,500 dealers and approximately 37,000 retailers to take our products and services to millions of farmers. This helps us to serve the farmer distinctively. I would like to touch upon the initiatives that drive employee engagement levels in the Company.

To achieve holistic growth, the interest of society is of paramount importance. Integral to your Company's long-term growth strategy is the strong focus on sustainability with a constant pursuit to 'green' our product, process and practices. Our employees continue to drive sustainability initiatives to ensure that we create a green future for people and communities around us.



Engaged employees are central to driving the farmer engagement and the societal engagement. It is such engagement which translates into superior returns for owners. This is a transmission mechanism that Rallis will always strive to improve upon. Allow me to say a few words about each of these elements.

EMPLOYEE ENGAGEMENT

Employee engagement at Rallis is at the heart of the planning exercises. Employee engagement is assessed through an international technique of studying twelve key expectations, which when satisfied, form the foundation of strong feelings of engagement. These twelve expectations are tested through an administered survey to get what, in the jargon, is called the Q12 score.

The Q-12 grand mean for Rallis has consistently been an excellent score compared to global standards and at the very top among Indian companies. When engagement is measured, employees are classified as being 'highly engaged', 'unengaged' and 'actively disengaged'. Every organization would like to have as many employees as possible as highly engaged and as few as possible as actively disengaged.

In average organizations, the ratio of highly engaged to actively disengaged employees is about 2:1. In world-class organizations, the ratio is 5:1. For your Company the ratio is 15:1, suggesting that the Company is fortunate to enjoy a culture that motivates and energizes employees.

Our employee engagement scores have been consistently in the top quartile over the last few years. This gives us immense confidence for the future. An engaged workforce also signals complete alignment with organizational goals and is indicative of a high-performance mindset. Notwithstanding this positive trend, we continue to remain vigilant for future. We want to remain agile while meeting our growth aspirations every year.

The Company recently launched an initiative called, '*Mushkil Aasaan*' which encourages employees to bring to management's notice anything adverse that can impact the organization. It could be an unsafe practice or a delay in capital approval. This information is accessed directly by the Managing Director of the Company with a time-bound plan for resolution.

FARMER ENGAGEMENT

Rallis Kisan Kutumb (RKK)

Your Company has for long built solid customer relationships and in recent years, the activity has been formalized under the umbrella of Rallis Kisan Kutumb (RKK). We have been actively using technology to reach out to farmers in order to make our efforts truly scalable. We have compiled a digitized database of over 700,000 RKK farmer members, enabling us to communicate with them (via mobile, internet, newsletters) and offer products and services. This data gives us immense market intelligence necessary to create new offerings. We have further leveraged technology to reach out to farmers through free help lines. Farmers in some regions are given a toll free number to discuss their issues with an agri-expert. We aspire to soon reach out to one million farmer members through optimum mix of technology and physical connect.

Our endeavor has been to deliver up-to-date information in form of improved agronomic practices coupled with efficient use of agro-chemicals to improve productivity and lower costs.

Crop seminars with experts, farmer meetings and demonstration plots are some initiatives integral to RKK. 'Prerna Visits' are organized to facilitate knowledge transfer: farmers from one area are taken to other locations, to observe and learn good crop management practices from other farmers.

Last year your Company carved out a separate initiative called *Samrudh Krishi* which combines the benefit of technology to personal-touch of crop advisors to meet productivity requirements of farmers.

Samrudh Krishi (SK)

Samrudh Krishi reaches out to farmers with holistic agro-advisory through multiple touch-points. The physical connect with farmers is provided by knowledgeable crop-advisors who visit each farmer's plot and provide him with customized recommendations. This is supplemented by electronic connect – daily SMSs (text and/or voice) which provides village-specific weather information and advisory. Your Company plans to further scale up this initiative after an encouraging response from farmers in the two pilot belts in Maharashtra and Gujarat.

Grow More Pulses

In 2009, your Company had introduced 'Grow More Pulses' in Pudukottai, Tamil Nadu. The objective of the programme was to introduce best practices, improve yields and buy back the produce with the dual purpose of empowering the famers and augment pulse production in India.

In Tamil Nadu, it has now been extended to 5,000 farmers covering 20,000 acres. As an improvement over previous cycle, your Company undertook seed production to introduce high-quality seeds as recommended by TNAU for benefitting the farmers.

Rallis also entered into MoU with Maharashtra Govt to drive MoPu initiative in the State. The intention is to cover 1 Lakh Ha. of land under pulses over the next five years. In the current year, 50,000 acres of land has been covered with focus on Red Gram, Black Gram, Green Gram and Bengal Gram. The initiative did not only improve the yield by 10 to 50% but also fetched price premium of ₹ 100 - ₹ 250 per quintal for the farmers. In addition, Rallis procured 1,715 tonnes of pulses at Latur center thereby providing direct market access to participating farmers.

New Products and Services

Within the crop protection business, your Company strives to introduce new products to maintain its competitive position and meet farmer requirements. During the year, your Company has launched ten new products in the crop protection space, which have been well received by the farming community.

Your Company is consciously looking to play an active role as a complete solution provider by adding to the product portfolio beyond crop protection chemicals. Over the last few years, Rallis has launched micronutrients, growth promoters and different varieties of seeds. The seed business of your Company got a fillip with acquisition of Metahelix. This year saw launch of 10 hybrid seeds through Metahelix. Your Company plans to roll out several new hybrids and market them through the 2,500 strong retail network of Rallis and 700 exclusive outlets of Tata Chemicals.

Soil health management is another opportunity to benefit millions of farmers by rectifying ever-deteriorating soil health. By acquiring stake in Zero Waste Agro Organics Pvt. Ltd., Rallis will be able to manufacture and market, scientifically prepared organic compost rich in nutrients and organic carbon, derived out of wastes from sugar industry. This acquisition gives Rallis a green product that is capable of improving the soil ecosystem, and thereby leading to optimum yield.

Although the share of revenue from non-pesticide business was only 10% of our total revenues in 2011-12, our aspiration is to build a non-pesticide, agro-inputs business which is as big and attractive as the pesticide business.

ENGAGEMENT WITH SOCIETY

As part of the Company's commitment towards greening the product portfolio, we have voluntarily eliminated the more toxic red triangle products from our portfolio. Rallis continually engages with farmers, to spread education on safe, sensible and optimum usage of agro-chemicals.

Rallis is also making significant investments in its manufacturing plants to enhance standards on environment, health and safety. Your Company is heading towards a zero discharge operation. We drive continuous improvement measured through 'Greening Index' which tracks parameters like: power consumption, water consumption and waste generation.

Rallis India also touches the lives of the less fortunate through its volunteering initiative, Rallilove ACTS (Assisting Community Through Service). The Company launched RUBY (Rallis Ujjwal Bhavishya Yojana) to improve the employment prospects of rural youth. The Rallis Spoorthi campaign creates awareness about the importance of educating the girl child and drinking potable water. The Company also focuses on environment protection, tree plantation, safety awareness and HIV/AIDS awareness programmes.

RETURNS TO SHAREHOLDERS

Employee engagement, farmer engagement and engagement with society are all fine so long as they lead to better shareholder returns. The Company tracks Total Shareholder Return (TSR) as the yearly rate of return of an investment made, considering the capital appreciation plus dividends over time.

You would be happy to know that your Company has generated TSR of almost 50% p.a. from March 2003 till the last trading day of March 2012. Rallis' stock price has significantly out-performed the BSE Sensex during the past 10 years. Furthermore, your Company has delivered TSR of 71% and 35% (on yearly basis) for the last 3 years and 6 years respectively. These returns are among the best in the industry.

Your Company takes investors' feedback in the form of a satisfaction survey that it administers every two years. We also diligently work on the suggestions received from you and undertake changes that we believe would create value for shareholders.

We have an internal basis for running the Company: that if the management does the right things for the farmer, the employee and society, the shareholder will automatically gain. I hope you approve of our approach.

BOARD OF DIRECTORS

Dr. V. S. Sohoni will retire as Director of the Company on 28th May, 2012. As Managing Director of the Company, he has played an invaluable role in the turnaround story of Rallis, and subsequently, as Non-Executive Director, the Company has benefited immensely from his advice and deliberations at Board Meetings. I am sure shareholders will join me in wishing Dr. Sohoni a very happy and fruitful retired life.

Dr. Y. S. P. Thorat has joined the Company as Non-Executive, Independent Director with effect from 1st July, 2011. The Board has also approved the re-appointment of Mr. V. Shankar as the Managing Director of the Company, for a further 5 year term with effect from 13th March, 2012. Their appointments come up for shareholder approval at the Annual General Meeting, and your Board commends the same for your approval.

ACKNOWLEDGEMENT

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 the growth path.

Chairman

Mumbai
May 17, 2012

RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the 64th Annual General Meeting of Rallis India Limited will be held at the Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021, on Wednesday, the 27th June, 2012 at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2012 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 2011-12 and to declare a Final Dividend for the year 2011-12 on Equity Shares.
3. To appoint a Director in place of Mr. Homi R. Khusrokhan who retires by rotation and is eligible for re-appointment. He has offered himself for re-election and his term would be up to December 2013.
4. To appoint a Director in place of Mr. Prakash R. Rastogi who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Bharat Vasani who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.
7. **Appointment of Dr. Yashwant S. P. Thorat as a Director**

   To appoint a Director in the place of Dr. Yashwant S. P. Thorat who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st July, 2011 and who holds office up to the date of the forthcoming Annual General Meeting under Section 260 of the Companies Act, 1956 ('the Act') and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a shareholder proposing his candidature for the office of Director.
8. **Re-appointment of Mr. V. Shankar as Managing Director**

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

   RESOLVED THAT pursuant to Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), as amended or re-enacted from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. V. Shankar as the Managing Director of the Company with effect from 13th March, 2012 up to 12th March, 2017, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said re-appointment, in such manner as may be agreed to between the Directors and Mr. Shankar.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

Notes:

1. The Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 7 and 8 is annexed hereto. The relevant details of Directors seeking re-appointment/ appointment under Item Nos. 3 to 5, 7 and 8, 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.
4. **Book Closure and Dividend:**
   (a) **The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 13th June, 2012 to Wednesday, 27th June, 2012 (both days inclusive).**
   (b) If dividend on Equity Shares, as recommended by the Directors, is approved at the Meeting, the payment of such dividend will be made on 29th June, 2012 as under:
      (i) 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 13th June, 2012.
      (ii) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members on 13th June, 2012.
5. **National Electronic Clearing Service (NECS):**
   (a) 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.
   (b) 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.
6. 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.
7. 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.
8. **Nomination Facility:**

   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 by members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
9. **Unclaimed Dividends:**

   Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/ unpaid dividends up to 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, unclaimed/ 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.

It may be noted that the unclaimed/ unpaid dividend for the financial year ended 31st March, 2005 is due for transfer to the Fund on 28th July, 2012.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Share Registrars and Transfer Agents.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 23rd April, 2012

Registered Office:

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

Green Initiative

The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by companies, after considering the relevant sections of the Information Technology Act, 2000, for legal validity of compliances under the Companies Act, 1956 ('the Act') through electronic mode. The MCA has vide its Circular Nos.17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, provided that a company would have complied with Section 53 of the Act, if the service of documents has been made through electronic mode, provided the company has obtained the email addresses of its members for sending the notice/ documents through email by giving an advance opportunity to every member to register his/ her email address and changes therein from time to time with the company. In cases where any member has not registered his/ her e-mail address with the company, the service of documents, etc. will be effected by other modes of service as provided in Section 53 of the Act.

In light of the above, those members, who desire to receive notice/ documents including Annual Reports through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to their Depository Participant/ Company's Share Registrars and Transfer Agents, TSR Darashaw Ltd. for receipt of notice/ documents including Annual Reports through e-mail.

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. 7 and 8 of the accompanying Notice dated 23rd April, 2012.

Item No.7

Dr. Yashwant S. P. Thorat was appointed Additional Director of the Company by the Board of Directors with effect from 1st July, 2011 pursuant to Section 260 of the Act and Article 116 of the Articles of Association of the Company. As such, Dr. Thorat holds office as Director up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director. Notice under Section 257 of the Act has been received from a Member indicating her intention to propose Dr. Y. S. P. Thorat for the office of Director at the forthcoming Annual General Meeting.

Dr. Y. S. P. Thorat holds a Doctorate in Economics and degrees in Political Science and Law. He served the Reserve Bank of India (RBI) from 1972 to 2003 in various capacities, including as Executive Director. He has also served NABARD as Managing Director from 2004 and was appointed as its Chairman in 2006 and served the Institution in that capacity until November 2007. Dr. Thorat has also been associated at the policy level with Vaidyanathan Committees on the Short Term and Long Term Cooperative Credit Structure as Member Secretary and as Chairman of the Expert Groups on Credit Deposit Ratio and Investment Credit appointed by the Government of India (GOI) and RBI respectively. He was also appointed as Chairman, Expert Group on Sugar Policy constituted by the GOI in 2008. Presently, Dr. Thorat is on the Boards of National Institute of Bank Management, D. Y. Patil University, Khed Developers Ltd. and also Chief Executive Officer of Rajiv Gandhi Charitable Trust.

The Board considers it desirable to continue to receive the benefit of Dr. Y. S. P. Thorat's advice and guidance and, therefore, commends his appointment.

Dr. Y. S. P. Thorat is interested and concerned in the Resolution mentioned in Item No.7 of the Notice.

Item No.8

The Board of Directors ('the Board') of your Company, at its meeting held on 20th January, 2012, has re-appointed Mr. V. Shankar as Managing Director of the Company for a further period of five years, from 13th March, 2012 up to 12th March, 2017, subject to the approval of the Shareholders of the Company.

Mr. V. Shankar joined Rallis India Limited on 1st December, 2005 as Chief Operating Officer. He was appointed as Executive Director of the Company with effect from 13th March, 2007, and subsequently as Managing Director with effect from 15th January, 2009. As Managing Director, Mr. Shankar exercises substantial powers of management over the Company, subject to the superintendence, control and directions by the Board of Directors.

Prior to joining Rallis, Mr. Shankar had worked with Tata Chemicals Ltd. as Chief Operating Officer, Phosphates Business, before which, he was with Hindustan Lever Ltd. from 1986 to 2004. He served in various capacities in the Unilever Group of Companies and was responsible for the Seeds business and later Fertilisers Business. Mr. Shankar is a Chartered Accountant, Cost Accountant, Company Secretary as well as a Law Graduate.

The appointment and terms of remuneration of Mr. Shankar as the Managing Director are pursuant to the provisions of Article 135 of the Company's Articles of Association and Sections 198, 269, 309, 311, read with Schedule XIII and other applicable provisions, if any, of the Act. Mr. Shankar shall not, while he continues to be the Managing Director, be subject to retirement by rotation pursuant to the provisions of Section 255 of the Act.

The principal terms and conditions relating to the appointment of Mr. Shankar as Managing Director, as approved by the Board at its Meeting held on 20th January, 2012, are given below:

1. The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in

connection with and in the best interests of the business of the Company and the business of any one or more of its associate companies and/ or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associate companies and/ or subsidiaries or any other executive body or any committee of such a company.

The Managing Director shall employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

2. a. **Remuneration:**

   Salary up to a maximum of ₹5,00,000 per month, with annual increments effective 1st April every year, as may be decided by the Board, based on merit and taking into account the Company's performance; benefits, perquisites and allowances as determined by the Board from time to time; and incentive remuneration, if any, and/or commission based on certain performance criteria to be prescribed by the Board.

   b. **Minimum Remuneration:**

   Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Mr. V. Shankar, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances and incentive remuneration as specified above.

3. The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

4. The Managing Director will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its subsidiaries or associate companies.

5. The Managing Director, so long as he functions as such, will not become interested or otherwise concerned, directly or through his spouse and/ or children, in any selling agency of the Company.

6. The Managing Director shall, during his term, abide by the provisions of the Tata Code of Conduct in spirit and in letter and commit to assure its implementation.

7. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director, unless specifically provided otherwise.

8. The Agreement may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.

9. The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:

   a. if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

   b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the Agreement; or

   c. in the event the Board expresses its loss of confidence in the Managing Director.

10. In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate this contract on such terms as the Board may consider appropriate in the circumstances.

11. Upon the termination by whatever means of his employment under the Agreement:

    (i) The Managing Director shall immediately tender his resignation from other offices held by him in any subsidiaries and associate companies without claim for compensation for loss of office and in the event of his failure to do so the Company is irrevocably authorized to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associate companies of which the Managing Director is at the material time a director or other officer.

    (ii) The Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associate companies.

12. (i) The Managing Director is being appointed by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1) (I) of the Act.

    (ii) If and when the Agreement expires or is terminated for any reason whatsoever, Mr. V. Shankar will cease to be the Managing Director and also cease to be a Director. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

An abstract of the draft agreement between the Company and Mr. Shankar pursuant to the provisions of Section 302 of the Act was sent to the Members in January 2012.

Pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions of the Act, the approval of the Members in General Meeting is required to be obtained for the re-appointment and the terms of the remuneration of Mr. Shankar as the Managing Director and as set out in Item No.8 of the Notice.

Mr. V. Shankar is concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

The Board is of the opinion that it is in the interest of the Company to continue to receive the benefit of Mr. Shankar's services as Managing Director and accordingly the Directors commend the Resolution at item No.8 for approval by the Members.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 23rd April, 2012

Registered Office:

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

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

Name of Director	**Mr. Homi R. Khusrokhan**	**Mr. Prakash R. Rastogi**	**Mr. Bharat Vasani**
Date of Birth	15.12.1943	31.07.1944	24.08.1958
Date of Appointment	24.03.2003	13.03.2007	13.03.2007
Expertise in specific functional areas	Mr. Khusrokhan has wide experience and knowledge in modern management and accounting techniques. He was the Managing Director of Glaxo India Ltd. from May 1996 to December 2000 and of Burroughs Wellcome (India) Ltd. from September 1995 to December 2000. He was also the Managing Director of Tata Tea Ltd. from 2001 to 2004 as well as of Tata Chemicals Ltd., from where he retired in December 2008.	Mr. Rastogi worked with Sandoz India from 1974 till 1994, when he was Vice President and Head of the Chemicals Division before it was de-merged to become Clariant India Ltd. He was then appointed the Vice Chairman and Managing Director of Clariant, which position he held till his retirement from the company.	Mr. Vasani is the Chief, Legal and Group General Counsel for the Tata Group and has been with Tata Sons Ltd. since December 2000. With over 32 years' experience as a corporate lawyer, he has worked with Phillips India Ltd., NOCIL and Dow Chemical International Ltd.
Qualifications	B. Com. (Hons.), Chartered Accountant and M. Sc. (Econ.) from London School of Economics & Political Science.	M. Sc. Tech from Bombay University and PG Diploma in Business Management.	B. Com., L.L.B. and Member of the Institute of Company Secretaries of India.
No. of shares held in the Company	NIL	NIL	NIL
List of companies in which Directorship held as on 31.03.2012	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Fulford (India) Ltd. 3. Tata AIG Life Insurance Co. Ltd. 4. ICICI Bank Ltd. 5. Samson Maritime Ltd. 6. Advinus Therapeutics Ltd. **PRIVATE COMPANIES** 1. LIC Nomura MF Trust Co. Pvt. Ltd. 2. Novalead Pharma Pvt. Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Ishita Pharmaceuticals Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata Sky Ltd. 3. Tata Securities Ltd. 4. Tata Motors Finance Ltd. 5. TS Investments Ltd.
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he is a Director as on 31.03.2012	1. Rallis India Ltd. - Audit Committee 2. Fulford (India) Ltd. - Audit Committee (Chairman) 3. Tata AIG Life Insurance Co. Ltd. - Audit Committee 4. ICICI Bank Ltd. - Audit Committee - Shareholders'/ Investors' Grievance Committee (Chairman) 5. Samson Maritime Ltd. - Audit Committee 6. Advinus Therapeutics Ltd. - Audit Committee - Shareholders'/ Investors' Grievance Committee (Chairman)	1. Rallis India Ltd. -Audit Committee	1. Tata Motors Finance Ltd. - Audit Committee

Details of Directors seeking re-appointment/ appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	**Dr. Yashwant S. P. Thorat**	**Mr. V. Shankar**
Date of Birth	11.11.1947	18.09.1956
Date of Appointment	01.07.2011	13.03.2007
Expertise in specific functional areas	Dr. Thorat served RBI from 1972 to 2003 in various capacities, including as Executive Director. He has also served NABARD as Managing Director from 2004 and was appointed as its Chairman in 2006 and served the Institution in that capacity until November 2007. He was also associated at the policy level with Vaidyanathan Committees on the Short Term and Long Term Cooperative Credit Structure as Member Secretary and as Chairman of the Expert Groups on Credit Deposit Ratio and Investment Credit appointed by GOI and RBI respectively. He was also appointed Chairman, Expert Group on Sugar Policy constituted by the GOI in 2008. Presently, he is on the Boards of National Institute of Bank Management, D. Y. Patil University, Khed Developers Ltd. and also Chief Executive Officer of Rajiv Gandhi Charitable Trust.	Mr. V. Shankar joined the Company on 1st December, 2005 as Chief Operating Officer and was appointed as Executive Director with effect from 13th March, 2007 and subsequently as Managing Director from 15th January, 2009. Prior to joining the Company, he had worked with Tata Chemicals Ltd. as Chief Operating Officer, Phosphates Business, before which, he was with Hindustan Lever Ltd. from 1986 to 2004. He served in various capacities in the Unilever Group of Companies and was responsible for the Seeds business and later Fertilisers Business
Qualifications	Doctorate in Economics and degrees in Political Science and Law	Chartered Accountant, Cost Accountant, Company Secretary and Law Graduate.
No. of shares held in the Company	NIL	NIL
List of companies in which Directorship held as on 31.03.2012	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata Chemicals Ltd. 3. Sahayog Microfinance Ltd. (Chairman) 4. Khed Developers Ltd. 5. Menon Pistons Ltd. 6. Menon Bearings Ltd. 7. Star Agri Warehousing Collateral Management Ltd. 8. IDBI Asset Management Ltd. **PRIVATE COMPANIES** 1. Indigram Pvt. Ltd. (Chairman) 2. DM Corporation Pvt. Ltd. (Chairman) 3. Ambit Holdings Pvt. Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd. (Managing Director) 2. Metahelix Life Sciences Ltd. 3. Dhaanya Seeds Ltd. 4. Rallis Chemistry Exports Ltd. (Chairman)
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he is a Director as on 31.03.2012	1. Menon Pistons Ltd. – Audit Committee (Chairman) 2. Menon Bearings Ltd. – Audit Committee (Chairman) 3 Star Agri Warehousing Collateral Management Ltd. – Audit Committee (Chairman)	1. Rallis India Ltd. – Shareholders'/ Investors' Grievance Committee 2. Metahelix Life Sciences Ltd. – Audit Committee (Chairman) 3. Dhaanya Seeds Ltd. – Audit Committee (Chairman)

DIRECTORS' REPORT

TO THE MEMBERS OF RALLIS INDIA LIMITED

The Directors hereby present their Sixty-fourth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

₹ Crores

	2011-12	2010-11
Gross Sales	**1260.07**	*1148.17*
Excise Duty	**(78.82)**	*(80.91)*
Net Sales	**1181.25**	*1067.26*
Other Income	**7.50**	*13.55*
	1188.75	*1080.81*
Profit/ (-) Loss before Finance cost, Depreciation and Tax	**204.76**	*203.79*
Interest	**(10.37)**	*(3.06)*
Depreciation	**(27.11)**	*(17.16)*
Profit/ (-) Loss before exceptional item	**167.28**	*183.57*
Exceptional item:		
– Cessation cost	**(17.19)**	-
Profit before Tax	**150.09**	*183.57*
Provision for Tax	**(38.18)**	*(50.70)*
For Prior Years	-	*2.12*
Deferred Tax	**(10.51)**	*(8.78)*
Profit/ (-) Loss after Tax	**101.39**	*126.21*
Balance of Profit brought forward from previous year	**213.01**	*157.19*
	314.40	*283.40*
Appropriations		
Debenture Redemption Reserve	**(12.50)**	*(12.50)*
Transfer from/ (to) General Reserve	**(10.14)**	*(12.62)*
Interim Dividend	**(19.45)**	*(17.50)*
Income Tax on Interim Dividend	**(3.15)**	*(2.91)*
Proposed Equity Dividend	**(23.34)**	*(21.39)*
Income tax on Equity Dividend	**(3.79)**	*(3.47)*
Balance Profit/(-) Loss carried forward to Balance Sheet	**242.03**	*213.01*

DIVIDEND

The Board of Directors had declared an interim dividend of ₹ 1/- per share (100%) on the Equity Shares of the Company, in October 2011. The Directors are pleased to recommend a final dividend of ₹ 1.20 per share (120%) on the Equity Shares. This will take the total dividend for the year to ₹ 2.20 per share (220%) on the sub-divided equity share capital of the Company (*Previous year ₹ 20/- per share on equity shares of ₹10/- each, i.e. 200%*). 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 ₹ 49.72 Crores (including dividend tax) *(Previous Year ₹ 45.27 Crores)*.

COMPANY PERFORMANCE

The Company's profit before tax on a consolidated basis, decreased to ₹ 149.39 Crores during the year, as compared to ₹ 184.47 Crores in the previous year, a decrease of 19% over the last year. Exceptional items such as cessation costs of ₹ 17.19 Crores and losses relating to foreign exchange of ₹ 9.66 Crores impacted the profits. The Company earned a net profit of ₹ 99.18 Crores, as against a net profit of ₹ 126.04 Crores in the previous year on a consolidated basis.

OPERATIONS

Crop Protection

The Second Advance Estimates has projected a marginal increase in the agricultural production, driven by a reasonable growth of cereals and cotton. Pulses and coarse cereals have shown a slight downtrend in production. The total rainfall during the period June to September at a national level exceeded 2% compared to normal, though the geographical spread and distribution was uneven. In the Rabi season, there was a deficit of 48%, which affected crop acreages, pest/ disease incidence and had an adverse impact on yield in crops such as paddy, chili, black gram and red gram. The States of Andhra Pradesh, particularly Rayalseema and Maharashtra reported more than 40% deficit in rainfall.

The Domestic Formulation Business registered a modest growth of 2% during the year over the previous year due to seasonal aberrations in crops like paddy and pulses. The industry is estimated to have recorded a decrease during the 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 (**E**xpansion and **A**ggressive **G**rowth through **L**eadership and **E**xcellence) roll out across pan India has helped the Company 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 Tata Mida, Manik, Asataf, Ergon, Blitox, Tata Panida, Atrataf, Tata Metri and Taarak. The Company has completely discontinued the sales of Red triangle (Extremely toxic) products, which had in the past contributed to 10% of the revenues.

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 such as **Samruddh Krishi**, expansion of **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 seven lakh farmers.

The International Business Division registered an increase of 48% in sales, as compared to 2010-11. The increase in sales was due to rising demand for crop commodities and price improvement in wheat and cotton. International Business comprised 33% of the total revenues of the Company. This is in line with our APOLLO aspirations as part of our Long Term Strategy. While the rupee depreciation translated into higher revenue growth, there was also a considerable volume growth in key manufactured products exported to Latin America and USA under contract manufacturing.

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. In seed treatment chemicals, the Company consolidated its position and there are plans for significant growth in this segment.

Seeds and Plant Growth Nutrients

After acquiring a majority stake in Metahelix Life Sciences, a research-led Seeds Company in December 2010, this year the Company focused its efforts on establishing seed brands in various segments. During the year, your Company has launched ten new seed hybrids in its portfolio and extensive field activities were conducted to establish these new brands.

As a move towards sustainable agriculture, your Company is increasing its focus on greener and cleaner products. Launch of Tata Bahaar, a 100% organic growth promoter, is a move in that direction. Ralligold, a Plant Growth Nutrient, which partially reduces fertilizers consumption by enabling crops to better utilize the applied phosphorus, will not only help the famer increase his income, but will also help in arresting soil deterioration due to imbalanced use of chemical fertilizers.

ACQUISITION OF ORGANIC COMPOST BUSINESS

Subsequent to the year under review, your Board has approved the acquisition of a majority equity stake in Zero Waste Agro Organics Private Limited (ZWAOPL), a Maharashtra based company, manufacturing scientifically prepared organic compost. Your Company will also have exclusive sales and marketing arrangements with ZWAOPL for domestic and international markets.

With this acquisition, the product portfolio of the Company will be strengthened with scientifically prepared organic compost rich in nutrients and organic carbon, derived out of wastes from sugar industry, to improve deteriorating soil health and drive agriculture productivity. The technology supports sustainable agriculture and will help farmers in addressing the challenge of food security.

RESEARCH & DEVELOPMENT

Research and Development efforts are focused on developing new formulations for better efficacy, improved value for the farmers, including combination products and facile handling and delivery and sustainable product solutions. Various new formulations have been developed and are being commercialized. 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 the basis of field trial results. An International Patent has been taken on these initiatives. Further work is now planned with the National Chemical Laboratory, Pune.

Process development (Reverse Engineering) of molecules which are off-patent, but with relevant market potential in the areas of crop protection, was carried out. Several patents are being filed for protecting the technology developed. 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. Process Development for contract manufacturing opportunities has also been undertaken.

Product Development of new formulations is also undertaken for confirming the bio efficacy, effective dosage level and ensuring that the product is safe to use.

ADDITIONAL MANUFACTURING FACILITY

During the year, the Company has successfully commissioned and started commercial production at its additional manufacturing facility at the PCPIR (Petroleum, Chemicals and Petrochemical Investment Region), Dahej in Gujarat. The Dahej plant is 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

The Company has sub-divided its Equity Shares of the face value of ₹ 10/- each fully paid-up into Equity Shares of the face value of ₹ 1/- each fully paid-up, with effect from 18th July, 2011, with consequential amendments to the Capital Clauses in the Memorandum and Articles of Association of the Company.

The Financial Statements have been prepared as per the revised Schedule VI of the Companies Act, 1956, as notified by the Ministry of Corporate Affairs. Accordingly, previous year's figures have also been regrouped/ restated wherever necessary to conform to the classification of the current year.

INDUSTRIAL RELATIONS

The overall relations with bargainable employees at all Units of the Company were cordial and harmonious during the year 2011-12. The overall manpower of the Company has decreased from 918 to 857 during the year. This decrease is mainly due to Voluntary Retirement Scheme given to the non management staff at Turbhe, on cessation of manufacturing operations at the Unit. The management staff at the Unit is being relocated to other locations as per the Company's requirement.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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 their annual reports. 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, 2012.

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 Note No. 38 to the Consolidated Financial Statements 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.) and Rallis Chemistry Exports Ltd.

Rallis Australasia Pty Ltd. was liquidated with effect from 31st December, 2011 and hence ceased to be a subsidiary of the Company from that date.

DIRECTORS

Dr. V. S. Sohoni will retire as Director of the Company on 28th May, 2012. The Directors wish to place on record their appreciation of the valuable services rendered by Dr. Sohoni during his tenure as Director of your Company.

Dr. Yashwant S. P. Thorat has been appointed as Additional Director of the Company with effect from 1st July, 2011. Pursuant to Section 260 of the Companies Act, 1956 and Article 116 of the Articles of Association of the Company, Dr. Thorat vacates office and is eligible for appointment.

The Board of Directors, at its meeting held on 20th January, 2012, subject to the approval of the Members at the Annual General Meeting, re-appointed Mr. V. Shankar as the Managing Director of the Company, for a further 5 year term with effect from 13th March, 2012. Members are requested to refer to Item No.8 in the Notice of the Annual General Meeting for the terms of re-appointment and remuneration of Mr. Shankar.

In accordance with Article 112(2) of the Articles of Association of the Company, Mr. Homi R. Khusrokhan, Mr. Prakash R. Rastogi and Mr. Bharat Vasani 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;

(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 and the Management Discussion and Analysis Report, as required under Clause 49 of the Listing Agreement, forms part of the Annual Report.

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 filing of the Cost Audit Reports for the financial year 2010-11 was 30th September, 2011. The Company has filed the Reports with the Ministry of Corporate Affairs on 29th August, 2011.

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, 23rd April, 2012

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:**

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.

All business Units continued their efforts to improve energy usage efficiency. Various key performance indicators such as specific energy consumption (energy consumed per Ton of production), specific energy costs were tracked to meet the Company's objective of reducing specific carbon foot print. Innovative ways and new technologies were constantly explored to bring about alignment with the National Action Plan on Climate change.

During the year under review, focus was towards eliminating wastages by every consumer of energy. 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, CFL lights were also installed at most of the locations.

In spite 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/ under progress related to energy and fuel savings are part of energy audits and other initiatives such as DISHA (the Company's Enterprise value creation programme) and KKHD (Kisme Kitna Hai Dum). This includes RTD controllers for process and utility cooling tower fan motors, MPR measurement system for critical equipment in DCS system, LED based lighting fixtures in the plant, VFDs for high rated motors, Power efficiency meter, thermography meter for mechanical and electrical system. 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 add 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**

		2011-2012	*2010-2011*
1. Electricity			
(a) Purchased			
Unit	In Lacs of kwh	**2,00.85**	*1,67.17*
Total amount	₹ Lacs	**13,97.59**	*9,56.89*
Rate/ Unit	₹/ kwh	**6.66**	*5.72*

			2011-2012	2010-2011
(b)	Own Generation through Diesel generator			
	Unit	In Lacs of kwh	**3.60**	*3.69*
	Unit per litre of Diesel oil	Kwh/ Litre	**2.05**	*4.17*
	Total amount	₹ Lacs	**68.27**	*51.55*
	Cost/ Unit	₹/ kwh	**24.12**	*14.91*
(c)	Own Generation through CPP			
	Unit	In Lacs of kwh	**1,04.09**	*96.56*
	Unit per M^3 of Gas	Kwh/ M^3	**3.53**	*3.33*
	Total amount	₹ Lacs	**8,15.26**	*6,20.98*
	Cost/ Unit	₹/ kwh	**7.83**	*6.43*
2.	Other Consumption			
(a)	High Speed Diesel			
	Quantity	Kl	**17.41**	*30.11*
	Total Cost	₹ Lacs	**7.27**	*12.01*
	Rate/ Unit	₹/ Litre	**41.14**	*39.89*
(b)	Furnace Oil			
	Quantity	Kl	**1,249.39**	*1,890.87*
	Total Amount	₹ Lacs	**6,28.62**	*4,92.81*
	Rate/ Unit	₹/ Litre	**27.58**	*26.06*
(c)	Bio Fuel - Briquettes			
	Quantity	MT	**81.93**	*1,730.57*
	Total Cost	₹ Lacs	**4.01**	*81.58*
	Rate/ Unit	₹/ Kg	**4.89**	*4.71*
(d)	Gas			
	Quantity	M^3	**52,74,359.68**	*35,81,506.00*
	Total Cost	₹ Lacs	**12,47.27**	*6,25.43*
	Rate/ M^3	₹	**23.65**	*17.46*

(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. Several patents are being filed to protect the technology developed for these molecules. 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.

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

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

(i) Sixteen products were registered in the international market.
(ii) A total of four products were registered in India for the domestic/ export market.
(iii) Ten new products were launched in the Indian market. Tata Vaar, a soybean post emergence herbicide for the management of all major weeds; Tata Cylo, a post emergent herbicide for grassy weeds in rice; Honcho, a pre-post emergent herbicide for the management of all major weeds in onion; Fycol, a post emergent

grassy herbicide in soybean, groundnut and cotton; Ditaf, a specialist fungicide for the management of downy mildew in grapes and late blight diseases in potato; Saras, a broad spectrum fungicide for the management of grapevine, chili and potato diseases; Taffin, an effective insecticide for the control of thrips on chilies and cotton; Tata Bahaar, a Plant Growth Promoter (PGP) for vegetables and fruit crops to improve the growth and yield; Sonic, a granular insecticide for paddy and sugarcane; and Neon, an effective insecticide for the management of cotton jassids and tea mites. These products were well received by the farmers because of their better efficacy and higher yield benefits.

(iv) Process Development (Reverse Engineering) was one of the key activities undertaken and several process patents are being filed for protecting the technologies.

3. **Future Plan of Action:**

The Company's initiative of New Product Development (NPD) process has identified several new products to be developed over 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. Process Development for contract manufacturing opportunities is also undertaken.

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

₹ Crores

	2011-12	*2010-11*
Capital expenditure	**0.05**	*0.24*
Revenue expenditure *	**8.99**	*9.00*
	9.04	*9.24*
Total R&D expenditure as a percentage of net sales	**0.77%**	*0.87%*

* includes an amount of ₹ 5.83 Crores *(Previous Year ₹ 3.64 Crores)* paid to an external agency.

During the year, the Company has also incurred an expenditure of ₹ 4.71 Crores (*Previous year ₹ 4.46 Crores*) towards product development and registration, which is included under Capital Work In Progress (CWIP). Total amount included in CWIP is ₹ 16.39 Crores (*Previous Year ₹ 11.68 Crores*).

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

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

(b) Some compounds from the NMITLI (New Millennium Indian Technology Leadership Initiative) project have shown bioactivity on basis of field trial results. An International Patent has been taken on these initiatives. Further work is now planned with the National Chemical Laboratory, Pune.

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

(d) The Innovation Turnover Index (revenues from products newly introduced in the last four years to total turnover) was around 11%.

(e) Recommendations were obtained from State Agricultural University/ Indian Council of Agricultural Research for two products on different crops for inclusion in the Package of Practices. This will help in participating in Government subsidy business.

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

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign Exchange used and earned

₹ Crores

	2011-12	*2010-11*
1. Foreign Exchange Earned	**387.36**	258.68
2. Outgo of Foreign Exchange	**358.68**	*286.08*

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS AND RALLIS' GROWTH STRATEGY

Globally, the crop protection industry had a good year in 2011. The market grew by 17% to USD 44.92 Billion. The factors which aided growth of the industry included a significant improvement in crop commodity prices in comparison to 2010, resulting into an overall higher demand and realisation.

Most of the global corporations registered a healthy growth in their sales during the year. The regions which registered healthy growth included Latin America, Asia and Europe. Africa and NAFTA regions witnessed a flat growth. The global planted area of most major crops increased, with the notable exception of wheat. The global cotton area rose significantly, due to high demand and depleted stocks.

The Indian Crop Protection industry is estimated to have declined in the year 2011-12. The year started on a good note, but the season turned adverse from the middle of the year. The Kharif season was delayed by around 20 days in western, central and the south central part of India. Cotton and Paddy sowing were severely impacted in these areas leading to change in the usage pattern of the crop protection molecules. Paddy in Andhra Pradesh was impacted by crop holiday by the farmers. Rabi was characterized by low pest and disease occurrence in key crops, especially paddy and pulses. Overall, the year was tough for the crop protection industry in India. Area under paddy, wheat and cotton was higher than last year, but there was unprecedented drop in the acreage of pulses and coarse cereals.

Overall, 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 in 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. Due to the monsoon catching up till September, the Second Advance Estimates has projected a marginal increase in agriculture production, contributed by a reasonable growth in cereals and cotton. Pulses and coarse cereals have shown a slight downfall in production.

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 consistently 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 13% in revenues over the last six years.

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 in December 2010 has firmed up the Company's presence in the Seeds business. The new manufacturing facility at Dahej in Gujarat became operational in June 2011. 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 ***Samrudh Krishi*** services started by the Company at Nasik for grape farmers and at Gujarat for cumin farmers has received an encouraging response from the farmers. 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 ten new products, viz. Tata Vaar (a soybean herbicide), Neon (an insecticide for tea mites), Sonic (Granular insecticide for paddy and sugarcane), Fycol (herbicide), Tata Cylo (herbicide), Honcho (herbicide for onion), Taffin (insecticide for chili), Saras (fungicide for fruits and vegetables), Ditaf (fungicide) and Tata Bahaar (a plant growth nutrient), thereby leveraging the strong brand equity of the Company in providing better products to the farmers.

Your Company has also started Tata Rallis Agri Inputs Training Scheme **(TRAITS)** initiative for promoting employability of non-graduate, rural youth from the farming background, by imparting them training in the Agri-marketing and crop advising field, to enable them to take up a career in Agri marketing and crop advising. TRAITS also facilitates skill development as a larger cause while facilitating creation of a competent field team for Rallis.

The *Rallis Poised* programme has ensured that the Company's performance remains 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 in the various emerging opportunities. These are presence in other Agri inputs areas such as seeds, PGN, specialty fertilizers, etc in addition to crop protection.

Seeds and Plant Growth Nutrients:

Seeds and PGN (Plant Growth Nutrients) businesses are poised for growth in India as the disposable incomes and pressure on productivity increases.

The Indian seed industry is the eighth largest in the world. The current Indian market size of commercially marketed seeds is estimated about ₹ 7,000 Crores. 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. Seed Industry in India is growing at the rate of 12% as compared to 6-7% internationally. In India, commercial Seeds account for only 25% of the potential, providing a huge opportunity in this space. The current trends indicate increasing demand for superior genetics and technologies. Adoption of new technologies is very high among Indian farmers.

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 acquisition of Metahelix puts your Company into a firm position in the seeds arena.

PGN as a category comprises bio stimulants, water soluble fertilizers (WSF), micronutrients and bulk organic manures used in various crops. PGN caters more to the latent need of yield improvement as against explicit need of plant protection as in the case of pesticides. The market size of PGN is estimated to be around ₹ 1,500 Crores. Overall, the PGN business is growing at an annual rate of 10-12% fueled by the specialty fertilizer business and also the encouraging crop economics, which is making farmers look for avenues to improve their crop productivity. The usage of PGNs is more in the high value crops, particularly the specialty fertilizers and bio stimulants, although consumption is also increasing in the field crop segment in recent years.

There is very little product differentiation, so there is good scope for concept selling by introducing innovative products, thereby offering good potential for your Company to expand in this category. The Company plans to create differentiation through a business model which creates value across the value chain, from branded seeds to branded dal. Deeper understanding of rural India and branding capability will bring in sharper focus to the Seeds Business. Rallis' Farmer Relationship Programme RKK will drive future growth of seeds along with strengths of its subsidiary, Metahelix Life Sciences. The focus will be on introduction of differentiated greener products.

With chemical fertilizer prices increasing substantially, the Company's endeavour is to introduce those products which can supply the nutrients in bio-available form at a much lower cost, thus improving the income of farmers. Current PGN market is dominated by products which do not offer significant benefits to farmers. Keeping this aspect in mind, your Company has made strategic alliances with companies that provide differentiated products in different crops, to help farmers realize better value. Your Company is constantly working to provide differentiated offerings to ameliorate nutrient deficiencies, enhance crop yields and improve soil conditions.

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 the 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 Samrudh Krishi programme. MoPu programme has been extended to Maharashtra State. With the rising costs and/ or non-availability of labour, TRAITS will also come into sharp focus.

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 ₹ 1,274.87 Crores, registered a growth of 17% during the financial year 2011-12. The EBIDTA percentage on a consolidated basis, as compared to the previous year, has gone up by 11%. The Company's profit before tax during the year on a consolidated basis, is ₹ 149.39 Crores. This is a decrease of 19% as compared to the previous year's profit before tax of ₹ 184.47 Crores. Exceptional items such as cessation costs of ₹ 17.19 Crores and losses relating to foreign exchange of ₹ 9.66 Crores impacted the profits. The net profit, at ₹ 99.18 Crores, decreased by 21% over the net profit of ₹ 126.04 Crores in the previous year, on a consolidated basis.

REVIEW OF OPERATIONS

Agro Inputs

(1) **Crop Protection:**

(a) **Domestic Formulations Business:**

The Domestic Formulation Business registered a growth of 2% over the previous year, driven by a sustained performance of the key brands. During the year, the Company stopped selling red triangle products as part of its sustainability drive, which in the past contributed to around 10% of the Domestic Formulation business. The efforts on branding and market development have been further increased due to institutionalization of EAGLE (**E**xpansion and **A**ggressive **G**rowth through **L**eadership and **E**xcellence) way of working into day to day operations. Year 2011-12 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 the RKK farmers are regular contact throughout the crop cycle, organizing crop seminars, product demonstrations, Farmer exchange programmes (Prerna), Focused Group Discussions (FGDs) and Advisory services. In addition to this, going forward, the Company has added more value added services such as sms alerts on crop prices, weather and possible disease outbreak through Samrudh Krishi.

RKK initiative is continuously improving and adds value to the farmer and the Company, as RKK farmers are also invited in the Focused Group meetings to identify the current and future farmer needs. Farmer help lines have been strengthened and have become an important tool in servicing the farmers. Rallis currently offers help lines in 15 vernacular languages.

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.

(b) **Institutional Business:**

The Domestic Institutional Business, consisting of Technicals, Bulk Formulations, Seed Treatment Chemicals and Household Products, 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. The focus on customer services resulted in appreciation from major customers and your Company won prestigious awards from two global corporations.

(c) **International Business:**

The International Business Division registered an increase of 48% in sales, as compared to the sales during 2010-11. It comprised 33% of the total revenues of the Company during the year. This is in line with APOLLO aspirations as part of our Long Term Strategy.

While the rupee depreciation translated into higher revenue growth, there was a considerable volume growth in key manufactured products exported to Latin America and USA under contract manufacturing. Sales in South East Asia also improved over the last year, due to higher sales of fungicides. The African region reported stable sales, in spite of forgoing certain business due to political instability.

There was a significant increase in the sales of our key products Acephate and Pendimethalin also facilitated by new regulatory requirements. While Hexaconazole demand in Vietnam increased on account of higher usage as well as increase of combination products with Hexaconazole, there was pressure on prices due to heightened competition.

(2) **Seeds:**

After acquiring a majority stake in Metahelix Life Sciences, a research-led Seeds Company in December 2010, this year the Company focused its efforts on establishing our seed brands in various segments. As a part of the strategy of capitalizing on the opportunity in seeds space along with the strengths your Company has, post the Metahelix acquisition, it was decided to use multiple brands and multiple channels. In seeds, we have mapped the Indian market and analyzed various segments. The high potential segments along with geographies were identified and suitable products were selected based on the competitive environment analysis. During the year, your Company has launched ten new seed hybrids in its portfolio and extensive field activities were conducted to establish these new brands.

(3) **Plant Growth Nutrients:**

As a move towards sustainable agriculture, your Company is increasing its focus on greener and cleaner products. Launch of Tata Bahaar is a move in that direction. This is a 100% organic product, produced from natural ingredients such as vegetables and contains amino acids. This product has been accepted well by farmers and will be shaping up as a mega brand in this segment.

With nutrient based subsidy and deregulation of fertilizer prices coming into effect, your Company has conducted trials and positioned Ralligold, which hepls in balanced fertilizer use.

TOTAL SHAREHOLDER RETURN

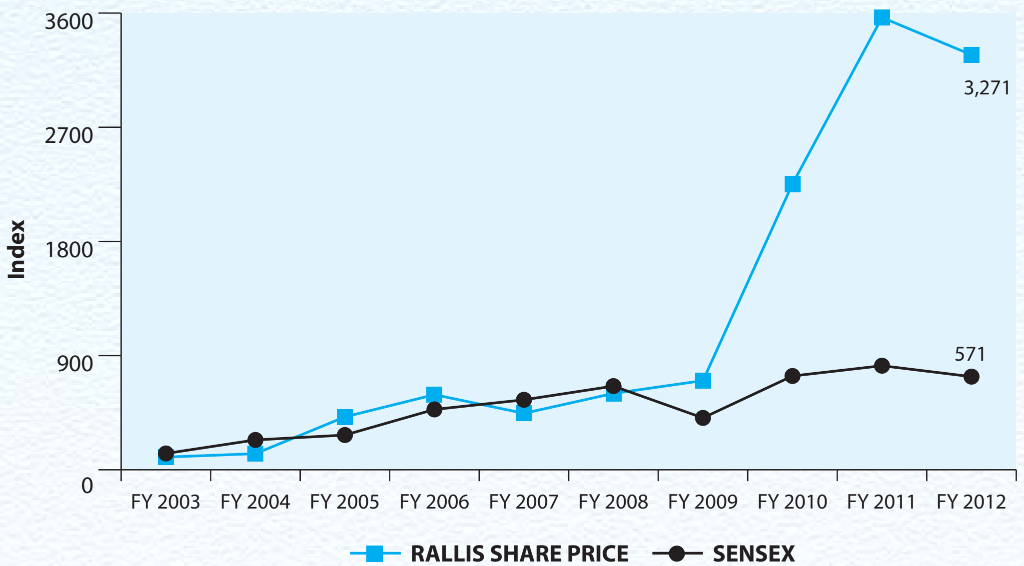
The Company defines Total Shareholder Return (TSR) as the yearly rate of return of an investment made, considering the capital appreciation plus dividends over time. The TSR of an investment made in your Company in March 2003 kept till the last trading day of March 2012 works out to be extremely attractive at 50% per annum. This means that if one had invested ₹ 100 in Rallis' stock in March 2003, the total value that the investment would have earned would be ₹ 3,364, if one had sold the stock on the last trading day of March 2012.

The dividend payout of the Company has improved over the years, from ₹ 1/- per share in 2005 to ₹ 20/- per share in 2011, on Equity Shares of ₹ 10/- each. Along with the recommended final dividend of ₹ 1.20 per share, the dividend payout of the Company in 2012 will be ₹ 2.20 per share on the sub-divided shares of ₹ 1/- each.

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 Equity Shares of the Company have been sub-divided from the face value of ₹ 10/- each into 10 Equity Shares of the face value of ₹ 1/- each fully paid-up, with effect from 18th July, 2011.

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 2003, the y-o-y performance of the Rallis stock and Sensex till FY2012 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 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Rallis Share Price	56	71	233	330	248	335	392	1,255	1,321	121
Sensex	3,049	5,591	6,493	11,280	13,072	15,644	9,709	17,528	19,445	17,404

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 investments by the farmers on crop protection and improving overall productivity. New generation products like Ergon and Saras, which enhance yield and control diseases, and Ralligold and Tata Bahaar, which are plant growth nutrient products which improve growth and crop yield, will drive business growth. Herbicides are 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. Tata Vaar and Honcho introduced during the last year along with new herbicides, have a good opportunity to cater to farmers' needs in weed management segment.

The acquisition of a majority equity stake in Zero Waste Agro Organics Private Limited (ZWAOPL) will strengthen the Company's portfolio with scientifically preprared organic compost rich in nutrients and organic carbon, derived out of wastes from sugar industry, to improve deteriorating soil health and drive agriculture productivity. Acquisition of this organic compost business will spur the Company's growth strategy.

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 2012-13.

RISKS, CONCERNS AND THREATS

The performance of the crop protection industry is dependent on monsoons. 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 2011-12, the Company's Research and Development efforts focused on developing new formulations for better efficacy, improved value for the farmers, 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 sixteen products were registered in the international market. Similarly, four products were registered in India for the domestic/ export market.

Process development (Reverse Engineering) of molecules, which are off-patent, in the areas of crop protection was carried out. Several patents are being filed for protecting the technology developed. 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 signatory to Responsible Care initiatives, Environment, Health & Safety continues to be a major focus area for your Company in all its operations across the organization.

As in earlier years, the Company maintains "Zero lost time accident at the workplace" as its long term strategic goal. There were no reportable accidents during the year, with more than 50% reduction in Frequency rate of Non reportable (medical/ minor/ first aid) accidents. There were no occupational health illness cases or major emergencies across the Organization. This has been achieved through high commitment from the top management, supported by all levels of workforce across the Organization. Behavior Based Safety, Safety training, Process Safety Management, near miss identification & analysis and contractor safety were the key focus areas, among many others, during the year.

The new plant at Dahej has been developed as a model in EHS systems and practices by instilling various global safety practices including HAZOP, Risk Assessment, Layer of Protection Analysis (LOPA), Process Safety Management, Visual management, pre-startup reviews and rigorous training to employees and contract workers since inception.

This year, the Company continued to focus on Environment management by further strengthening the effluent treatment facility at Ankleshwar and Lote. This includes successful trials and adoption of special microbes for biological treatment, RO (Reverse Osmosis) facility at Lote and new incinerator at Ankleshwar. The new facility at Dahej is equipped with microbiological treatment and new technology of Ozone treatment to achieve effective treatment of effluent water. The encouraging results from these initiatives have given us confidence to strive for our ultimate objective of becoming a zero discharge plant. During the year, few additional odor reduction initiatives at Lote and Ankleshwar plants have helped us to go beyond compliance. The Company is in the process of exploring few more technologies in effluent treatment to further strengthen the Pollution abatement Plan.

Utility management and energy conservation initiatives have been given renewed focus in all manufacturing units. This has helped in improving the "Greening Index" of the Company.

All units of the Company are certified for OHASA-18001 and ISO-14001 and are 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 preparing for certification Audits in 2012-13.

Product stewardship, 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 and emergency plan for road accidents.

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

- National Safety Council - Maharashtra Chapter Safety Award 'Certificate of Merit' for Turbhe, Lote and Akola Units.
- Prashansa Patra from National Safety Council for Ankleshwar Unit.
- National Safety Award from National Safety Council for Accident free year for Akola Unit.

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

An independent and objective Internal Audit function is an important element of the Company's internal control system structure. The internal audit reviews are conducted based on an annual risk based plan, approved by the Audit Committee of the Board and covering key areas of operations and areas selected based on risk and materiality.

The Audit Department reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherance to operating guidelines and statutory requirements, recommending improvements for monitoring and strenghthening economy and efficiency of operations and evaluating reliability of financial and operational information. The Company has continued its efforts to align its processes and controls with best practices and has in place adequate control in ERP control processes.

Driving cost savings and suggesting value add ideas pertaining to process improvement is one of the key focus area of the Internal Audit Department.

Significant findings and suggestions along with "Action Taken Reports" are reported to the Audit Committee. The Audit Committee periodically reviews the observations made in the reports, with specific focus on process controls, IT controls and the overall control environment and suggests measures for improvements where necessary.

The Company's in-house Internal Audit Department comprises qualified CAs, CISAs and a technical resource. This has been complemented with specialized resources from an outsourced audit firm PKF Sridhar and Santhanam.

Additionally, the Departmental performance is rated through feedback obtained from process/ function owners/ auditees to gauge and assess the effectiveness of the internal audit process and use it as an improvement mechanism.

Control self Assessment (CSA) will be a prime initiative in the current year, with the objective of imbibing control awareness and ownership culture across functions to provide a more meaningful assurance in addition to the regular reviews, thus raising the bar of risk maturity and control effectiveness.

RISK MANAGEMENT

A Risk Management Framework comprising the risk management process and structure is in place. The risk management process covers risk identification, assessment, analysis and mitigation. The risk structure comprises of Risk owners, who are overall responsible for risks and Activity owners who are responsible for taking action on risk mitigation plans.

Currently, there is a repository of 14 key risks which are evaluated based on the probability and impact of each risk. These risks form part of the Enterprise Risk Management.

Further, the risk owners identify the mitigation plans for all categories of risks including responsibilities and timelines. These are periodically updated for actions taken as per defined timelines.

An update on the major risks is presented to the Audit Committee of Directors at the Audit Committee Meetings and to the Board of Directors. Further, the major risks forming part of Enterprise Risk Management are linked to the Audit Universe and are covered as part of annual risk based Audit plan.

The Company's policies balance risks with costs to ensure that no speculative decisions are taken. The overall objective of this process is directed towards optimum utilization of the resources of the Company and to promote and enhance the stakeholders' value.

HUMAN RESOURCES

The Company, in its journey to enhance the efficiency and effectiveness of its Human Resources, undertook several initiatives during the year to improve sourcing of talent, enriching the talent, ensuring better employee satisfaction, talent retention and skills development.

The Company carried out an Internal Customer Satisfaction Survey to look for opportunities to enhance the satisfaction of internal customers. The satisfaction score has improved over last year.

Alignment of goals of the entire Organization was carried out through the deployment of Strategy Deployment Matrix (SDM) and Balanced Scorecard (BSC).

During the year, the Company has organized training programmes for all categories of employees. Customized training was provided in various areas, including functional, behavioral, Business Excellence, Customer orientation, Safety, Code of Ethics, Climate Change, Product Training, competency assessment. Company specific Leadership Development Training Programmes were also undertaken as a part of the overall plan to create a pipeline of future Leaders.

As on 31st March, 2012, the employee strength was 857, as compared to 918 as on 31st March, 2011.

BUSINESS EXCELLENCE

The year 2011-12 was a momentous one for Rallis and 29th July, 2011 was a "Red Letter" day in its history, as your Company was declared the winner of the coveted JRD QV Award. The 17th JRD QV Award was presented to your Company by the Group Chairman, Mr. Ratan N. Tata that day. This Award is given to a Tata company who excels in business performance and scores above 600 for the first time (on a scale of 1000) in its journey of Business Excellence, following the Tata Business Excellence Model (TBEM). JRD QV Award is named after Mr. J. R. D. Tata and is awarded on 29th July every year to commemorate his birth anniversary.

This Award acknowledges the sustained efforts and strong commitment of all employees of the Company to excel, sustain and grow together. While receiving the Award from the Group Chairman, Mr. V. Shankar, Managing Director & CEO acknowledged the contribution of Rallis' employees for their focused approach to continuous improvement and value creating initiatives in the Organization.

Winning the JRD QV Award has energized the Organization to continue on the Business Excellence (BE) path with renewed vigour. The learnings from the TBEM assessment have been addressed to arrive at BE themes for the current year, based on the following key perspectives:

- ✓ Leadership Development
- ✓ Customer focus
- ✓ Workforce Engagement
- ✓ Process management

In pursuit of excellence, the Company plans to apply for the CII-Exim Bank Award for Business Excellence during 2012-13. This will bring to the Company a holistic perspective from industries across India and enable it to learn from organizations outside the Tata group.

Some highlights of the Business Excellence journey this year are:

- o Seven entries from the Company qualified for Tata Innovista Regional Network Forum - Three of them winning the regional rounds. One project – "**Mo**re **Pu**lses – MoPu" achieved the Global Recognition in the Promising Innovation category.
- o One project - "Conversion of Alcohol to Ketone" won the coveted QIMPRO Award for Innovation in Green Initiative category.
- o LASER (**L**earn, **A**pply, **S**hare, **E**njoy & **R**eflect) drive continued in all factories. Significant changes in the workplace condition were achieved through implementation of 5S.
- o More than 250 employees participated in training programmes on "Practicing Business Excellence" (PBE) and 30 employees participated in "Business Excellence Leadership Programme" (BELP) conducted by TQMS (A division of Tata Sons).

INFORMATION TECHNOLOGY

In line with its overall growth objective, your Company continues to invest significantly in Information Technology (IT), with a view to leverage it for optimum business value.

Considerable progress has been made with regard to the utilization of ERP (Enterprise Resource Planning) and BIW (Business Intelligence Warehouse) systems from SAP. This has helped the Company in aligning of new business segments 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 continues to provide analytical reports and key business MIS at the right time through the system.

Investments are being continuously made in IT infrastructure to support business applications. A robust virtual private network using MPLS technology is in place. Your Company continues to leverage 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 five of its major offices to have instant meetings, reduce travelling time and costs and improve the quality of communication while lowering the Company's carbon footprint. Further, 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 is a strong medium for knowledge sharing and employee self-service. New functionalities have been added to enrich the knowledge sharing experience.

Information Security and reliable disaster recovery management is a critical focus area, especially as most of our business processes become fully IT-enabled. Your Company has an active 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 triple bottom line i.e. economic, environmental and social performance together creating sustainable value for all stakeholders through business processes and continued growth. Business risk assessment with appropriate risk mitigation plans in full compliance ensures protection 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, reduction in hazardous waste & solvent losses and water conservation. As a part of greening the product initiative, the Company has phased out its red triangle (Extremely toxic) products and is giving emphasis to green triangle (Slightly toxic) products. In line with this, the Company is constantly increasing the greening index of its product portfolio.

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. Your Company believes in care and concern for all people and is committed to improve the quality of life of every member of the community, especially the underprivileged.

This is exemplified in the Company's Mission Statement of Community Development (CD), which states: "Providing Sustainable solutions to enhance all round development and earning capability of the community around our place of operations." The Theme of CD initiatives is "Empowerment through Knowledge and Capacity Building".

The two approaches of Community Development initiatives in Rallis are:

1. **RUBY (Rallis Ujjwal Bhavishya Yojana):** RUBY is a customized intervention programme for enhancing the earning capabilities of communities. The various initiatives under this programme are:

   A. Under RUBY initiatives at Lote, impact assessment was carried out, which highlighted Agriculture (RUBY) and Education (TARA) issues to be addressed under CD initiatives. Various initiatives were planned and implemented under RUBY, including:

      o Village identification survey was carried out with the help of Watershed Expert and based on the survey, Village Watershed plan was submitted, to be implemented from next year onwards.

      o Participated in Agriculture exhibition for creating awareness among 500 participants.

   B. Under RUBY initiatives at Dahej, Need Assessment was conducted with the help of TCSRD and Rallis CD team.

      o Need Assessment highlighted Education (TARA) and Employability (RUBY) as focus areas under CD initiatives.

      o Plans catering to Dahej requirements have been drawn up and will be implemented from next year onwards.

   C. For enhancing the earning capabilities of rural unemployed youth this year, TRAITS programme was piloted at three locations, covering 60 students. On successful completion of the training for one year, students are assured a job for minimum two years, or more if they wish to continue.

2. **TARA (Tata Rallis):** This initiative focuses on all round development of the communities in areas including education, skill development and environment. Under this initiative two programmes were carried out:

   A. Various educational and skill development interventions are:

      a. TARA at Manufacturing locations included:

         o SSC preparatory series was conducted, covering 260 students from two schools.

         o 3 days' Personality Development Programme, covering 32 students from the 8th standard.

         o Conducted self defense and sex education programmes for 62 adolescent girls.

         o Career Guidance seminar was organized for 10th and 12th standard students, covering 300 students.

         o Distributed note books and uniforms to 465 needy students.

         o Conducted five sessions for 36 TY B. Com students on role and responsibilities of store keeper.

- o 3 months Industrial Training for 4 IIT students and 4 post graduate students.
- o School books were donated to the library of Lakhigam school.
- o Teaching mathematics, English speaking, basic computers to school students.

b. TARA at Sales locations included:

- o Secunderabad Zone had organized Spoorthi programme, which focuses on importance of girl child education and importance of safe drinking water, covering 3,846 students.
- o Donated 5 computers and ₹ 10,000 for rural school library books for students near Satara, Maharashtra.
- o Kolkata region conducted awareness sessions for school students and villagers related to environment, road and LPG safety, climate change and safe use of pesticides, covering 800 beneficiaries at 5 locations.

c. Mata Raksha: The focus of this initiative is on making girls and women aware about their own strengths and raising their confidence levels.

- o Self defense training was imparted under 25 training programmes and 10 awareness sessions.
- o Tie-up with 20 institutes covering 1,689 students.
- o Train the trainer for 11 women at Chiplun.
- o The sessions were evaluated as 5 on a scale of 5 by all the institutes, with a 100% repeat value at all institutes.

B. Various Environment interventions are:

a. Vana De Mataram: This programme focuses on protecting existing trees, planting new trees and promoting people working for tree protection and plantation.

- o All locations took an Oath on World Environment Day, involving employees, contract workforce, channel partners and farmers.
- o On 15th August, Vana De Mataram was introduced in various schools and colleges.
- o Around 3,000 students and teachers took Oath to plant, protect and promote trees.
- o 2,830 trees were planted and protected under this initiative during 2011-12.

b. Training on safe use of pesticides to farm labourers and farmers' family members across the country.

c. Distribution of various saplings for planting.

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

Saathi (Employee Volunteers) are involved in various CD activities implemented at their locations. The Volunteer Champions take the lead in implementing various community development initiatives at their respective locations with the help of their Saathis. Besides RUBY and TARA, Saathis have volunteered towards the following activities:

i. Supplied drinking water to 50 needy families.

ii. Various health awareness programmes and blood donation drives.

iii. Programmes related to AIDS awareness and drug de-addiction.

The above efforts have resulted in expanding the community base to over 391 events and benefitting over 40,000 people. 66% of Saathis volunteered for more than 5,800 hours for achieving the above results.

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 is the foundation of corporate excellence. It is an ongoing measure of superior delivery of a company's objectives with a view to translate opportunities into reality. It focuses on equitable treatment of all stakeholders. In a strict sense, Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhance stakeholder value and discharge of social responsibility. The Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is therefore an important instrument of investor protection. The Company continues to remain committed to a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

As a Tata Enterprise, your 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, along with 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 31.03.2012, comprised 12 Directors, of which 11 were Non-Executive Directors. The Company has a non-executive Chairman and the 6 Independent Directors as on 31.03.2012, comprised one-half of the total number of Directors.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Shareholders'/ Investors' Grievance Committee, 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 2011-12	Attendance at AGM held on 30th June, 2011	No. of Directorships* (As on 31.03.2012)			No. of committee positions in Mandatory Committees* (As on 31.03.2012)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. R. Gopalakrishnan (Chairman)	Non-Independent Non-Executive	7	Yes	5	6	11	-	3	3
Mr. Homi R. Khusrokhan	Non-Independent Non-Executive	7	Yes	-	6	6	3	5	8
Mr. B. D. Banerjee	Independent Non-Executive	7	Yes	-	2	2	1	2	3
Mr. E. A. Kshirsagar	Independent Non-Executive	7	Yes	-	7	7	5	4	9
Dr. S. Ramanathan (upto 30.06.2011)	Independent Non-Executive	2	Yes	-	1	1	-	1	1

Director	Category	No. of Board Meetings attended during 2011-12	Attendance at AGM held on 30th June, 2011	No. of Directorships* (As on 31.03.2012)			No. of committee positions in Mandatory Committees* (As on 31.03.2012)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. Prakash R. Rastogi	Independent Non-Executive	6	Yes	-	2	2	-	1	1
Mr. Bharat Vasani	Non-Independent Non-Executive	7	Yes	-	5	5	-	1	1
Dr. Venkatrao S. Sohoni	Non-Independent Non-Executive	2	No	-	3	3	-	2	2
Dr. K. P. Prabhakaran Nair	Independent Non-Executive	7	Yes	-	1	1	-	2	2
Mr. R. Mukundan	Non-Independent Non-Executive	7	Yes	-	5	5	-	1	1
Dr. Yoginder K. Alagh	Independent Non-Executive	5	No	-	4	4	1	5	6
Dr. Y. S. P. Thorat (w.e.f. 01.07.2011)	Independent Non-Executive	4	NA	1	7	8	3	-	3
Mr. V. Shankar (Managing Director & CEO)	Non-Independent Executive	7	Yes	1	3	4	2	1	3

* Excludes Directorships in Private Limited Companies, Foreign Companies, Government Bodies, Alternate Directorships and companies registered under Section 25 of the Companies Act, 1956. Only Audit Committee and Shareholders'/ Investors' Grievance Committee of public companies have been considered for committee positions.

The Company held 7 Board Meetings during 2011-12 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were: 29th April, 2011; 30th June, 2011; 21st July, 2011; 19th October, 2011; 12th December, 2011; 20th January, 2012 and 26th March 2012.

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:

- 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.
- To review with the management the quarterly and annual financial statements before submission to the Board for approval.

- o 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.
- o To review with the management, performance of the statutory and internal auditors.
- o To review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- o To review the findings of any internal investigations by the internal auditors.
- o To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- o To review the statement of significant related party transactions submitted by the management.
- o To review the functioning of the Whistle Blower mechanism.
- o 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 2011-12
Mr. E. A. Kshirsagar, Chairman (Chartered Accountant)	Independent Non-Executive	6
Mr. Homi R. Khusrokhan, Member (Chartered Accountant)	Non-Independent Non-Executive	4
Mr. B. D. Banerjee, Member	Independent Non-Executive	6
Dr. S. Ramanathan, Member (upto 30.06.2011)	Independent Non-Executive	1
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	5
Dr. Venkatrao S. Sohoni, Member	Non-Independent Non-Executive	2
Dr. K. P. Prabhakaran Nair, Member	Independent Non-Executive	6
Dr. Yoginder K. Alagh, Member	Independent Non-Executive	5

The Audit Committee met 6 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: 29th April, 2011; 21st July, 2011; 19th October, 2011; 13th December, 2011; 20th January, 2012 and 26th March, 2012.

Necessary quorum was present at the above Meetings.

The meetings of the Audit Committee are usually attended by the Managing Director & CEO, the Financial Controller, 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 30th June, 2011.

4. **NOMINATIONS & REMUNERATION COMMITTEE**

Terms of reference

The terms of reference of the Nominations & Remuneration Committee are as follows:

- o Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
- o Provide guidance and direction in developing and implementing the reward philosophy of the Company.
- o Evaluate and approve the appointment and remuneration of senior executives, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programs such as succession planning, employment agreements, severance agreements and any other benefits.
- o Review progress on the Company leadership development programs, including for promotion to the Board, employee engagement initiatives and employee surveys.
- o Consider and approve matters relating to normal retirement plans, Voluntary Retirement and Early Separation Schemes for employees of the Company.
- o Establish key performance metrics to measure the performance of the Managing Director and the executive team including the use of financial, non-financial and qualitative measures.
- o Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feed-back to the assessed individuals.
- o Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.
- o Review and recommend to the Board the remuneration and commission to the managing and executive directors and define the principles, guidelines and process for determining the payment of commission to non-executive directors of the Company.

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 2011-12
Mr. B. D. Banerjee, Chairman	Independent Non-Executive	2
Mr. R. Gopalakrishnan, Member	Non-Independent Non-Executive	2
Mr. E. A. Kshirsagar, Member	Independent Non-Executive	2
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	1

The Committee met twice during the year, on 29th April, 2011 and 29th November, 2011.

The Chairman of the Nominations & Remuneration Committee, Mr. B. D. Banerjee was present at the Annual General Meeting of the Company held on 30th June, 2011.

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 2011-12

The aggregate value of salary, perquisites and commission paid to Mr. V. Shankar, Managing Director & CEO, during the year 2011-12 is ₹2,16,73,402/-, comprising:

Salary	:	₹38,40,000/-
Perquisites and allowances	:	₹58,33,402/-
Commission for the financial year 2010-11, paid during 2011-12	:	₹1,20,00,000/-
Period of Agreement	:	upto 12th March, 2012. Re-appointment from 13th March, 2012 upto 12th March, 2017
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 re-appointment of Mr. Shankar as Managing Director is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The Sitting fees paid during the financial year 2011-12 to the Non- Executive Directors for attending the Board and Committee Meetings for the year 2011-12 and the commission paid to them during 2011-12 for the year 2010-11, are as follows:

Name of Director	Fees paid (₹)	Commission for the financial year 2010-11, paid during 2011-12 (₹)
Mr. R. Gopalakrishnan	2,40,000/-	14,65,000/-
Mr. Homi R. Khusrokhan	2,60,000/-	11,40,000/-
Mr. B. D. Banerjee	3,30,000/-	15,65,000/-
Mr. E. A. Kshirsagar	3,90,000/-	16,85,000/-
Dr. S. Ramanathan	80,000/-	10,95,000/-
Mr. Prakash R. Rastogi	2,90,000/-	13,55,000/-
Mr. Bharat Vasani	1,60,000/-	11,30,000/-
Dr. Venkatrao S. Sohoni	85,000/-	7,60,000/-
Dr. K. P. Prabhakaran Nair	2,70,000/-	13,55,000/-
Dr. Yoginder K. Alagh	2,00,000/-	9,50,000/-
Dr. Y. S. P. Thorat	80,000/-	NA

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. Ashish Mehta, Financial Controller 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 29th April, 2011 and 19th October, 2011.

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 2011-12
Mr. B. D. Banerjee, Chairman	Independent Non-Executive	2
Mr. E. A. Kshirsagar, Member	Independent Non-Executive	2
Dr. Venkatrao S. Sohoni, Member	Non-Independent Non-Executive	1
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
701 7th Floor Swastik Chambers
C. S. T. Road Chembur
Mumbai 400 071

Phone: 022 - 6776 1657
Fax: 022 - 6776 1775

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 2011-12 was 1052. 1 query remained pending as on 31st March, 2012. This was received during the last week of March 2012 and hence was pending on 31st March, 2012, but has been subsequently replied to.

1 request for transfer of 3,900 shares and 2 requests for dematerialization of 900 shares were pending as on 31st March, 2012. These requests were received during the last week of March 2012 and hence were pending on 31st March, 2012, 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. 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 2011-12
Mr. R. Gopalakrishnan, Chairman	Non-Independent Non-Executive	3
Mr. Homi R. Khusrokhan, Member	Non-Independent Non-Executive	2
Mr. E. A. Kshirsagar, Member	Independent Non-Executive	3
Dr. S. Ramanathan, Member (upto 30.06.2011)	Independent Non-Executive	1
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	2
Mr. R. Mukundan, Member	Non-Independent Non-Executive	3
Mr. V. Shankar, Member	Non-Independent Executive	3

The Executive Committee of the Board met three times during the year, on 13th April, 2011; 27th June, 2011 and 6th March, 2012.

The Financial Controller is a 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 2011-12
Mr. B. D. Banerjee, Chairman	Independent Non-Executive	2
Mr. E. A. Kshirsagar, Member	Independent Non-Executive	2
Mr. Prakash R. Rastogi, Member	Independent Non-Executive	1
Mr. Bharat Vasani, Member	Non-Independent Non-Executive	2

The Property Committee met twice during the year, on 18th June, 2011 and 6th March, 2012.

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
Thursday, 30th June, 2011	Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021.	3.30 p.m.	Alteration of the Articles of Association of the Company
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.

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, no resolution was put through by Postal Ballot.

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 Financial Controller (CFO) 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, 2012.

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:

- The Company has set up the Remuneration Committee as per the provisions of Clause 49.
- Half yearly performance of the Company is sent to all shareholders.
- 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 Hindu Business Line (in English) and Mumbai Lakshadweep (in Marathi). The results are displayed on the Company's website, www.rallis.co.in and on SEBI's Corpfiling website, www.corpfiling.co.in.

ii) The Company publishes the audited annual results within the stipulated period of two months from the close of the financial year as required by the Listing Agreement. 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.

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

iv) 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.

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

10. **GENERAL SHAREHOLDER INFORMATION**

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) alloted to the Company by the Ministry of Corporate Affairs (MCA) is L36992MH1948PLC014083.

Annual General Meeting date, time and venue:

Wednesday, 27th June, 2012 at 3.00 p.m. at the Auditorium, 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 appointment/ re-appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 27th June, 2012.

Financial Calendar	:	April to March.
Date of book closure	:	13th June, 2012 to 27th June, 2012 (both days inclusive)
Dividend payment date	:	29th June, 2012
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 2011-12.

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

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

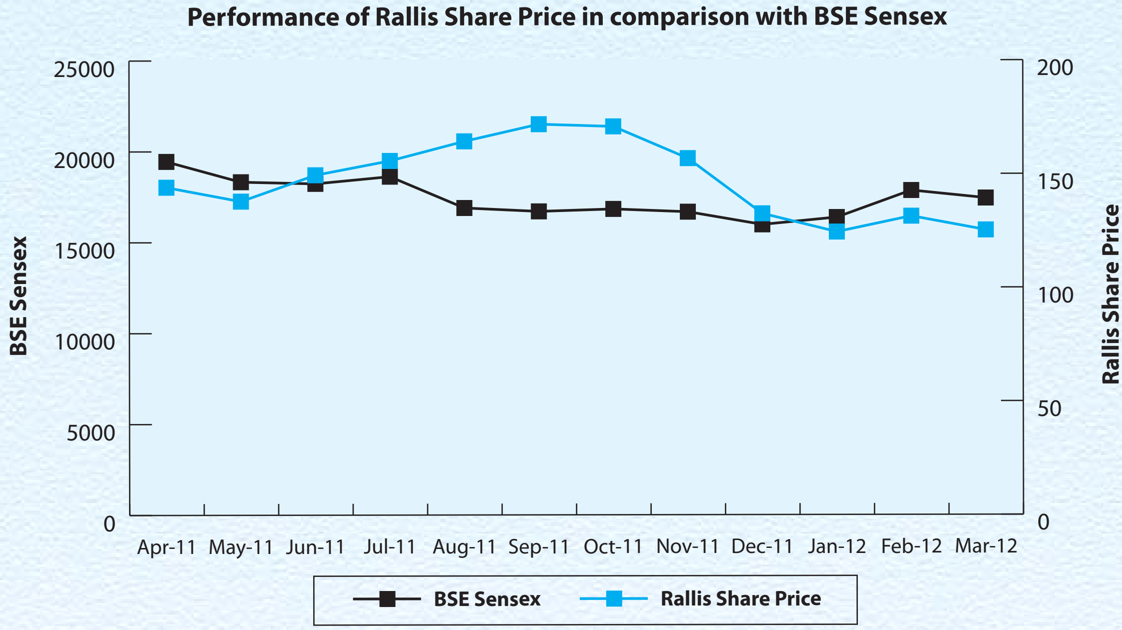
Market Information:

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 2011	1,544.00	1,340.10	98,065	1,418.62	7,014	1,549.00	1,322.05	2,60,750	3,762.84	22,334
May 2011	1,547.00	1,331.80	1,24,221	1,758.75	8,660	1,590.00	1,332.30	5,96,230	8,348.61	21,424
June 2011	1,550.00	1,410.00	1,86,586	2,791.33	7,271	1,550.00	1,412.00	4,29,820	6,400.21	25,598
July 2011	1,596.95	143.90	31,63,419	5,620.80	49,209	1,600.00	143.25	90,24,843	16,827.01	1,60,412
August 2011	179.00	150.00	13,54,477	2,236.45	20,789	179.00	150.25	58,25,381	9,576.72	1,20,852
September 2011	182.20	163.20	12,15,493	2,119.89	17,270	182.50	159.85	31,70,100	5,525.35	64,919
October 2011	185.70	155.75	14,73,046	2,490.79	21,068	186.60	155.90	53,93,251	9,164.21	81,026
November 2011	169.25	138.80	8,27,987	1,297.55	18,368	169.45	138.60	45,60,339	7,110.74	90,612
December 2011	158.90	120.00	17,87,347	2,388.96	18,569	160.00	119.50	67,83,266	9,223.89	92,722
January 2012	134.55	113.50	11,85,955	1,497.45	22,376	134.90	113.45	64,79,746	8,163.90	1,00,398
February 2012	141.95	119.00	18,97,737	2,547.90	26,942	142.00	119.10	99,57,185	13,247.43	1,26,895
March 2012	133.75	120.50	14,87,264	1,863.57	18,243	133.90	120.00	58,64,601	7,352.63	78,582

* The Company sub-divided the Equity Shares of the face value of ₹10/- each fully paid-up into Equity Shares of the face value of ₹ 1/- each fully paid-up with effect from 18th July, 2011. Share prices after that date are adjusted for the sub-division.

Rallis India Limited



For comparison purpose, share price prior to sub-division is adjusted for sub-division

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.: 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)

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, Ansari Road,
Daryaganj, Sant Vihar,
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: shahconsultancy8154@gmail.com

Share Transfer System

Documents for transfer of shares in physical form can be lodged with TSR Darashaw Limited at its 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, 2012:

Holding of Nominal Value: ₹ 1/-

Sr. No.	Range	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	24,29,279	24,29,279	1.25	18,869	75.29
2	501 to 1000	19,50,381	19,50,381	1.00	2,506	10.00
3	1001 to 2000	24,11,985	24,11,985	1.24	1,604	6.40
4	2001 to 3000	17,45,775	17,45,775	0.90	664	2.65
5	3001 to 4000	8,52,963	8,52,963	0.44	235	0.94
6	4001 to 5000	10,82,370	10,82,370	0.56	232	0.92
7	5001 to 10000	31,60,668	31,60,668	1.62	438	1.75
8	Greater than 10000	18,08,35,469	18,08,35,469	92.99	513	2.05
	Total	**19,44,68,890**	**19,44,68,890**	**100.00**	**25,061**	**100.00**

Shareholding pattern as on 31st March, 2012:

Sr. No.	Category of Shareholders	Total Holding	Percentage
1	Tata Companies*	9,74,16,610	50.09
2	Government/ Other Public Financial Institutions and Insurance Companies*	68,99,817	3.55
3	Foreign Institutional Investors and Foreign Companies	2,13,91,830	11.00
4	Non Resident Individuals	9,83,829	0.51
5	Other Bodies Corporate & Trusts	89,16,339	4.58
6	Nationalized Banks and Mutual Funds	2,20,90,278	11.36
7	Foreign Banks and Other Banks	15,190	0.01
8	Individuals	3,67,54,997	18.90
	Total	**19,44,68,890**	**100.00**

* Based on legal advice, Tata AIG Life Insurance Co. Ltd. is not considered part of the Promoter Group. It holds 18,90,629 Equity Shares, representing 0.97% of the paid-up Equity Share Capital of the Company. Its holding is included under the holdings of insurance companies.

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, 2012:

Physical form	:	1.87
Electronic form with NSDL	:	95.04
Electronic form with CDSL	:	3.09

Plant locations:

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

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

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

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

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

(vi) Plot No. Z/ 110, Dahej SEZ Part - II, P.O. Lakhigam, Taluka Vagra, Dist. Bharuch 392 130, Gujarat.

Investor correspondence address:

Rallis India Ltd.

Secretarial Division
701 7th Floor Swastik Chambers
C. S. T. Road Chembur
Mumbai 400 071

OR

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

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, 2012.

V. Shankar
Managing Director & CEO

Mumbai, 23rd April, 2012

AUDITORS' 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, 2012, 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)

B. P. Shroff
(Partner)
(Membership No.34382)

MUMBAI 23rd April, 2012

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, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;

      (ii) in the case of the Statement of Profit and Loss , 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, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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)

B.P. Shroff
(Partner)
(Membership No. 34382)

MUMBAI 23rd April, 2012

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/transactions, etc. clauses (x), (xii), (xiii), (xiv), (xv), (xviii), (xix), (xx) of paragraph 4 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) The fixed assets were physically verified during the period 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 of during the period, 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 period 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.

(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, 2012 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, 2012 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 payment)	Joint Commissioner (Appeals)	1998-99 to 2001-02, 2005-06 to 2010-11	484.10
		Additional Commissioner	1998-99, 1990-91, 2000-01, 2001-02, 2006-07 to 2008-09	355.31
		Deputy Commissioner	1983-84, 1992-93, 1994-95, 1996-97 to 2006-07	521.92
		Assistant Commissioner	1998-99, 1999-00, 1993-94, 2001-02, 2003-04 to 2009-10	117.49
		Tribunal	1992-93, 1995-96 to 2001-02, 2003-04	436.51
		Commercial Tax Officer	1996-97, 1997-98, 1990-91, 2001-02, 2002-03	28.16
Finance Act, 1994	Service Tax	Assistant Commissioner	2001-02, 2005-06, to 2009-10	41.79
Customs Act, 1962	Custom Duty	High Court	1999-00	144.10
		Additional Commissioner	2008-09	5.40
Central Excise Act, 1994	Excise Duty (including penalty and interest)	Commissioner	2001-02 and 2005-06	47.74
		Joint Commissioner (Appeals)	1999-2001	62.80
		Deputy Commissioner	1999-00	8.48
		Tribunal	1986-87, 1996 - 97, to 1998-99, 1990-91, 1999-00, to 2001-02	910.46
		Supreme Court	2002-03	186.25
Income Tax Act, 1961	Income tax (including interest and payment)	Commissioner of Income tax (Appeals)	Asst. Yr. 2007-08 and 2008-09	48.55

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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)

B.P. Shroff
(Partner)
(Membership No. 34382)

MUMBAI 23rd April, 2012

Rallis India Limited

BALANCE SHEET AS AT 31ST MARCH, 2012

₹ lacs

	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,944.71	1,944.71
Reserves and surplus	3	53,420.33	48,390.80
		55,365.04	50,335.51
Non-current liabilities			
Long-term borrowings	4	8,213.16	8,103.42
Deferred tax liabilities (Net)	30	1,308.46	322.98
Long-term provisions	5	1,682.05	1,790.76
		11,203.67	10,217.16
Current liabilities			
Short-term borrowings	6	3,122.04	971.52
Trade payables	44	23,866.32	25,770.54
Other current liabilities	7	4,993.85	4,865.53
Short-term provisions	8	4,353.42	3,931.35
		36,335.63	35,538.94
Total		102,904.34	96,091.61
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9 a	35,159.01	21,468.63
Intangible assets	9 b	46.75	98.75
Capital work-in-progress		3,492.11	14,025.73
Intangible assets under development	29	1,545.54	1,167.84
Non-current investments	10	17,797.96	14,902.62
Long-term loans and advances	11	8,888.51	10,186.58
Other non-current assets	12	20.90	74.39
		66,950.78	61,924.54
Current assets			
Current investments	13	296.14	290.40
Inventories	14	22,416.15	20,703.11
Trade receivables	15	8,209.28	9,155.50
Cash and cash equivalents	16	1,054.88	1,126.74
Short-term loans and advances	17	3,917.52	2,837.31
Other current assets	18	59.59	54.01
		35,953.56	34,167.07
Total		102,904.34	96,091.61
Summary of significant accounting policies	1		

Notes 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

B.P. SHROFF
Partner

Mumbai, 23rd April , 2012

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

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

₹ lacs

	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Revenue from operations	19	**126,007.19**	*114,817.46*
Less : Excise Duty		**7,882.19**	*8,091.47*
Net Revenue from Operations		**118,125.00**	*106,725.99*
Other income	20	**749.85**	*1,355.31*
Total Revenue (I)		**118,874.85**	*108,081.30*
Expenses:			
Cost of materials consumed	21	**62,063.21**	*57,804.96*
Purchases of Traded Goods	35(b)	**9,212.73**	*8,969.50*
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	**(382.70)**	*(3,950.38)*
Employee benefits expense	23	**7,811.26**	*6,958.31*
Other expenses	24	**19,694.27**	*17,919.89*
Total expenses (II)		**98,398.77**	*87,702.28*
Earnings before interest, depreciation, tax and amortization (I-II)		**20,476.08**	*20,379.02*
Finance costs	25	**1,037.15**	*305.51*
Depreciation and amortization expense		**2,711.08**	*1,716.07*
Profit before exceptional items		**16,727.85**	*18,357.44*
Exceptional items			
Cessation Cost		**1,719.11**	*-*
Profit before tax		**15,008.74**	*18,357.44*
Tax expense:			
a. Current tax		**3,818.47**	*5,070.23*
b. for Prior Periods		**-**	*(211.91)*
c. Deferred tax - Charge (net)		**1,051.31**	*877.85*
Profit for the year		**10,138.96**	*12,621.27*
Earnings per equity share (₹):	40		
(1) Basic		**5.21**	*6.49*
(2) Diluted		**5.21**	*6.49*
Summary of significant accounting policies	1		

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

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B.P. SHROFF
Partner

Mumbai, 23rd April , 2012

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

R. GOPALAKRISHNAN *Chairman*

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Rallis India Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹ lacs

		For the year ended 31st March, 2012	*For the year ended 31st March, 2011*
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before Taxation	**15,008.74**	*18,357.44*
	Adjustments for :		
	Depreciation and amortisation expense	**2,711.08**	*1,716.07*
	Interest expenses	**985.14**	*332.21*
	Interest income	**(81.94)**	*(214.01)*
	Surplus on liquidation of subsidiary	**(107.69)**	*-*
	Dividend Income	**(23.20)**	*(417.11)*
	Credit balances written back	**(442.05)**	*(583.45)*
	Provision for supplemental payments and pension	**(67.83)**	*(10.19)*
	Provision for gratuity	**177.40**	*(106.86)*
	Provision for compensated absences	**(22.23)**	*(47.52)*
	Unrealised foreign exchange translation loss/(gain)	**63.64**	*(140.46)*
	(Profit)/Loss on sale of assets (net) (includes assets w/off)	**(224.49)**	*(27.13)*
	Operating Profit before Working Capital Changes	**17,976.57**	*18,858.99*
	Adjustments for :		
	Trade payables and other current liabilities	**(2,145.12)**	*4,074.88*
	Trade receivables	**1,005.48**	*(1,460.98)*
	Inventories	**(1,713.04)**	*(5,878.26)*
	Long term loans and advances	**(50.99)**	*(1,083.52)*
	Short term loans and advances	**(1,080.21)**	*1,172.34*
	CASH GENERATED FROM OPERATIONS	**13,992.69**	*15,683.45*
	Taxes paid (Net of Refund and interest on refund received)	**(4,069.18)**	*(6,924.84)*
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	**9,923.51**	*8,758.61*
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets (including CWIP)	**(5,033.85)**	*(13,053.89)*
	Proceeds on sale of fixed assets	**384.45**	*354.66*
	Advance received against fixed assets to be disposed off	**650.13**	*-*
	Amount Received on liquidation of Investment in subsidiary	**108.04**	*-*
	Purchase of current investments	**(12,321.46)**	*(37,970.00)*
	Proceeds from redemption of debentures	**290.40**	*189.62*
	Purchase of non-current investments in subsidiary	**(3,191.83)**	*(12,627.99)*
	Proceeds from sale of current investments	**12,321.46**	*49,243.67*
	Interest/Dividend received	**153.05**	*535.50*
	Investments in Bank Deposits (original maturity of more than 3 months) (net)	**(8.51)**	*(77.93)*
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	**(6,648.12)**	*(13,406.36)*

₹ lacs

		For the year ended 31st March, 2012	*For the year ended 31st March, 2011*
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long-term borrowings	**190.61**	*138.24*
	Proceeds from Issue of debentures	**-**	*7,500.00*
	Repayment of long-term borrowings	**(18.56)**	*(23.35)*
	Proceeds from short-term borrowings(net)	**2,150.52**	*810.34*
	Dividends paid on Equity Shares (including dividend distribution tax)	**(4,726.51)**	*(3,534.13)*
	Interest Paid	**(971.66)**	*(330.38)*
	NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	**(3,375.60)**	*4,560.72*
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(100.21)**	*(87.03)*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash in Hand	**2.22**	*2.31*
	Balances with Scheduled Banks on Current Account	**882.83**	*969.77*
		885.05	*972.08*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in Hand	**3.07**	*2.22*
	Balances with Scheduled Banks on Current Account	**781.77**	*882.83*
		784.84	*885.05*
	Footnotes:		
	Cash and Cash Equivalents as above	**784.84**	*885.05*
	Restricted Bank Balance	**78.50**	*58.66*
	Balances with scheduled banks;		
	On Fixed Deposit as Margin Money against Bank Guarantees	**191.54**	*183.03*
	CASH AND BANK BALANCES AS PER NOTE 16	**1,054.88**	*1,126.74*

Notes 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

B.P. SHROFF
Partner

Mumbai, 23rd April , 2012

HOMI R. KHUSROKHAN
B. D. BANERJEE
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R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

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 bring the asset to the location and 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 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 is provided 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 Statement of Profit and Loss.

(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 an appropriate discount factor.

(e) Investments

Long term investments are valued at cost, less provision for other than temporary diminution 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, costs 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 of 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 transfer of risks and rewards 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 Statement of Profit and Loss over the contracted period of supply in proportion to the quantities dispatched.

(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 when 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

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 Accounting Standard 30 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 Statement of Profit and Loss.

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, 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 Statement of Profit and Loss for the period.

(j) Employee Benefits

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.

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.

The contribution as specified under the law are paid to the Provident Fund set up as irrevocable trust by the Company or to the Regional Provident Fund Commissioner. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfall, if any, are recognised in the Statement of Profit and Loss as an expense in the year incurred.

Expenses for 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.

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 enacted or 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 to 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 a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their 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 statements unless the possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is neither recognised nor disclosed.

(o) Cash Flow Statements

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

Rallis India Limited

2 SHARE CAPITAL:

	As at 31st March 2012		*As at 31st March 2011*	
	Number	**₹ lacs**	*Number*	*₹ lacs*
Authorised				
Equity Shares of ₹1 each (*Previous Year ₹10 each*)	**500,000,000**	**5,000.00**	*50,000,000*	*5,000.00*
Cumulative Redeemable Preference Shares of ₹10 each	**150,000,000**	**15,000.00**	*150,000,000*	*15,000.00*
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹1 each fully paid-up (*Previous Year ₹10 each*)	**194,468,890**	**1,944.69**	*19,446,889*	*1,944.69*
Forfeited Shares				
Equity Shares of ₹1 each (*Previous Year ₹10 each*)	**2,000**	**0.02**	*200*	*0.02*
Total	**194,470,890**	**1,944.71**	*19,447,089*	*1,944.71*

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	As at 31st March 2012		*As at 31st March 2011*	
	Number	₹ lacs	*Number*	*₹ lacs*
At the beginning of the year	19,446,889	1,944.71	*12,964,593*	*1,296.48*
Issue of Bonus Shares	-	-	*6,482,296*	*648.23*
Sub-division (refer note below)	175,022,001	-	-	-
Outstanding at the end of the period	194,468,890	1,944.71	*19,446,889*	*1,944.71*

Pursuant to the Shareholders' approval at the Company's Annual General Meeting held on 30th June, 2011, the Company's Equity Shares of face value of ₹ 10 each were sub-divided into ten Equity Shares of face value of ₹ 1 each with effect from 18th July, 2011.

b. The Equity Shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The Equity Shares are also subject to restrictions as prescribed under the Companies Act, 1956.

c. Shares held by Holding /Ultimate Holding Company and /or its subsidiaries /associates:

Out of total equity shares issued by the Company, shares held by its holding company, ultimate holding company and its subsidiaries/associates are as below:

Name of the Promoter	As at 31st March 2012		*As at 31st March 2011*	
	Number	₹ lacs	*Number*	*₹ lacs*
Tata Chemicals Limited * (Holding/ Ultimate Holding Company)	97,341,610	973.42	*9,734,161*	*973.42*

* Of the above equity shares 980,000 equity shares were issued by the Company on a preferential basis on 9th November,2009. Consequently,TCL became the holding company with effect from 9th November, 2009.

d. Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As at 31st March 2012		*As at 31st March 2011*	
	No. of Shares	% Holding	*No. of Shares*	*% Holding*
Tata Chemicals Limited	97,341,610	50.06%	*9,734,161*	*50.06%*
Rakesh Jhunjhunwala	12,416,820	6.38%	*1,259,182*	*6.47%*

e. **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date:**

	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Bonus Shares issued *	-	*6,482,296*	-	-	-
Preference Shares :					
7.50% Cumulative Reedeemable Preference Shares of ₹ 10 each Redeemed	-	-	*88,000,000*	-	-

** 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.*

f. As per records of the company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2012.

3 RESERVES AND SURPLUS:

₹ lacs

	As at 1st April, 2011	**Additions**	**Deductions**	***As at 31st March, 2012***	*As at 1st April, 2010*	*Additions*	*Deductions*	*As at 31st March, 2011*
Capital Reserve (Refer footnote a)	**1,243.10**	**-**	**-**	**1,243.10**	*1,680.93*	*-*	*437.83*	*1,243.10*
Capital Redemption Reserve (Refer footnote b)	**8,151.77**	**-**	**-**	**8,151.77**	*8,800.00*	*-*	*648.23*	*8,151.77*
Securities Premium Account	**8,793.88**	**-**	**-**	**8,793.88**	*8,793.88*	*-*	*-*	*8,793.88*
Debenture Redemption Reserve	**1,250.00**	**1,250.00**	**-**	**2,500.00**	*-*	*1,250.00*	*-*	*1,250.00*
Other Reserves :								
Capital Subsidy	**63.58**	**-**	**-**	**63.58**	*63.58*	*-*	*-*	*63.58*
Investment Allowance Reserve (Refer footnote c)	**-**	**-**	**-**	**-**	*17.80*	*-*	*17.80*	*-*
Reserve under Sec.45IC of the Reserve Bank of India Act, 1934 (Refer footnote d)	**-**	**-**	**-**	**-**	*10.39*	*-*	*10.39*	*-*
General Reserve (Refer footnote e)	**7,514.24**	**1,013.90**	**-**	**8,528.14**	*5,786.09*	*1,728.15*	*-*	*7,514.24*
Hedging Reserve Account (Refer Note No. 41)	**73.66**	**-**	**137.06**	**(63.40)**	*111.54*	*-*	*37.88*	*73.66*
	27,090.23	**2,263.90**	**137.06**	**29,217.07**	*25,264.21*	*2,978.15*	*1,152.13*	*27,090.23*
Surplus in the Statement of Profit and Loss								
Balance as per last financial statements	**21,300.57**	**-**	**-**	**21,300.57**	*15,718.52*	*-*	*-*	*15,718.52*
Net Profit For the current year	**-**	**10,138.96**	**-**	**10,138.96**	*-*	*12,621.27*	*-*	*12,621.27*
Debenture Redemption Reserve	**-**	**-**	**1,250.00**	**(1,250.00)**	*-*	*-*	*1,250.00*	*(1,250.00)*
Interim Dividend on Equity Shares	**-**	**-**	**1,944.69**	**(1,944.69)**	*-*	*-*	*1,750.22*	*(1,750.22)*
Distribution Tax on Interim Dividend	**-**	**-**	**315.48**	**(315.48)**	*-*	*-*	*290.69*	*(290.69)*
Proposed Equity Dividend	**-**	**-**	**2,333.63**	**(2,333.63)**	*-*	*-*	*2,139.16*	*(2,139.16)*
Distribution Tax on Proposed Equity Dividend	**-**	**-**	**378.57**	**(378.57)**	*-*	*-*	*347.02*	*(347.02)*
Transfer to General Reserves	**-**	**-**	**1,013.90**	**(1,013.90)**	*-*	*-*	*1,262.13*	*(1,262.13)*
Net Surplus in the Statement of Profit and Loss	**21,300.57**	**10,138.96**	**7,236.27**	**24,203.26**	*15,718.52*	*12,621.27*	*7,039.22*	*21,300.57*
	48,390.80	**12,402.86**	**7,373.33**	**53,420.33**	*40,982.73*	*15,599.42*	*8,191.35*	*48,390.80*

Footnotes:

a. A sum of ₹ Nil (*Previous Year ₹ 437.83 lacs*) representing amount received by the Company in earlier years on surrender of tenancy rights has been transferred to the General Reserve.

b. An amount of ₹ Nil *(Previous Year ₹ 648.23 lacs)* out of the Capital Redemption Reserve was utilised for the issue of Nil *(Previous Year 6,482,295) fully* paid up Bonus Shares of ₹ 10 each.

c. An amount of ₹ Nil *(Previous Year ₹ 17.80 lacs)*appropriated to Investment Allowance Reserve has been fully utilized for acquisition of new plant and machinery, the balance has been transferred to General Reserve.

d. As the entity is not engaged in non banking finance activities the amount appropriated to Reserve under section 45IC of the Reserve Bank of India Act, 1934, a balance of ₹ Nil *(Previous Year ₹ 10.39 lacs*) has been transferred to General Reserve.

e. The amount appropriated/transferred to General Reserve during the year comprises
   (a) ₹ Nil *(Previous Year ₹ 466.02 lacs)* transferred as per footnotes a,c and d.
   (b) ₹ 1,013.90 lacs *(Previous Year ₹ 1,262.13 lacs)* has been appropriated out of the Statement of Profit and Loss to the General Reserve during the year.

4 LONG-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Secured		
Debentures (see note a,b & c below)	**7,500.00**	*7,500.00*
	7,500.00	*7,500.00*
Unsecured		
Deferred payment liabilities		
i. Sales Tax Deferral Scheme (see note d below)	**627.68**	*504.00*
ii. Council of Scientific & Industrial Research loan (see note d below)	**85.48**	*99.42*
	713.16	*603.42*
Total	**8,213.16**	*8,103.42*

a. 750 (*Previous Year: 750*) 9.05% Secured Redeemable Non-Convertible Debentures (2010-11 Series 1) having a face value of ₹ 10 lacs each redeemable at par on 29th October, 2013.

b. 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.

c. The Company can repurchase some or all of the Debentures at any time prior to date of redemption. The Company has the right to re-issue debentures bought back subject to provisions of The Companies Act, 1956.

d. Details of terms of repayment: (₹ in lacs)

Particulars	Repayment Schedule	As at 31st March 2012	*As at 31st March 2011*
Sales Tax Deferral Scheme - Akola	Varied Annual Installments from 2013-14 to 2015-16	**131.79**	197.03
Sales Tax Deferral Scheme - Lote*	Varied Annual Installments from 2018-19 to 2026-27	**495.89**	306.97
Council of Scientific & Industrial Research loan	Varied Annual Installments from 2013-14 to 2017-18	**85.48**	99.42

* Loan disclosed above is considered as per SICOM scheme, although the matter is in dispute with the Sales Tax Tribunal.

5 LONG-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Provision for employee benefits		
Compensated Absences (unfunded)	**332.82**	*372.45*
Supplemental Payments on Retirement (unfunded)	**1,349.23**	*1,418.31*
Total	**1,682.05**	*1,790.76*

6 SHORT-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Secured		
Loans repayable on demand from banks*	**3,122.04**	*971.52*
Total	**3,122.04**	*971.52*

* These 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.

7 OTHER CURRENT LIABILITIES:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Other Liabilities		
i. Current maturity of long term debt		
Sales Tax Deferral Scheme (unsecured)	**201.62**	*138.75*
Council of Scientific & Industrial Research loan (unsecured)	**22.22**	*22.78*
ii. Interest accrued but not due on borrowings	**23.95**	*10.47*
iii. Unpaid dividends/fraction bonus shares	**78.50**	*56.97*
iv. Unpaid matured debentures and interest accrued thereon	**-**	*1.69*
v. Other Payables:		
Salary and Reimbursements	**17.18**	*8.17*
Provident Fund and other employee deductions	**111.81**	*106.87*
Customer Advances and Deposits	**3,214.07**	*2,890.72*
Creditors for Capital Purchases	**1,011.68**	*1,225.97*
Central Excise, Customs Duty, VAT and Service Tax payable	**269.25**	*299.62*
Tax deducted at source	**43.57**	*103.52*
Total	**4,993.85**	*4,865.53*

8 SHORT-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
a. Provision for employee benefits		
Gratuity (funded)	**230.18**	*52.78*
Compensated Absences (unfunded)	**93.79**	*76.39*
Supplemental Payments on Retirement (unfunded)	**145.43**	*144.18*
b. Others		
Fringe Benefit Tax	**11.29**	*11.29*
Proposed Equity Dividend	**2,333.63**	*2,139.16*
Distribution Tax on Proposed Equity Dividend	**378.57**	*347.02*
Provision for Income Tax (net of advance tax)	**1,160.53**	*1,160.53*
Total	**4,353.42**	*3,931.35*

Rallis India Limited

9 FIXED ASSETS:

₹ lacs

	Gross Block (At Cost)				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April 2011	Additions	Disposals	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	On disposals	Balance as at 31st March 2012	Balance as at 31st March 2012	*Balance as at 31st March 2011*
a Tangible Assets										
Freehold Land	254.15	-	-	254.15	-	-	-	-	254.15	*254.15*
Leasehold Land	4,482.12	119.59	-	4,601.71	149.53	45.88	-	195.41	4,406.30	*4,332.59*
Buildings (see footnote 1 & 2)	5,584.67	9,306.93	49.85	14,841.75	2,011.52	335.73	18.81	2,328.44	12,513.31	*3,573.15*
Plant and Equipment	24,454.01	6,970.99	1,278.79	30,146.21	12,173.63	2,117.72	1,204.43	13,086.92	17,059.29	*12,280.38*
Furniture and Fixtures	527.87	50.00	12.12	565.75	300.42	32.76	11.11	322.07	243.68	*227.45*
Vehicles	1,140.69	7.92	127.61	1,021.00	460.72	107.35	78.29	489.78	531.22	*679.97*
Office Equipment	226.21	53.99	17.05	263.15	105.27	19.64	12.82	112.09	151.06	*120.94*
Total	36,669.72	16,509.42	1,485.42	51,693.72	15,201.09	2,659.08	1,325.46	16,534.71	35,159.01	*21,468.63*
b Intangible Assets										
Goodwill	163.63	-	-	163.63	163.63	-	-	163.63	-	*-*
Computer software	948.23	-	8.40	939.83	849.48	52.00	8.40	893.08	46.75	*98.75*
Product Registrations	493.25	-	-	493.25	493.25	-	-	493.25	-	*-*
Total	1,605.11	-	8.40	1,596.71	1,506.36	52.00	8.40	1,549.96	46.75	*98.75*
Total Fixed Assets	38,274.83	16,509.42	1,493.82	53,290.43	16,707.45	2,711.08	1,333.86	18,084.67	35,205.76	*21,567.38*
Previous Year	*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*	

Footnotes:

1. Cost of buildings includes 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 gross block of ₹ 169.29 lacs *(Previous Year ₹ 181.63 lacs)* and net block of ₹ 116.06 lacs *(Previous Year ₹ 127.10 lacs)* where the conveyance in favour of the Company is not completed.
3. Fixed assets include ₹ 434.98 lacs *(Previous Year ₹ 449.45 lacs)* representing the book value of assets held for disposal. The Management expects to recover amounts higher than the carrying value of these assets.

10 NON-CURRENT INVESTMENTS:

₹ lacs

	Nominal Value (in ₹)	Nos.	**As at 31st March, 2012**	*As at 31st March, 2011*
A. Trade Investments				
(Valued at cost less provision for diminution)				
Unquoted equity instruments - Fully paid up:				
a. Investment in Subsidiaries:				
Rallis Australasia Pty. Ltd. (Liquidated on 25th January, 2012)	AUD 1	1,000	**-**	*0.35*
Rallis Chemistry Exports Ltd.	10	50,000	**5.00**	*5.00*
Metahelix Life Sciences Ltd. (subsidiary w.e.f. 30th December, 2010)	10	79,985	**15,819.82**	*12,627.99*
		A	**15,824.82**	*12,633.34*
b. Others:				
Aich Aar Chemicals Pvt. Ltd.	10	124,002	**9.31**	*9.31*
Biotech Consortium India Ltd.	10	50,000	**5.00**	*5.00*
Indian Potash Ltd.	10	54,000	**0.90**	*0.90*
Bharuch Enviro Infrastructure Ltd.	10	36,750	**3.68**	*3.68*
Bharuch Eco-Acqua Infrastructure Ltd.	10	300,364	**30.03**	*30.03*

₹ lacs

	Nominal Value (in ₹)	Nos.	As at 31st March, 2012	As at 31st March, 2011
Sipcot Industries Common Utilities Ltd.	100	113	-	-
Patancheru Enviro-Tech Ltd.	10	10,822	**1.08**	*1.08*
Advinus Therapeutics Pvt. Ltd.	10	18,286,000	**1,828.60**	*1,828.60*
			1,878.60	*1,878.60*
Less: Provision for diminution in value			**9.30**	*9.30*
		B	**1,869.30**	*1,869.30*
		C=A+B	**17,694.12**	*14,502.64*
B. Non Trade Investments				
(Valued at cost less provision for diminution)				
a. Investments in equity instruments - Fully paid up (Quoted)				
Spartek Ceramics India Ltd.	10	7,226	-	-
Nagarjuna Finance Ltd.	10	400	-	-
Pharmaceuticals Products of India Limited	10	10,000	-	-
Ballasore Alloys Ltd. (Previously known as Ispat Alloys Ltd.)	10	504	-	-
J.K.Cement Ltd.	10	44	-	-
Uniscans & Sonics Ltd.	10	96	-	-
		D	-	-
b. Investments in equity instruments - Fully paid up (Unquoted)				
Amba Trading Company Limited	10	130,000	**53.32**	*53.32*
Associated Inds. (Assam) Ltd.	10	30,000	-	-
Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each)		2,100,000	**146.30**	*146.30*
			199.62	*199.62*
Less: Provision for diminution in value			**199.62**	*199.62*
		E	-	-
		F=D+E	-	-
c. Investments in Debentures or Bonds				
i. Unquoted-Fully Paid				
4.25% Advinus Therapeutics Pvt. Ltd. - Non Convertible Debentures (Refer Note No. 45)	1,000	10,384	**103.84**	*399.98*
		G	**103.84**	*399.98*
ii. Quoted-Fully Paid				
14% Spartek Ceramics India Limited-Debentures - Redeemable Partly Convertible (₹ 1)	60	560	-	-
		H	-	-
		I=G+H	**103.84**	*399.98*
		J=I+F+C	**17,797.96**	*14,902.62*
Aggregate Book Value of Investments:				
Unquoted - At cost less Provision for diminution in value			**17,797.96**	*14,902.62*
Quoted - At cost less Provision for diminution in value			-	-
			17,797.96	*14,902.62*

Footnotes:

Market value of quoted investments ₹ 0.57 lacs (Previous Year ₹ 0.17 lacs).

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11 LONG-TERM LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
a. Capital Advances	**150.21**	*1,684.15*
b. Security Deposits	**706.65**	*669.74*
c. Other Loans and Advances	**457.86**	*443.78*
d. Advance Income Tax (net of provisions)	**7,573.79**	*7,388.91*
Total	**8,888.51**	*10,186.58*

12 OTHER NON-CURRENT ASSETS:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Interest accrued on long term investments	**20.90**	*74.39*
Total	**20.90**	*74.39*

13 CURRENT INVESTMENTS:

(Refer Note No. 45)

₹ lacs

	Nominal value (in ₹)	Numbers	As at 31st March 2012	*As at 31st March 2011*
Investments in Debentures (Unquoted-Fully Paid)				
Current portion of 4.25% Advinus Therapeutics Pvt. Ltd. - Non Convertible Debentures	1,000	29,614	**296.14**	*290.40*
Total			**296.14**	*290.40*

14 INVENTORIES:

(Valued at the lower of cost and net realisable value)

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
a. Raw Materials and components (Including goods-in transit of ₹ 3,209.95 lacs; *Previous year ₹ 1,172.73 lacs*)	**7,510.56**	*6,071.16*
b. Work-in-progress (Pesticides)	**900.27**	*605.16*
c. Finished goods (excluding finished goods traded in) (Refer Note No. 35(a))	**10,952.71**	*12,484.54*
d. Stock in trade (in respect of goods acquired for trading) (Refer Note No. 35(b))	**2,316.77**	*697.35*
e. Stores and spares	**74.46**	*94.12*
f. Packing Materials	**661.38**	*750.78*
Total	**22,416.15**	*20,703.11*

15 TRADE RECEIVABLES:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Trade receivables outstanding for a period less than six months		
Secured, considered good	**309.58**	*315.39*
Unsecured, considered good	**7,881.25**	*8,770.39*
	8,190.83	*9,085.78*
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	**11.00**	*13.87*
Unsecured, considered good	**7.45**	*55.85*
Doubtful	**549.49**	*869.95*
Less: Provision for doubtful debts	**(549.49)**	*(869.95)*
	18.45	*69.72*
Total	**8,209.28**	*9,155.50*

16 CASH AND CASH EQUIVALENTS:
(including other Bank Balances)

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Cash and Cash equivalents		
a. Balances with banks :		
on Current accounts	**770.23**	*871.35*
b. Cheques in Hand	**-**	*0.23*
c. Cash on hand	**3.07**	*1.99*
d. Deposits with less than 3 months maturity	**11.54**	*11.48*
	784.84	*885.05*
Other Bank Balances		
a. Balances held for unpaid dividends and debenture interest	**78.50**	*58.66*
b. Bank deposits as margin money against Bank Guarantees	**191.54**	*183.03*
	270.04	*241.69*
Total	**1,054.88**	*1,126.74*

17 SHORT-TERM LOANS AND ADVANCES:
(Unsecured, considered good unless otherwise stated)

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
a. Advances Recoverable in Cash or in Kind	**2,282.55**	*1,157.00*
b. Advances/Deposits considered doubtful of recovery*		
Doubtful	**4,523.28**	*4,523.28*
Less: Provision for doubtful loans and advances	**(4,523.28)**	*(4,523.28)*
	-	*-*
c. Balances with Government Authorities	**1,634.97**	*1,680.31*
Total	**3,917.52**	*2,837.31*

* Includes a sum of ₹ 18.61 lacs *(Previous Year ₹ 18.61 lacs)* 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)*.

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18 OTHER CURRENT ASSETS:

₹ lacs

	As at 31st March, 2012	*As at 31st March, 2011*
Interest on current maturity of Debentures	**59.59**	*54.01*
Total	**59.59**	*54.01*

19 REVENUE FROM OPERATIONS:

₹ lacs

	For the year ended 31st March, 2012	*For the year ended 31st March, 2011*
Sale of products (Refer Note No. 33)		
Own Manufactured Goods	**113,012.52**	*101,051.64*
Traded Goods	**10,062.98**	*11,711.87*
Sale of services	**12.78**	*-*
Other operating revenues		
Scrap and Sundry Sales	**1,411.01**	*779.97*
Export Incentives	**742.27**	*503.70*
Discounts Earned	**120.89**	*186.83*
Royalty Income	**202.69**	*-*
Others	**442.05**	*583.45*
	126,007.19	*114,817.46*
Less : Excise duty	**7,882.19**	*8,091.47*
Total	**118,125.00**	*106,725.99*

20 OTHER INCOME:

₹ lacs

	For the year ended 31st March, 2012	*For the year ended 31st March, 2011*
Interest Income		
On refund of taxes	**-**	*113.13*
On term and fixed deposits	**35.05**	*33.17*
On current investments	**38.38**	*34.91*
On long term investments	**8.51**	*32.80*
Dividend income		
On current investments	**21.48**	*415.66*
On long term investments	**1.72**	*1.45*
Net gain on Foreign currency transactions and translation (other than considered as finance cost)	**-**	*150.44*
Surplus on Liquidation of Subsidiary	**107.69**	*-*
Profit on sale of Fixed Assets (net)	**224.49**	*27.13*
Sundry Income	**312.53**	*546.62*
Total	**749.85**	*1,355.31*

21 COST OF MATERIALS CONSUMED:

₹ lacs

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Raw Materials Consumed (Refer Notes No. 34 and 38)		
Opening Stock	**6,071.16**	*4,271.29*
Add : Purchases	**59,061.72**	*55,452.13*
Less : Closing Stock	**7,510.56**	*6,071.16*
	57,622.32	*53,652.26*
Packing Materials Consumed (Refer Note No. 38)	**4,440.89**	*4,152.70*
Total	**62,063.21**	*57,804.96*

22 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE:

₹ lacs

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Opening Stock		
Finished Goods - Own Manufacured	**12,484.54**	*8,643.49*
Finished Goods - Traded	**697.35**	*488.40*
Work in progress	**605.16**	*704.78*
	13,787.05	*9,836.67*
Closing Stock		
Finished Goods - Own Manufacured	**10,952.71**	*12,484.54*
Finished Goods - Traded	**2,316.77**	*697.35*
Work in progress	**900.27**	*605.16*
	14,169.75	*13,787.05*
Total	**(382.70)**	*(3,950.38)*

23 EMPLOYEE BENEFITS EXPENSE:
(Refer Note No. 43)

₹ lacs

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(a) Salaries and Wages	**6,291.97**	*5,801.78*
(b) Contribution to Provident and Other Funds	**413.78**	*450.21*
(c) Gratuity	**271.62**	*45.06*
(d) Staff welfare	**833.89**	*661.26*
Total	**7,811.26**	*6,958.31*

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24 OTHER EXPENSES:

₹ lacs

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Freight, Handling and Packing	**2,579.03**	*2,947.79*
Processing	**636.99**	*735.98*
Changes in Excise Duty on Inventory of Finished Goods	**199.05**	*138.15*
Travelling	**669.78**	*725.01*
Power and Fuel	**4,275.75**	*3,043.99*
Brand Equity Contribution	**156.60**	*144.05*
Repairs :		
to Machinery	**552.06**	*445.44*
to Buildings	**110.99**	*109.42*
Others	**406.26**	*346.45*
Stores and Spares Consumed (Refer Note No. 38)	**487.81**	*528.49*
Rates and Taxes	**294.07**	*163.45*
Bad Debts	**320.45**	*842.79*
Cash Discount	**1,326.80**	*1,441.91*
Commission	**53.30**	*177.70*
Insurance	**179.97**	*158.03*
Rent	**543.32**	*495.29*
Bank Charges	**278.76**	*299.03*
Directors' Fees & Commission	**288.85**	*314.00*
Provision for Doubtful Debts/Advances for the year	**-**	*0.25*
Less : Provision for doubtful debts written back	**(320.45)**	*(842.79)*
Selling Expenses	**1,656.37**	*1,706.34*
Legal and Professional Expenses	**491.05**	*622.39*
Net loss on Foreign currency transactions and translation (other than considered as finance cost)	**966.47**	*-*
Pre-operative Expenses Capitalised	**(150.62)**	*-*
Other Expenses (Refer Note No. 27, 28 and 29)	**3,691.61**	*3,376.73*
Total	**19,694.27**	*17,919.89*

25 FINANCE COSTS :

₹ lacs

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest expense on:		
Borrowings	**841.13**	*290.39*
Other interest	**144.01**	*41.82*
Net (gain)/Loss on Foreign Currency transactions and translation	**52.01**	*(26.70)*
Total	**1,037.15**	*305.51*

26 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) :

(i) Contingent Liabilities:

₹ lacs

Particulars	2011-12	2010-11
a. Claims against the Company not acknowledged as debts:		
- Sales Tax	**2,158.63**	*1,916.59*
- Excise Duty	**360.84**	*360.84*
- Customs Duty	**149.50**	*149.50*
- Income Tax	**6,655.04**	*6,583.76*
- Service Tax	**42.14**	*35.03*
- Property Cases	**47.36**	*47.36*
- Labour Cases	**109.00**	*103.75*
- Other cases	**472.01**	*453.79*
- Number of cases where amount is not quantifiable 41 Nos. *(Previous Year 29 Nos.)*		
b. Guarantees #	**3.10**	*1.10*
c. Other money for which the company is contingently liable:		
- Bills Discounted	**104.10**	*338.56*
	10,101.72	*9,990.28*

(ii) Other Commitments:

(A) During the financial year 2010-11, the Company had 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 shares from certain shareholders (other than founder shareholders) 2,591 equity shares amount aggregating ₹ 506.77 lacs. *(previous year 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 4 years *(Previous Year: 5 years)*, 11,244 shares held by them for an amount aggregating ₹ 2,199.21 lacs *(Previous Year: 14,055 shares for an amount aggregating ₹ 2,749.02 lacs)*.
At the end of 4 years, the Company has a call option to acquire the balance shares held by the founder shareholders, at the fair market value as at the date of exercise.

(B) Estimated amount of contracts remaining to be executed on capital account is ₹ 1,944.45 lacs (Previous Year ₹ 2,451.22 lacs) against which advances paid aggregate to ₹ 144.15 Lacs (Previous Year ₹ 1,676.34 lacs).

Notes :

(i) # Other guarantees issued by Bank for which the Company is contingently liable. These are covered by the charge created in favour of Company's bankers by way of hypothecation of stock and debtors.

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

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27 The Company has procured 126 motor vehicles *(Previous Year 44 Nos)* under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹ 203.53 lacs *(Previous Year ₹ 23.81 lacs)* net of amount recovered from employees ₹ 2.34 lacs *(Previous Year ₹ 8.22 lacs)*. Disclosures in respect of non-cancellable leases are given below:

₹ lacs

Particulars	**2011-12**	*2010-11*
a) Total of minimum lease payments	**1,236.64**	*386.27*
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	**372.26**	*102.51*
Later than one year and not later than five years	**864.38**	*283.76*
c) Lease payments recognised in the statement of profit and loss for the year	**203.53**	*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.

28 OTHER EXPENSES INCLUDE AUDITORS' REMUNERATION AS UNDER:

₹ lacs

Particulars	**2011-12**	*2010-11*
Audit Fees	**46.98**	*46.98*
Tax Audit	**10.00**	*10.00*
Fees for other services including ₹ 39.50 lacs (Previous Year ₹ 48.50 lacs) for attest services.	**49.20**	*63.50*
Reimbursement of out-of-pocket expenses	**0.82**	*2.89*

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

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

₹ lacs

Particulars	**2011-12**	*2010-11*
On tangible fixed assets	**5.30**	*23.86*
On items which have been expensed during the year	**899.04**	*899.98*
Total	**904.34**	*923.84*

During the year the Company has also incurred ₹ 471.14 lacs (Previous Year ₹ 445.98 lacs) towards capital research and development expenditure which is included under Intangible Assets under Development/Capital work in progress. The total amount included in Intangible Assets under Development/Capital work in progress as at 31st March 2012 is ₹ 1,638.98 lacs (Previous Year ₹ 1,167.84 lacs).

Included in the foregoing is an amount of ₹ 582.94 lacs *(Previous Year ₹ 364.14 lacs)* paid to an external agency.

30 DEFERRED TAX ASSETS AND LIABILITIES:

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

₹ lacs

Particulars	2011-12	2010-11
Deferred Tax Assets		
On Provision against debts and advances	**1,646.01**	*1,749.83*
On other items	**772.63**	*391.49*
Total	**2,418.64**	*2,141.32*
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	**3,422.25**	*2,163.52*
On other items	**304.85**	*300.78*
Total	**3,727.10**	*2,464.30*
Net Deferred Tax Asset / (Liability) Recognised	**(1,308.46)**	*(322.98)*

(b) Deferred tax charge for the year: ₹ lacs

Particulars	2011-12	2010-11
Opening Net Deferred Tax Asset / (Liability)	**(322.98)**	*534.77*
Less: Closing Net Deferred Tax Liability	**(1,308.46)**	*(322.98)*
Less: Debited to Hedging Reserve Account	**65.83**	*(20.10)*
Deferred Tax charge for the year	**1,051.31**	*877.85*

31 OTHER LIABILITIES INCLUDE PROVISION HELD IN RESPECT OF INDIRECT TAX MATTERS IN DISPUTE:

₹ lacs

Particulars	2011-12	2010-11
Opening Balance as at 1st April, 2011	**185.21**	*185.21*
Additional provisions made during the year	**-**	*-*
Total	**185.21**	*185.21*
Payments made adjusted against above sum	**-**	*-*
Closing Balance as at 31st March, 2012	**185.21**	*185.21*

32 SEGMENT REPORTING:

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS-17) on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

33 TURNOVER:

Particulars	Units	2011-12		2010-11	
		Quantity	₹ lacs	*Quantity*	*₹ lacs*
Pesticides	Tonnes	14,346	119,548.91	*14,741*	*109,713.98*
	KL.Ltr	10,153		*12,249*	
Plant Growth Nutrients	Tonnes	1,712	2,519.95	*1,908*	*2,383.91*
	KL.Ltr	156		*108*	
Seeds	Tonnes	414	1,006.64	*649*	*665.62*
			123,075.50		*112,763.51*
Less:- Excise Duty			7,882.19		*8,091.47*
Net Turnover			115,193.31		*104,672.04*

34 QUANTITATIVE AND VALUE ANALYSIS OF MATERIALS CONSUMED:

Particulars	Units	2011-12		*2010-11*	
		Quantity	₹ lacs	*Quantity*	*₹ lacs*
Active Ingredients for pesticides	Tonnes/KL	5,510	26,955.02	*5,651*	*25,010.03*
Other Chemicals	Tonnes	42,279	30,613.27	*47,026*	*28,483.61*
	KL	588	54.04	*601*	*158.62*
			57,622.33		***53,652.26***

35 (a) Licensed / installed capacities, production and stocks of goods manufactured:

Particulars	Units	Installed	Production	Opening Stocks		Closing Stocks	
		Capacity	Quantity	Quantity	₹ lacs	Quantity	₹ lacs
Pesticides Solids	Tonnes	15,225	11,266	2,271	9,185.55	1,216	7,498.85
	Tonnes	*12,720*	*10,921*	*2,353*	*6,029.61*	*2,271*	*9,185.55*
Liquids	KL	13,500	9,456	1,070	3,037.07	874	3,278.57
	KL	*16,500*	*11,601*	*959*	*2,454.72*	*1,070*	*3,037.07*
Plant Growth Nutrients	Tonnes	N.A.	1,542	402	261.92	259	175.29
	Tonnes	*N.A.*	*1,824*	*202*	*159.16*	*402*	*261.92*
Total					**12,484.54**		**10,952.71**
					8,643.49		***12,484.54***

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.

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

(v) N.A. = Not Applicable.

(b) Purchase and stock of goods traded:

Particulars	Units	Purchases		Opening Stocks		Closing Stocks	
		Qty	₹ lacs	Qty	₹ lacs	Qty	₹ lacs
Pesticides	Tonnes	2,122	2,107.33	84	173.18	180	577.15
	KL	525	5,964.00	39	475.21	71	1,539.25
	Tonnes	*3,717*	*3,849.44*	*120*	*236.58*	*84*	*173.18*
	KL	*785*	*4,218.92*	*29*	*198.30*	*39*	*475.21*
Plant Growth Nutrients	Tonnes	-	3.30	28	5.36	4	0.15
	KL	189	354.51	8	16.26	40	71.98
	Tonnes	*217*	*43.71*	*105*	*19.14*	*28*	*5.36*
	KL	*102*	*205.74*	*14*	*32.64*	*8*	*16.26*
Seeds	Tonnes	575	783.59	48	27.34	49	128.24
	Tonnes	*702*	*651.69*	*6*	*1.74*	*48*	*27.34*
Total			**9,212.73**		**697.35**		**2,316.77**
			8,969.50		***488.40***		***697.35***

Figures in italics are in respect of the previous year.

36 VALUE OF IMPORTS ON C. I. F. BASIS:

₹ lacs

Particulars	2011-12	*2010-11*
Raw Materials	35,481.13	*27,730.30*
Stores, spare parts and packing materials	35.19	*85.04*
Capital Goods	115.76	*188.15*
Total	**35,632.08**	***28,003.49***

37 EXPENDITURE IN FOREIGN CURRENCIES:

₹ lacs

Particulars	2011-12	*2010-11*
Interest	9.65	*0.63*
Professional Fees	90.16	*20.69*
Processing	24.86	*68.79*
Commission	43.61	*179.35*
Travelling	24.39	*34.62*
Research and Development	1.33	-
Handling and other selling expenses	2.91	*266.71*
Subscription	13.97	*3.61*
Bank Charges	14.55	*18.44*
Others	10.88	*9.44*
Total	**236.32**	***602.28***

38 VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED:

₹ lacs

Particulars	2011-12		*2010-11*	
	Amount	%	*Amount*	*%*
Raw Materials				
Imported (including Customs Duty)	35,565.39	62%	*28,145.65*	*52%*
Indigenous	22,056.93	38%	*25,506.61*	*48%*
Total	**57,622.32**	**100%**	***53,652.26***	***100%***
Packing Materials				
Imported (including Customs Duty)	-	-	*3.53*	*0%*
Indigenous	4,440.89	100%	*4,149.17*	*100%*
Total	**4,440.89**	**100%**	***4,152.70***	***100%***
Spare Parts & Components				
Imported (including Customs Duty)	30.34	6%	*52.42*	*10%*
Indigenous	457.47	94%	*476.07*	*90%*
Total	**487.81**	**100%**	***528.49***	***100%***

39 EARNINGS IN FOREIGN EXCHANGE:

₹ lacs

Particulars	2011-12	*2010-11*
Export of goods on F. O. B. Basis	38,139.73	*25,510.61*
Royalty Income	202.69	-
Freight, insurance and other matters	286.00	*356.98*
Surplus on Liquidation of Subsidiary	107.69	-
Total	**38,736.11**	***25,867.59***

40 EARNINGS PER SHARE:

₹ lacs

Particulars	2011-12	*2010-11#*
Net Profit After Tax	10,138.96	*12,621.27*
Weighted average No. of Equity Shares for Basic / Diluted EPS (Nos)	194,468,890	*194,468,890*
Nominal Value of Equity Per Share (in ₹)	1.00	*1.00*
Basic / Diluted Earning Per Share (in ₹)	5.21	*6.49*

During the year ended 31st March, 2012, the Company's Equity Shares of face value of ₹ 10 each were sub-divided into ten Equity Shares of face value of ₹ 1 each. Hence Basic and Diluted Earning Per Share for previous year presented has been adjusted as required by Accounting Standard 20 "Earning Per Share".

41 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 31.03.2012			*As at 31.03.2011*		
	No of Contracts	*₹ lacs*	Amount in lacs	*No of Contracts*	*₹ lacs*	*Amount in lacs*
Receivables	10	2,986.36	USD 58.70	-	-	-
	1	172.49	AUD 3.30	-	-	-
Payables	26	4,869.91	USD 95.7	*3*	*1,496.78*	*USD 33.50*
	6	1,878.44	JPY 3,031.60	*2*	*1,001.94*	*JPY 1,858.70*

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

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

Foreign Currency	As at 31.03.2012			*As at 31.03.2011*		
	No of Contracts	Notional amount of currency option contracts	Fair Value Gain / (Loss) ₹ lacs	*No of Contracts*	*Notional amount of currency*	*Fair Value Gain / (Loss) ₹ lacs*
USD	1	29.50 lacs	(96.74)	*1*	*59 lacs*	*97.36*

USD = U.S. Dollar

The net loss on the derivative instrument of ₹ 63.40 lacs (net of Deferred Tax Asset of ₹ 30.45 lacs) *(Previous Year ₹ 73.66 lacs (net of Deferred Tax Liability of ₹ 35.38 lacs))* is recognised in the Hedging Reserve Account as at 31st March, 2012 and the same *(Previous Year ₹ 62.02 lacs)* is expected to be reclassified in the Statement of Profit and Loss by 31st March 2013.

(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 31.03.2012		*As at 31.03.2011*	
	₹ lacs	Amount in lacs	*₹ lacs*	*Amount in lacs*
Exports of goods and services	1,625.85	USD 26.10 AUD 5.50 EUR 0.10	*5,756.94*	*USD 115.00 AUD 12.70 EUR 0.50*
Investment in Subsidiary Company	-	-	*0.35*	*AUD 0.010*

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

Particulars	As at 31.03.2012		*As at 31.03.2011*	
	₹ lacs	Amount in lacs	*₹ lacs*	*Amount in lacs*
Packing Credit	-	-	*418.14*	*USD 8.20*
Imports of goods and services	7,049.38	USD 136.50	*8,466.54*	*USD 187.70*
		JPY 93.40		*JPY 2,545.70*
		EUR 0.70		*EUR 1.10*
		-		*AUD 0.20*
Customer Advances	2.10	USD 0.0470	*141.61*	*USD 3.20*

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

42 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) Holding / Ultimate Holding Company : Tata Chemicals Limited

(ii) Subsidiary Companies: Rallis Chemistry Exports Ltd
Metahelix Life Sciences Ltd w.e.f 30th October, 2010
Dhaanya Seeds Ltd w.e.f 30th October, 2010
Rallis Australasia Pty Ltd.(Liquidated on 25th January, 2012)

(iii) Key Management Personnel : Mr.V.Shankar - Managing Director & CEO

b) Details of Transactions:

₹ lacs

Nature of Transactions	Holding Company	Subsidiary Companies	Key Management Personnel	Total
Purchase of Goods	200.95	302.70	-	503.65
	624.87	*84.34*	-	*709.21*
Sales of Goods	2,721.94	182.65	-	2,904.59
	888.21	*15.18*	-	*903.39*
Amount Received on liquidation	-	108.04	-	108.04
	-	-	-	-
Services Received	69.91	-	-	69.91
	55.33	-	-	*55.33*
Services Given	28.01	-	-	28.01
	21.85	-	-	*21.85*
Investment in Subsidiary	-	3,191.83	-	3,191.83
	-	*2,500.03*	-	*2,500.03*
Other Expenses	0.03	0.90	-	0.93
	9.69	-	-	*9.69*
Dividend Paid (Equity)	2,044.17	-	-	2,044.17
	1,525.02	-	-	*1,525.02*
Debit Balance outstanding as at year end				
- Other Receivables	73.03	440.16	-	513.19
	28.16	*6.06*	-	*34.22*
Credit Balance outstanding as at year end				
- Other Payables	62.37	-	-	62.37
	111.52	-	-	*111.52*
Investment as at year end	-	15,824.82	-	15,824.82
	-	*12,633.34*	-	*12,633.34*
Remuneration Paid	-	-	216.73	216.73
	-	-	*246.25*	*246.25*

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 Pty. Ltd.	Rallis Chemistry Exports Ltd	Dhaanya Seeds Ltd	Tata Chemicals Ltd	Metahelix Life Sciences Ltd
Purchase of Goods	-	-	302.70	200.95	-
	84.34	-	-	*624.87*	-
Sales of Goods	-	-	182.65	2,721.94	-
	5.85	-	*9.33*	*888.21*	-
Amount Received on liquidation	108.04	-	-	-	-
	-	-	-	-	-
Services Received	-	-	-	69.91	-
	-	-	-	*55.33*	-
Services Given	-	-	-	28.01	-
	-	-	-	*21.85*	-
Other Expenses	-	-	0.90	0.03	-
	-	-	-	*9.69*	-
Investments in Subsidiary	-	-	-	-	3,191.83
	-	-	-	-	*2,500.03*
Loans given	-	18.61	-	-	-
	-	*18.61*	-	-	-
Provisions for Loans given to subsidiary	-	18.61	-	-	-
	-	*18.61*	-	-	-
Dividend Paid (Equity)	-	-	-	2,044.17	-
	-	-	-	*1,525.02*	-

Figures in italics relate to the previous year.

43 EMPLOYEE BENEFIT OBLIGATIONS:

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). 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 Statement of profit and loss.

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

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2011-12			*2010-11*		
Present Value of Commitments	1,402.76	1,494.66	2,897.42	*1,471.98*	*1,562.49*	*3,034.47*
Fair Value of Plans	1,172.57	-	1,172.57	*1,419.20*	-	*1,419.20*
Net liability in the balance sheet	230.19	1,494.66	1,724.85	*52.78*	*1,562.49*	*1,615.27*

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Defined Benefit Obligation :

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
		2011-12			*2010-11*	
Opening balance as at 1st April, 2011	1,471.98	1,562.49	3,034.47	*1,501.24*	*1,572.68*	*3,073.92*
Benefits earned during the year	-	-	-	-	-	-
Past Service Cost	-	-	-	*78.43*	-	*78.43*
Current Service Cost	113.17	10.31	123.48	*115.14*	*19.85*	*134.99*
Interest expenses	125.11	127.56	252.67	*116.35*	*116.87*	*233.22*
Paid benefits	(384.36)	(144.18)	(528.54)	*(178.38)*	*(168.94)*	*(347.32)*
Actuarial (gain)/loss	76.86	(61.52)	15.34	*(160.80)*	*22.03*	*(138.77)*
Closing balance as at 31st March, 2012	1,402.76	1,494.66	2,897.42	*1,471.98*	*1,562.49*	*3,034.47*

Plan assets: Gratuity :

₹ lacs

Particulars	2011-12	*2010-11*
Opening balance as at 1st April, 2011	1,419.20	*1,341.60*
Expected return on scheme assets	113.52	*107.33*
Contributions by the Company	94.21	*151.91*
Paid funds	(384.36)	*(178.37)*
Actuarial gain / (loss)	(69.99)	*(3.27)*
Balance with the Trust as at 31st March, 2012	1,172.57	*1,419.20*
Closing balance as at 31st March, 2012	1,172.57	*1,419.20*

Investment Details:

₹ lacs

Particulars	2011-12	*2010-11*
Debentures	397.36	*464.01*
Equity	258.57	*186.69*
Government Securities	305.33	*188.32*
Deposits, Money market Securities & Other Assets	47.74	*144.51*
Other – Fund managed by other insurer whose pattern of investment is not available with the Company	89.19	*339.98*
Others	74.38	*95.69*
Total Asset	1,172.57	*1,419.20*

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

Particulars	2011-12	*2010-11*
Expected return on plan assets	113.52	*107.33*
Actuarial gain / (loss)	(69.99)	*(3.27)*
Actual return on plan assets	43.53	*104.06*

Expenses on defined benefit plan:

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2011-12			*2010-11*		
Current service costs	113.17	10.31	123.48	*115.14*	*19.85*	*134.99*
Past service cost	-	-	-	*78.43*	-	*78.43*
Interest expense	125.11	127.56	252.67	*116.35*	*116.87*	*233.22*
Expected return on investment	(113.52)	-	(113.52)	*(107.33)*	-	*(107.33)*
Net actuarial (gain) / loss	146.85	(61.52)	85.33	*(157.53)*	*22.03*	*(135.50)*
Expenses charged to the profit and loss account	271.61	76.35	347.96	*45.06*	*158.75*	*203.81*

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.

Particulars	2011-12	*2010-11*
Rate for discounting liabilities	8.25% p.a.	*8.50% p.a.*
Expected salary increase rate	8.00% p.a.	*8.00% p.a.*
Expected return on scheme assets	8.60% 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

Particulars	2011-12	*2010-11*	*2009-10*	*2008-09*	*2007-08*
Defined benefit obligation	1,402.76	*1,471.98*	*1,501.24*	*1,238.59*	*1,138.26*
Plan asset	1,172.57	*1,419.20*	*1,341.60*	*605.77*	*860.98*
Surplus/(Deficit)	(230.19)	*(52.78)*	*(159.64)*	*(632.82)*	*(277.28)*
Experience adjustment on plan assets	(69.99)	*(3.27)*	*(34.54)*	*(146.09)*	*
Experience adjustment on plan liabilities	43.83	*(72.57)*	*(19.50)*	*25.81*	*

(b) Supplemental Pay:

₹ lacs

Particulars	2011-12	*2010-11*	*2009-10*	*2008-09*	*2007-08*
Defined benefit obligation	1,494.66	*1,562.49*	*1,572.68*	*1,567.17*	*1,569.63*
Plan asset	-	-	-	-	-
Surplus/(Deficit)	(1,494.66)	*(1,562.49)*	*(1,572.68)*	*(1,567.17)*	*(1,569.63)*
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	(51.35)	*21.19*	*63.94*	*(79.49)*	*

*The figures in respect of previous one period is not available.

The contributions expected to be made by the Company during the financial year 2012-13 amount to ₹ 230.18 lacs.

Defined-Contribution Plans:

Amount recognised as expense and included in the Note 23 — "Contribution to Provident and Other Funds" — ₹ 413.78 lacs *(Previous Year ₹ 450.21 lacs).*

44 TRADE PAYABLE INCLUDES AMOUNT PAYABLE TO MICRO, SMALL AND MEDIUM ENTERPRISES AS FOLLOWS:

a The total amount of delayed payments during the year aggregate ₹ 37.62 lacs in respect of 7 parties with amounts ranging from ₹ 0.57 lacs to ₹ 17.11 lacs. (Previous Year ₹ 1,552.36 lacs in respect of 61 parties 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 ₹ 379.67 lacs in respect of 28 parties (Previous Year ₹ 339.06 lacs in respect of 35 parties with amounts ranging from ₹ 0.06 lacs to ₹ 83.39 lacs) with amounts ranging from ₹ 0.02 lacs to ₹ 166.60 lacs.

c The total interest payable on account of delayed payment during the year is ₹ 0.12 lacs. The Company has made payment of ₹ 34.37 lacs during the year. The total interest payable aggregates ₹ 0.12 lacs (Previous Year ₹ 40.78 lacs) and this entire amount was outstanding as at the year end.

45 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 ₹ 22.72 lacs *(Previous Year ₹ 30.44 lacs)* in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹ 290.40 lacs *(Previous Year ₹ 189.62 lacs)* were redeemed at a 25% premium which aggregated ₹ 72.60 lacs *(Previous Year ₹ 47.96 lacs).*

46 During the year, Rallis Australasia Pty. Ltd. a subsidiary of the Company has been liquidated. The Company has received an amount of ₹ 107.69 lacs as a surplus over its investment on account of liquidation.

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

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Directors

R. GOPALAKRISHNAN *Chairman*

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 23rd April , 2012

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

I. Registration Details

Registration No.	14083	State Code	11
Balance Sheet Date	31 03 2012		
	Date Month Year		

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

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

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

Total Liabilities (including Current Liabilities)	Total Assets
10290434	10290434

Sources of Funds

Paid-up Capital	Reserves & Surplus
194471	5342033
Secured Loans	**Unsecured Loans**
1062204	93700
Deferred Tax Liability	
130846	

Application of Funds

Net Fixed Assets	Investments
4039362	1809410
Net Current Assets	
974482	

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	Total Expenditure
11887485	10386611
+ - ✓ Profit Before Tax	+ - ✓ Profit After Tax
1500874	1013896
Earnings per Share ₹	Dividend Rate %
5.21	220

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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, 2012, the Consolidated Statement of Profit and Loss 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 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. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 12.02 lacs as at 31st March, 2012, revenue ₹ Nil and net cash outflows amounting to ₹ 0.23 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 report has been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report 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, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, 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)

B.P. Shroff
(Partner)
(Membership No. 34382)

MUMBAI 23rd April, 2012

Rallis India Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

₹ lacs

	Note No.	As at 31st March, 2012	*As at 31st March, 2011*
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,944.71	*1,944.71*
Reserves and surplus	3	53,357.09	*48,547.45*
		55,301.80	*50,492.16*
Minority Interest		144.84	*214.62*
Non-current liabilities			
Long-term borrowings	4	8,558.03	*8,427.40*
Deferred tax liabilities (Net)	31	1,308.46	*322.98*
Other Long term liabilities	5	6.46	*2.97*
Long-term provisions	6	1,767.27	*1,853.80*
		11,640.22	*10,607.15*
Current liabilities			
Short-term borrowings	7	6,498.24	*3,049.42*
Trade payables		26,797.11	*26,783.41*
Other current liabilities	8	7,426.33	*6,515.89*
Short-term provisions	9	4,455.84	*4,003.29*
		45,177.52	*40,352.01*
Total		112,264.38	*101,665.94*
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10 a	36,121.69	*22,341.31*
Intangible assets	10 b	250.92	*137.51*
Capital work-in-progress		3,492.11	*14,025.73*
Intangible assets under development	30	2,496.17	*1,832.45*
Goodwill on consolidation		15,333.81	*12,362.77*
Non-current investments	11	1,973.14	*2,269.28*
Long-term loans and advances	12	9,093.75	*10,388.68*
Other non-current assets	13	20.90	*74.39*
		68,782.49	*63,432.12*
Current assets			
Current investments	14	296.14	*290.40*
Inventories	15	27,172.19	*22,891.88*
Trade receivables	16	10,350.74	*10,635.01*
Cash and cash equivalents	17	1,120.70	*1,457.45*
Short-term loans and advances	18	4,482.53	*2,905.07*
Other current assets	19	59.59	*54.01*
		43,481.89	*38,233.82*
Total		112,264.38	*101,665.94*
Summary of significant accounting policies	1		

Notes 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

B.P. SHROFF
Partner

Mumbai, 23rd April , 2012

HOMI R. KHUSROKHAN
B. D. BANERJEE
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V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

₹ lacs

	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Revenue from operations	20	**135,369.65**	*116,715.86*
Less : Excise Duty		**7,882.19**	*8,091.47*
Net Revenue from Operations		**127,487.46**	*108,624.39*
Other income	21	**687.21**	*1,378.94*
Total Revenue (I)		**128,174.67**	*110,003.33*
Expenses:			
Cost of materials consumed	22	**67,123.68**	*58,563.14*
Purchases of Traded Goods		**8,732.32**	*8,969.50*
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	**(1,577.48)**	*(4,171.50)*
Employee benefits expense	24	**9,023.90**	*7,287.99*
Other expenses	25	**23,888.96**	*18,826.96*
Total expenses (II)		**107,191.38**	*89,476.09*
Earnings before interest, depreciation, tax and amortization (I-II)		**20,983.29**	*20,527.24*
Finance costs	26	**1,459.27**	*371.77*
Depreciation and amortization expense		**2,865.93**	*1,708.35*
Profit before exceptional items		**16,658.09**	*18,447.12*
Exceptional items			
Cessation Cost		**1,719.11**	*-*
Profit before tax		**14,938.98**	*18,447.12*
Tax expense:			
a. Current tax		**3,818.47**	*5,138.12*
b. for Prior Periods		**-**	*(211.91)*
c. Deferred tax - Charge (net)		**1,051.31**	*877.85*
Profit for the year before minority interest		**10,069.20**	*12,643.06*
Minority Interest		**151.01**	*39.34*
Profit for the year		**9,918.19**	*12,603.72*
Earnings per equity share: (₹)	34		
(1) Basic		**5.10**	*6.48*
(2) Diluted		**5.10**	*6.48*
Summary of significant accounting policies	1		

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

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B.P. SHROFF
Partner

Mumbai, 23rd April , 2012

HOMI R. KHUSROKHAN
B. D. BANERJEE
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} *Directors*

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P. S. MEHERHOMJI *Company Secretary*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹ lacs

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Taxation	**14,938.98**	*18,447.12*
Adjustments for :		
Loss on foreign exchange	**0.88**	*7.79*
Depreciation and amortization expense	**2,865.93**	*1,708.35*
Interest expenses	**1,407.26**	*398.47*
Interest income	**(86.84)**	*(214.78)*
Surplus on liquidation of subsidiary	**(12.99)**	-
Dividend Income	**(23.20)**	*(417.11)*
Credit balances written back	**(442.05)**	*(583.45)*
Provision for supplemental payments	**(67.83)**	*(10.19)*
Provision for gratuity	**197.63**	*(104.31)*
Provision for compensated absences	**(12.33)**	*(37.43)*
Unrealised foreign exchange translation loss/(gain)	**59.57**	*(140.46)*
Profit on sale of assets (net) (includes assets w/off)	**(224.73)**	*(27.13)*
Operating Profit before Working Capital Changes	**18,600.28**	*19,026.87*
Adjustments for :		
Trade payables and other current liabilities	**470.29**	*4,514.42*
Trade receivables	**349.53**	*(1,912.77)*
Inventories	**(4,280.31)**	*(5,834.20)*
Long term loans and advances	**(35.37)**	*(1,214.79)*
Short term loans and advances	**(1,577.46)**	*1,306.39*
CASH GENERATED FROM OPERATIONS	**13,526.96**	*15,885.92*
Taxes paid (net of refund and interest on refund received)	**(4,069.09)**	*(7,059.98)*
NET CASH FROM OPERATING ACTIVITIES (A)	**9,457.87**	*8,825.94*
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	**(5,700.68)**	*(13,136.44)*
Proceeds on sale of fixed assets	**387.86**	*354.66*
Advance received against fixed assets to be disposed off	**650.13**	-
Amount received on liquidation of subsidiary	**12.99**	-
Purchase of current investments	**(12,321.46)**	*(37,970.00)*
Proceeds from redemption of debentures	**290.40**	*189.62*
Purchase of non-current investments in subsidiary	**(3,191.83)**	*(12,627.99)*
Proceeds from sale of current investments	**12,321.46**	*49,243.67*
Interest/Dividend received	**157.95**	*649.40*
Investments in bank deposits (original maturity of more than 3 months) (net)	**(8.51)**	*(86.79)*
NET CASH USED IN INVESTING ACTIVITIES (B)	**(7,401.69)**	*(13,383.87)*

₹ lacs

		For the year ended 31st March, 2012	*For the year ended 31st March, 2011*
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long-term borrowings	**258.29**	*189.72*
	Proceeds from Issue of debentures	**-**	*7,500.00*
	Repayment of long-term borrowings	**(18.56)**	*(449.79)*
	Proceeds from short-term borrowings (net)	**3,448.82**	*1,251.31*
	Dividends paid on equity shares (including dividend distribution tax)	**(4,726.51)**	*(3,534.13)*
	Interest Paid	**(1,383.32)**	*(381.16)*
	NET CASH (USED IN)/FROM FINANCING ACTIVITIES (C)	**(2,421.28)**	*4,575.95*
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(365.10)**	*18.02*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash in Hand	**25.50**	*2.31*
	Balances with Scheduled Banks on Current Account	**1,190.26**	*1,032.45*
	Add: Cash and Cash Equivalents received on account of acquisition of Subsidiary	**-**	*162.98*
		1,215.76	*1,197.74*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in Hand	**4.24**	*25.50*
	Balances with Scheduled Banks on Current Account and Deposit Account	**846.42**	*1,190.26*
		850.66	*1,215.76*
	Footnotes:		
	Cash and Cash Equivalents as above	**850.66**	*1,215.76*
	Restricted Bank Balances	**78.50**	*58.66*
	Balances with scheduled banks:		
	On Bank Deposit as Margin Money against Bank Guarantees	**191.54**	*183.03*
	CASH AND BANK BALANCES AS PER NOTE 17	**1,120.70**	*1,457.45*

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

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B.P. SHROFF
Partner

Mumbai, 23rd April , 2012

HOMI R. KHUSROKHAN
B. D. BANERJEE
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P. S. MEHERHOMJI *Company Secretary*

Note 1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31ST MARCH, 2012

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 Chemistry Exports Ltd	India	100%	July 7th , 2009*
Metahelix Life Sciences Ltd#	India	75.64%	December 30th 2010
Rallis Australasia Pty Ltd$	Australia	100%	May 4th , 2006*
Held through Subsidiary:			
Dhaanya Seeds Ltd@	India	75.64%	December 30th 2010

* Date of incorporation

@ (wholly owned subsidiary of Metahelix Life Sciences Ltd)

Pursuant to Share Purchase Agreement dated 9th December, 2010 the Company has acquired additional stake of 15.43% equity shares in Metahelix Life Sciences Limited (Metahelix) during the year ended 31st March, 2012, consequently the shareholding of the Company in Metahelix has increased from 60.21% to 75.64% as at 31st March, 2012.

$ Liquidated on 25th January, 2012

(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 bring the asset to the location and 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.

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 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 is provided 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 Statement of Profit and Loss.

(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 an appropriate discount factor.

(f) Investments

Long term investments are valued at cost, less provision for other than temporary diminution 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 case of raw materials, packing materials, stores and spare parts and traded finished goods, costs 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.

(h) Revenue Recognition

Sales include products and services, net of 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 transfer of risks and rewards 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 Statement of Profit and Loss over the contracted period of supply in proportion to the quantities dispatched.

(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 when 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

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 30 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 Statement of Profit and Loss.

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, 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 Statement of Profit and Loss for the period.

(k) Employee Benefits

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 Group.

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.

The contribution as specified under the law are paid to the Provident Fund set up as irrevocable trust by the Group or to the Regional Provident Fund Commissioner. The Group is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfall, if any, are recognised in the Statement of Profit and Loss as an expense in the year incurred.

Expenses for 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.

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 is aggregate of tax computed on the individual Company's taxable profits as per local laws, 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 enacted or 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 to 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 a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their 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 statements unless the possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is neither recognised nor disclosed.

(p) Cash Flow Statements

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

(q) 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.

(r) 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 outstanding during the year.

(s) Goodwill on Consolidation

Goodwill on Consolidation represents the difference between the Group's share in the net worth of the investee company at the time of acquisition and the cost of 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.

2 SHARE CAPITAL:

	As at 31st March 2012		*As at 31st March 2011*	
	Number	**₹ lacs**	*Number*	*₹ lacs*
Authorised				
Equity Shares of ₹ 1 each (*Previous Year ₹ 10 each*)	**500,000,000**	**5,000.00**	*50,000,000*	*5,000.00*
Cumulative Redeemable Preference Shares of ₹ 10 each	**150,000,000**	**15,000.00**	*150,000,000*	*15,000.00*
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 1 each fully paid up (*Previous Year ₹ 10 each*)	**194,468,890**	**1,944.69**	*19,446,889*	*1,944.69*
Forfeited Shares				
Equity Shares of ₹ 1 each (*Previous Year ₹ 10 each*)	**2,000**	**0.02**	*200*	*0.02*
Total	**194,470,890**	**1,944.71**	*19,447,089*	*1,944.71*

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	As at 31st March 2012		*As at 31st March 2011*	
	Number	₹ lacs	*Number*	*₹ lacs*
At the beginning of the year	19,446,889	1,944.71	*12,964,593*	*1,296.48*
Issue of Bonus shares	-	-	*6,482,296*	*648.23*
Sub-division (refer note below)	175,022,001	-	-	-
Outstanding at the end of the period	194,468,890	1,944.71	*19,446,889*	*1,944.71*

Pursuant to the Shareholders' approval at the Company's Annual General Meeting held on 30th June, 2011, the Company's Equity Shares of face value of ₹ 10 each were sub-divided into ten Equity Shares of face value of ₹ 1 each with effect from 18th July, 2011.

b. The Equity Shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The Equity Shares are also subject to restrictions as prescribed under the Companies Act, 1956.

c. Shares held by Holding /Ultimate Holding Company and /or its subsidiaries /associates:

Out of total equity shares issued by the Company, shares held by its holding company, ultimate holding company and its subsidiaries/associates are as below:

	As at 31st March 2012		*As at 31st March 2011*	
	Number	₹ lacs	*Number*	*₹ lacs*
Tata Chemicals Limited * (Holding / Ultimate Holding Company)	97,341,610	973.42	*9,734,161*	*973.42*

*Of the above equity shares 980,000 equity shares were issued by the Company on a preferential basis on 9th November,2009. Consequently,TCL became the holding company with effect from 9th November, 2009.

d. Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As at 31st March 2012		*As at 31st March 2011*	
	No. of Shares	% Holding	*No. of Shares*	*% Holding*
Tata Chemicals Limited	97,341,610	50.06%	*9,734,161*	*50.06%*
Rakesh Jhunjhunwala	12,416,820	6.38%	*1,259,182*	*6.47%*

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date:

	2011-12	*2010-11*	*2009-10*	*2008-09*	*2007-08*
Equity Shares :					
Bonus shares issued *	-	*6,482,296*	-	-	-
Preference Shares :					
7.50% Cumulative Reedeemable Preference Shares of ₹ 10 each Redeemed	-	-	*88,000,000*	-	-

** 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.*

f. As per records of the Company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2012.

3 RESERVES AND SURPLUS:

₹ lacs

	As at 1st April, 2011	Additions	Deductions	As at 31st March, 2012	*As at 1st April, 2010*	*Additions*	*Deductions*	*As at 31st March, 2011*
Capital Reserve (Refer footnote a)	**1,243.10**	**-**	**-**	**1,243.10**	*1,680.93*	*-*	*437.83*	*1,243.10*
Capital Redemption Reserve (Refer footnote b)	**8,151.77**	**-**	**-**	**8,151.77**	*8,800.00*	*-*	*648.23*	*8,151.77*
Securities Premium	**8,793.88**	**-**	**-**	**8,793.88**	*8,793.88*	*-*	*-*	*8,793.88*
Debenture Redemption Reserve	**1,250.00**	**1,250.00**	**-**	**2,500.00**	*-*	*1,250.00*	*-*	*1,250.00*
Other Reserves :								
Capital Subsidy	**63.58**	**-**	**-**	**63.58**	*63.58*	*-*	*-*	*63.58*
Investment Allowance Reserve (Refer footnote c)	**-**	**-**	**-**	**-**	*17.80*	*-*	*17.80*	*-*
Reserve under Sec.45IC of the Reserve Bank of India Act, 1934 (Refer footnote d)	**-**	**-**	**-**	**-**	*10.39*	*-*	*10.39*	*-*
General Reserve (Refer footnote e)	**7,514.24**	**1,013.90**	**-**	**8,528.14**	*5,786.09*	*1,728.15*	*-*	*7,514.24*
Hedging Reserve Account (Refer Note No. 35)	**73.66**	**-**	**137.06**	**(63.40)**	*111.54*	*-*	*37.88*	*73.66*
Foreign Currency translation reserve	**(0.88)**	**0.88**	**-**	**-**	*(8.67)*	*7.79*	*-*	*(0.88)*
	27,089.35	**2,264.78**	**137.06**	**29,217.07**	*25,255.54*	*2,985.94*	*1,152.13*	*27,089.35*
Surplus in the Statement of Profit and Loss								
Balance as per last financial statements	**21,458.10**	**-**	**-**	**21,458.10**	*15,893.60*	*-*	*-*	*15,893.60*
Net Profit For the current year	**-**	**9,918.19**	**-**	**9,918.19**	*-*	*12,603.72*	*-*	*12,603.72*
Transfer from Reserves	**-**	**-**	**-**	**-**	*-*	*-*	*-*	*-*
Debenture Redemption Reserve	**-**	**-**	**1,250.00**	**(1,250.00)**	*-*	*-*	*1,250.00*	*(1,250.00)*
Interim Dividend on Equity Shares	**-**	**-**	**1,944.69**	**(1,944.69)**	*-*	*-*	*1,750.22*	*(1,750.22)*
Distribution Tax on Interim Dividend	**-**	**-**	**315.48**	**(315.48)**	*-*	*-*	*290.69*	*(290.69)*
Proposed Equity Dividend	**-**	**-**	**2,333.63**	**(2,333.63)**	*-*	*-*	*2,139.16*	*(2,139.16)*
Distribution Tax on Proposed Equity Dividend	**-**	**-**	**378.57**	**(378.57)**	*-*	*-*	*347.02*	*(347.02)*
Transfer to General Reserves	**-**	**-**	**1,013.90**	**(1,013.90)**	*-*	*-*	*1,262.13*	*(1,262.13)*
Net Surplus in the Statement of Profit and Loss	**21,458.10**	**9,918.19**	**7,236.27**	**24,140.02**	*15,893.60*	*12,603.72*	*7,039.22*	*21,458.10*
	48,547.45	**12,182.97**	**7,373.33**	**53,357.09**	*41,149.14*	*15,589.66*	*8,191.35*	*48,547.45*

Footnotes :

a. A sum of ₹ Nil (*Previous Year ₹ 437.83 lacs*) representing amount received by the Group in earlier years on surrender of tenancy rights has been transferred to the General Reserve.

b. An amount of ₹ Nil (Previous Year ₹ 648.23 lacs) out of the Capital Redemption Reserve was utilised for the issue of Nil *(Previous Year 6,482,295)* fully paid up Bonus Shares of ₹ 10 each.

c. An amount of ₹ Nil (Previous Year ₹ 17.80 lacs)appropriated to Investment Allowance Reserve has been fully utilized for acquisition of new plant and machinery, the balance has been transferred to General Reserve.

d. As the Group is not engaged in non banking finance activities the amount appropriated to Reserve under section 45IC of the Reserve Bank of India Act, 1934, a balance of ₹ NIL (Previous Year ₹ 10.39 lacs) has been transferred to General Reserve.

e. The amount appropriated/transferred to General Reserve during the year comprises

(a) ₹ Nil (Previous Year ₹ 466.02 lacs) transferred as per footnotes a, c and d.

(b) ₹ 1,013.90 lacs (Previous Year ₹ 1,262.13 lacs) has been appropriated out of the Statement of Profit and Loss to the General Reserve during the year.

4 LONG-TERM BORROWINGS:

₹ lacs

	As at 31st March 2012	*As at 31st March 2011*
Secured		
a. Debentures (Refer note a, b and c below)	**7,500.00**	*7,500.00*
b. Term Loans		
from banks (Refer note d)	**197.80**	*187.56*
from others (Refer note e and f)	**63.80**	*53.15*
	7,761.60	*7,740.71*
Unsecured		
Deferred payment liabilities		
i. Sales Tax Deferral Scheme (Refer note g)	**627.68**	*504.00*
ii. Council of Scientific & Industrial Reseach Loan (Refer note g)	**168.75**	*182.69*
	796.43	*686.69*
Total	**8,558.03**	*8,427.40*

a. 750 (*Previous Year: 750*) 9.05% Secured Redeemable Non-Convertible Debentures (2010-11 Series 1) having a face value of ₹ 10 Lacs each redeemable at par on 29th October, 2013.

b. 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.

c. The Company can repurchase some or all of the Debentures at any time prior to date of redemption. The Company has the right to re-issue debentures bought back subject to provisions of The Companies Act, 1956.

d. Loans from banks is secured by equitable mortgage of the Land and Building of the subsidiary Companies and is repayable ranging from 26 to 29 months.

e. Vehicle loan secured by hypothecation of vehicle purchased using the loan. The Loan is repayable in equated monthly installments alongwith interest from August-2008 to August-2013 and carries interest @ 12.57% p.a.

f. Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of the Company, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. Term loan is repayable alongwith interest in 10 equal half yearly installments and shall commence one year from the date of completion of the project or 28th March, 2013 and 20th August, 2013 (being the cut off date of project completion). Loan carries interest @ 2% p.a.

g. Details of terms of repayment: (₹ in lacs)

Particulars	Repayment Schedule	As at 31st March 2012	*As at 31st March 2011*
Sales Tax Deferral Scheme - Akola	Varied Annual Installments from 2013-14 to 2015-16	**131.79**	197.03
Sales Tax Deferral Scheme - Lote*	Varied Annual Installments from 2018-19 to 2026-27	**495.89**	306.97
Council of Scientific & Industrial Research loan	Varied Annual Installments from 2013-14 to 2017-18	**168.75**	182.69

* Loan disclosed above is considered as per SICOM scheme, although the matter is in dispute with the Sales Tax Tribunal.

5 OTHER LONG TERM LIABILITIES:

₹ lacs

	As at 31st March 2012	*As at 31st March 2011*
Interest accrued but not due on borrowings	6.46	*2.97*
Total	**6.46**	*2.97*

6 LONG-TERM PROVISIONS:

₹ lacs

	As at 31st March 2012	*As at 31st March 2011*
Provision for employee benefits		
Gratuity	21.02	*11.84*
Compensated Absences (unfunded)	397.02	*423.65*
Supplemental Payments on Retirement (unfunded)	1,349.23	*1,418.31*
Total	**1,767.27**	*1,853.80*

7 SHORT-TERM BORROWINGS:

₹ lacs

	As at 31st March 2012	*As at 31st March 2011*
Secured		
Loans repayable on demand from banks*	6,498.24	*3,049.42*
Total	**6,498.24**	*3,049.42*

* These 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.

8 OTHER CURRENT LIABILITIES:

₹ lacs

	As at 31st March 2012	*As at 31st March 2011*
Other Liabilities		
i. Current maturity of long term debt		
Secured		
Term loans		
from banks (Refer Note d in Note 4)	126.43	*80.04*
from others (Refer Note e and f in Note 4)	3.36	*2.96*
Unsecured		
Sales Tax Deferral Scheme (Refer Note g in Note 4)	201.62	*138.75*
Council of Scientific & Industrial Reseach Loan (Refer Note g in Note 4)	22.22	*22.78*
ii. Interest accrued but not due on borrowings	43.42	*22.98*
iii. Unpaid dividends/fraction bonus shares	78.50	*56.97*
iv. Unpaid matured debentures and interest accrued thereon	-	*1.69*
v. Other Payables		
Salary and Reimbursements	17.18	*89.67*
Provident Fund and other employee deductions	125.74	*118.94*
Customer Advances and Deposits	5,435.98	*4,309.10*
Creditors for Capital Purchases	1,045.06	*1,230.41*
Central Excise, Customs duty, VAT and Service Tax payable	269.49	*299.65*
Tax deducted at source	57.33	*141.95*
Total	**7,426.33**	*6,515.89*

Rallis India Limited

9 SHORT-TERM PROVISIONS:

₹ lacs

	As at 31st March 2012	*As at 31st March 2011*
a. Provision for employee benefits		
Gratuity (Funded)	**248.74**	*60.29*
Compensated Absences (unfunded)	**102.37**	*88.07*
Supplemental Payments (unfunded)	**145.43**	*144.18*
b. Others		
Fringe Benefit Tax (net of advance tax)	**12.96**	*14.04*
Provision for Income Tax (net of advance tax)	**1,184.14**	*1,160.53*
Proposed Equity Dividend	**2,333.63**	*2,139.16*
Distribution Tax on Proposed Equity Dividend	**378.57**	*347.02*
Provision for contingency	**50.00**	*50.00*
Total	**4,455.84**	*4,003.29*

10 FIXED ASSETS:

₹ lacs

	Gross Block (At Cost)				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April 2011	Additions	Disposals/ Reclassification	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	On disposals	Balance as at 31st March 2012	Balance as at 31st March 2012	*Balance as at 31st March 2011*
a Tangible Assets										
Freehold Land	*457.24*	**-**	**-**	**457.24**	*-*	**-**	**-**	**-**	**457.24**	*457.24*
Leasehold Land	*4,489.82*	**119.59**	**-**	**4,609.41**	*157.23*	**45.88**	**-**	**203.11**	**4,406.30**	*4,332.59*
Buildings (Refer footnote 1 & 2)	*5,952.49*	**9,392.87**	**49.85**	**15,295.51**	*2,222.98*	**365.97**	**18.81**	**2,570.14**	**12,725.38**	*3,729.52*
Plant and Equipment	*25,247.06*	**7,079.91**	**1,282.67**	**31,044.30**	*12,491.76*	**2,189.00**	**1,208.07**	**13,472.69**	**17,571.61**	*12,755.30*
Furniture and Fixtures	*555.93*	**52.72**	**12.12**	**596.53**	*324.35*	**34.14**	**11.11**	**347.38**	**249.15**	*231.58*
Vehicles	*1,189.25*	**12.96**	**133.62**	**1,068.59**	*490.02*	**117.61**	**84.30**	**523.33**	**545.26**	*699.23*
Office Equipment	*257.80*	**60.26**	**17.59**	**300.47**	*121.95*	**24.95**	**13.18**	**133.72**	**166.75**	*135.85*
Total	*38,149.59*	**16,718.31**	**1,495.85**	**53,372.05**	*15,808.29*	**2,777.55**	**1,335.47**	**17,250.37**	**36,121.69**	*22,341.31*
b Intangible Assets										
Goodwill	*163.63*	**-**	**-**	**163.63**	*163.63*	**-**	**-**	**163.63**	**-**	*-*
Computer software	*1,008.59*	**5.81**	**11.15**	**1,003.25**	*903.74*	**55.49**	**8.40**	**950.83**	**52.42**	*104.85*
Product Registrations	*493.25*	**-**	**-**	**493.25**	*493.25*	**-**	**-**	**493.25**	**-**	*-*
Technical knowhow	*89.09*	**198.73**	**40.10**	**247.72**	*56.43*	**32.89**	**40.10**	**49.22**	**198.50**	*32.66*
Total	*1,754.56*	**204.54**	**51.25**	**1,907.85**	*1,617.05*	**88.38**	**48.50**	**1,656.93**	**250.92**	*137.51*
Total Fixed Assets	*39,904.15*	**16,922.85**	**1,547.10**	**55,279.90**	*17,425.34*	**2,865.93**	**1,383.97**	**18,907.30**	**36,372.61**	*22,478.82*
Previous Year (Refer footnote 3)	*30,909.69*	*10,630.24*	*1,635.78*	*39,904.15*	*15,635.01*	*2,433.96*	*643.64*	*17,425.33*	*22,478.82*	

Footnotes:

1 Cost of buildings includes 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 gross block of ₹ 169.29 Lacs *(Previous Year ₹ 181.63 Lacs)* and net block of ₹ 116.06 Lacs *(Previous Year ₹ 127.10 Lacs)* where the conveyance in favour of the Group is not completed.

3 Addition in gross block includes ₹ 2,170.53 lacs and depreciation charge for the year includes ₹ 725.61 lacs on account of acquistion of Metahelix Life Sciences Limited.

4 Fixed assets includes ₹ 434.98 lacs *(Previous Year ₹ 449.45 lacs)* representing the book value of assets held for disposal. The Management expects to recover amounts higher than the carrying value of these assets.

11 NON-CURRENT INVESTMENTS:

₹ lacs

		Nominal value (in ₹)	Numbers	**As at 31st March, 2012**	*As at 31st March, 2011*
A	**Trade Investments (Valued at cost less provision for dimunition)**				
	Unquoted equity instruments - Fully paid up:				
	Aich Aar Chemicals Pvt. Ltd.	10	124,002	**9.31**	*9.31*
	Biotech Consortium India Ltd.	10	50,000	**5.00**	*5.00*
	Indian Potash Ltd.	10	54,000	**0.90**	*0.90*
	Bharuch Enviro Infrastructure Ltd.	10	36,750	**3.68**	*3.68*
	Bharuch Eco-Acqua Infrastructure Ltd.	10	300,364	**30.03**	*30.03*
	Sipcot Industries Common Utilities Ltd.	100	113	**-**	*-*
	Patancheru Enviro-Tech Ltd.	10	10,822	**1.08**	*1.08*
	Advinus Therapeutics Pvt. Ltd.	10	18,286,000	**1,828.60**	*1,828.60*
	Less: Provision for diminution in value			**9.30**	*9.30*
			A	**1,869.30**	*1,869.30*
B	**Non Trade Investments (Valued at cost less provision for dimunition)**				
	a. Investment in equity instruments - Fully paid up (Quoted)				
	Spartek Ceramics India Ltd.	10	7,226	**-**	*-*
	Nagarjuna Finance Ltd.	10	400	**-**	*-*
	Pharmaceuticals Products of India Limited	10	10,000	**-**	*-*
	Ballasore Alloys Ltd. (Previously known as Ispat Alloys Ltd.)	10	504	**-**	*-*
	J.K.Cement Ltd.	10	44	**-**	*-*
	Uniscans & Sonics Ltd.	10	96	**-**	*-*
			B	**-**	*-*
	b. Investment in equity instruments - Fully paid up (Unquoted)				
	Amba Trading Company Limited	10	130,000	**53.32**	*53.32*
	Associated Inds. (Assam) Ltd.	10	30,000	**-**	*-*
	Caps Rallis (Private) Ltd. (Nominal value of Zim. $ 2 each)		2,100,000	**146.30**	*146.30*
	Less: Provision for diminution in value			**199.62**	*199.62*
			C	**-**	*-*
			D=B+C	**-**	*-*
	c. Investments in Debentures or Bonds				
	i. Unquoted-Fully Paid				
	4.25% Advinus Therapeutics Pvt. Ltd. - Non Convertible Debentures (Refer Note No. 39)	1,000	10,384	**103.84**	*399.98*
	ii. Quoted-Fully Paid		**E**	**103.84**	*399.98*
	14% Spartek Ceramics India Limited- Debentures - Redeemable Partly Convertible (₹ 1)	60	560	**-**	*-*
			F	**-**	*-*
			G=E+F	**103.84**	*399.98*
	TOTAL		**H=A+D+G**	**1,973.14**	*2,269.28*
	Aggregate Book Value of Investments:				
	Unquoted - At cost less Provision for diminution in value			**1,973.14**	*2,269.28*
	Quoted - At cost less Provision for diminution in value			**-**	*-*
				1,973.14	*2,269.28*

Footnote:
Market value of quoted investments ₹ 0.57 lacs (Previous Year ₹ 0.17 lacs).

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12 LONG-TERM LOANS AND ADVANCES:
(Unsecured, considered good unless otherwise stated)

₹ lacs

	As at 31st March, 2012	As at 31st March, 2011
a. Capital Advances	**213.90**	*1,751.52*
b. Security Deposits	**812.86**	*801.01*
c. Other Loans and Advances	**467.30**	*443.78*
d. Advance Income Tax (net of provision)	**7,576.08**	*7,392.37*
e. MAT Credit Entitlement	**23.61**	*-*
Total	**9,093.75**	*10,388.68*

13 OTHER NON-CURRENT ASSETS:

₹ lacs

	As at 31st March, 2012	As at 31st March, 2011
Interest accrued on long term investments	**20.90**	*74.39*
Total	**20.90**	*74.39*

14 CURRENT INVESTMENTS:
(Refer Note No. 39)

₹ lacs

	Nominal value (in ₹)	Numbers	As at 31st March, 2012	As at 31st March, 2011
Investments in Debentures (Unquoted Fully Paid)				
Current portion of 4.25% Advinus Therapeutics Pvt. Ltd. - Non Convertible Debentures	1,000	29,614	**296.14**	*290.40*
Total			**296.14**	*290.40*

15 INVENTORIES:
(Valued at the lower of cost and net realisable value)

₹ lacs

	As at 31st March, 2012	As at 31st March, 2011
a. Raw Materials and components (Including goods-in transit of ₹ 3,209.95 lacs; Previous year ₹ 1,172.73 lacs)	**9,493.96**	*6,809.14*
b. Work-in-progress	**953.84**	*648.12*
c. Finished goods (excluding finished goods traded in)	**13,371.59**	*13,702.34*
d. Stock in trade (in respect of goods acquired for trading)	**2,316.77**	*714.16*
e. Stores and spares	**74.46**	*94.12*
f. Packing Material	**961.57**	*924.00*
Total	**27,172.19**	*22,891.88*

16 TRADE RECEIVABLES:

₹ lacs

	As at 31st March, 2012	As at 31st March, 2011
Trade receivables outstanding for a period less than six months		
Secured, considered good	**309.58**	*315.39*
Unsecured, considered good	**9,853.41**	*10,078.70*
Doubtful	**-**	*-*
	10,162.99	*10,394.09*
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	**11.00**	*13.87*
Unsecured, considered good	**176.75**	*227.05*
Doubtful	**997.57**	*1,297.87*
Less: Provision for doubtful debts	**(997.57)**	*(1,297.87)*
	187.75	*240.92*
Total	**10,350.74**	*10,635.01*

17 CASH AND CASH EQUIVALENTS:
(including other bank balances)

₹ lacs

	As at 31st March, 2012	As at 31st March, 2011
Cash and Cash equivalents		
a. Balances with banks :		
on Current accounts	**832.05**	*1,171.25*
b. Cheques in Hand	**-**	*0.23*
c. Cash on hand	**4.24**	*25.27*
d. Others		
Deposits with less than 3 months maturity	**14.37**	*19.01*
	850.66	*1,215.76*
Other Bank Balances		
a. Balances held for unpaid dividends and debenture interest	**78.50**	*58.66*
b. Bank deposits as margin money against Bank Guarantees	**191.54**	*183.03*
	270.04	*241.69*
Total	**1,120.70**	*1,457.45*

18 SHORT-TERM LOANS AND ADVANCES:
(Unsecured, considered good unless otherwise stated

₹ lacs

	As at 31st March, 2012	As at 31st March, 2011
a. Advances Recoverable in Cash or in Kind	**2,821.65**	*1,224.76*
b. Advances/Deposits considered doubtful of recovery		
Doubtful	**4,523.28**	*4,523.28*
Less: Provision for doubtful loans and advances	**(4,523.28)**	*(4,523.28)*
c. Balances with Government Authorities	**1,660.88**	*1,680.31*
Total	**4,482.53**	*2,905.07*

19 OTHER CURRENT ASSETS:

₹ lacs

	As at 31st March, 2012	As at 31st March, 2011
Interest on current maturity of Debentures	**59.59**	*54.01*
Total	**59.59**	*54.01*

20 REVENUE FROM OPERATIONS:

₹ lacs

	For the year ended 31st March 2012	For the year ended 31st March 2011
Sale of products		
Own Manufactured Goods	**122,343.48**	*102,950.04*
Traded Goods	**10,062.98**	*11,711.87*
Sale of services	**27.78**	*-*
Other operating revenues		
Scrap and Sundry Sales	**1,427.51**	*779.97*
Export Incentives	**742.27**	*503.70*
Discounts Earned	**120.89**	*186.83*
Royalty Income	**202.69**	*-*
Others	**442.05**	*583.45*
	135,369.65	*116,715.86*
Less: Excise duty	**7,882.19**	*8,091.47*
Total	**127,487.46**	*108,624.39*

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21 OTHER INCOME:

₹ lacs

	For the year ended 31st March 2012	*For the year ended 31st March 2011*
Interest Income		
On refund of taxes	-	*113.13*
On term and fixed deposits	39.95	*33.94*
From current investments	38.38	*34.91*
From long term investments	8.51	*32.80*
Dividend income		
From current investments	21.48	*415.66*
From long term investments	1.72	*1.45*
Net Gain on Foreign currency Transactions (other than considered as finance cost)	-	*149.61*
Surplus on Liquidation of Subsidiary	12.99	*-*
Profit on sale of Fixed Assets (net)	224.73	*27.13*
Sundry Income	339.45	*570.31*
Total	687.21	*1,378.94*

22 COST OF MATERIALS CONSUMED:

₹ lacs

	For the year ended 31st March 2012	*For the year ended 31st March 2011*
Raw Materials Consumed		
Opening Stock	6,809.14	*4,308.08*
Add : Stock Acquired	-	*1,001.47*
Add : Purchases	65,017.20	*55,901.87*
Less : Closing Stock	9,493.96	*6,809.14*
	62,332.38	*54,402.28*
Packing Materials Consumed	4,791.30	*4,160.86*
Total	67,123.68	*58,563.14*

23 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE:

₹ lacs

	For the year ended 31st March 2012	*For the year ended 31st March 2011*
Opening Stock		
Finished Goods - Own Manufacured	13,702.34	*8,643.49*
Finished Goods - Traded	714.26	*488.40*
Work in Progress	648.12	*730.09*
	15,064.72	*9,861.98*
Add : Stock Acquired		
Finished Goods - Own Manufacured	-	*1,019.35*
Finished Goods - Traded	-	*-*
Work in Progress	-	*11.89*
	-	*1,031.24*
Closing Stock		
Finished Goods - Own Manufacured	13,371.59	*13,702.34*
Finished Goods - Traded	2,316.77	*714.26*
Work in Progress	953.84	*648.12*
	16,642.20	*15,064.72*
Total	(1,577.48)	*(4,171.50)*

24 EMPLOYEE BENEFITS EXPENSE:
(Refer Note No. 37)

₹ lacs

	For the year ended 31st March 2012	For the year ended 31st March 2011
(a) Salaries and Wages	**7,381.61**	*6,086.28*
(b) Contribution to Provident and Other Funds	**473.49**	*463.81*
(c) Gratuity	**308.82**	*57.80*
(d) Staff welfare	**859.98**	*680.10*
Total	**9,023.90**	*7,287.99*

25 OTHER EXPENSES

₹ lacs

	For the year ended 31st March 2012	For the year ended 31st March 2011
Freight, Handling and Packing	**3,179.03**	*3,024.09*
Processing	**636.99**	*735.98*
Changes in Excise Duty on Inventory of Finished Goods	**199.05**	*138.15*
Travelling	**1,034.22**	*814.16*
Power and Fuel	**4,341.23**	*3,056.17*
Brand Equity Contribution	**156.60**	*144.05*
Repairs :		
to Machinery	**560.20**	*447.05*
to Buildings	**113.92**	*109.42*
Others	**443.26**	*358.74*
Stores and Spares Consumed	**487.88**	*528.50*
Rates and Taxes	**316.26**	*175.06*
Bad Debts	**320.45**	*842.79*
Cash Discount	**3,025.84**	*1,870.92*
Commission	**53.30**	*177.70*
Insurance	**206.49**	*164.37*
Rent	**604.22**	*501.49*
Bank Charges	**291.39**	*318.04*
Directors' Fees & Commission	**288.85**	*314.00*
Provision for Doubtful Debts/Advances for the year	**25.43**	*0.25*
Less : Provision for doubtful debts written back	**(320.45)**	*(842.79)*
Selling Expenses	**2,544.91**	*1,818.13*
Legal and Professional Expenses	**557.02**	*652.87*
Net Loss on Foreign currency transactions and translation (other than considered as finance cost)	**967.42**	-
Pre-operative Expenses Capitalised	**(150.62)**	-
Other Expenses	**4,006.07**	*3,477.82*
Total	**23,888.96**	*18,826.96*

26 FINANCE COSTS

₹ lacs

	For the year ended 31st March 2012	For the year ended 31st March 2011
Interest expense on:		
Borrowings	**926.81**	*299.97*
Other interest	**480.45**	*98.50*
Net (gain)/Loss on Foreign Currency transactions and translation	**52.01**	*(26.70)*
Total	**1,459.27**	*371.77*

27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

(i) Contingent Liabilities: **₹ lacs**

Particulars	2011-12	2010-11
a. Demands contested by the Group:		
- Sales Tax	**2,158.63**	*1,916.59*
- Excise Duty	**360.84**	*360.84*
- Customs Duty	**149.50**	*149.50*
- Income Tax	**6,655.04**	*6,583.76*
- Service Tax	**42.14**	*35.03*
- Property Cases	**47.36**	*47.36*
- Labour Cases	**109.00**	*103.75*
- Other cases	**472.01**	*453.79*
- Number of cases where amount is not quantifiable 41 Nos. *(Previous Year 29 Nos.)*		
b. Guarantees #	**3.10**	*1.10*
c. Other money for which the Group is contingently liable:		
- Bills Discounted	**104.10**	*338.56*
d. Claim against the group not acknowledged as debts	**-**	*51.08*
	10,101.72	***10,041.36***

(ii) Other Commitments:

A. During the financial year 2010-11, the Company had 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 shares from certain shareholders (other than founder shareholders) 2,591 equity shares amount aggregating ₹ 506.77 lacs. *(Previous Year 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 4 years *(Previous Year: 5 years)*, 11,244 shares held by them for an amount aggregating ₹ 2,199.21 lacs *(Previous Year: 14,055 shares for an amount aggregating ₹ 2,749.02 lacs)*.

At the end of 4 years, the Company has a call option to acquire the balance shares held by the founder shareholders, at the fair market value as at the date of exercise.

B. Estimated amount of contract with minimum commitment for plant activity ₹ 383 lacs *(Previous Year ₹ 346 lacs)*.

C. Estimated amount of contracts remaining to be executed on capital account is ₹ 1,977.05 Lacs *(Previous Year ₹ 2,451.22 lacs)* against which advances paid aggregate to ₹ 213.90 Lacs *(Previous Year ₹ 1,751.52 Lacs)*.

Notes :

(i) # Other guarantees issued by Bank for which the Group is contingently liable. These are covered by the charge created in favour of Group's bankers by way of hypothecation of stock and debtors.

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

28 The Group has procured 126 motor vehicles *(Previous Year 44 Nos)* under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹ 203.53 lacs *(Previous Year ₹ 23.81 lacs)* net of amount recovered from employees ₹ 2.34 lacs *(Previous Year ₹ 8.22 lacs)*. Disclosures in respect of non-cancellable leases are given below:

₹ lacs

Particulars	**2011-12**	*2010-11*
a) Total of minimum lease payments	**1,236.64**	*386.27*
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	**372.26**	*102.51*
Later than one year and not later than five years	**864.38**	*283.76*
c) Lease payments recognised in the statement of profit and loss for the year	**203.53**	*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.

29 OTHER EXPENSES INCLUDE AUDITORS' REMUNERATION AS UNDER:

₹ lacs

Particulars	**2011-12**	*2010-11*
Audit Fees	**55.97**	*53.20*
Tax Audit	**12.21**	*11.65*
Fees for other services including ₹ 39.50 lacs (Previous Year ₹ 48.50 lacs) for attest services.	**52.51**	*63.50*
Reimbursement of out-of-pocket expenses	**0.82**	*3.21*

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

30 The Group has incurred the following expenses on research and development activity:

₹ lacs

Particulars	**2011-12**	*2010-11*
On tangible fixed assets	**5.30**	*33.19*
On items which have been expensed during the year	**1,032.81**	*1,071.59*
Total	**1,038.11**	*1,104.78*

During the year the Group has also incurred ₹ 992.84 lacs *(Previous Year ₹ 445.98 lacs)* towards capital research and development expenditure which is included under Intangible Assets under Development/Capital work in progress. The total amount included in Intangible Assets under Development/Capital work in progress as at 31st March 2012 is ₹ 2,589.61 Lacs *(Previous Year ₹ 1,832.45 Lacs)*.

Included in the foregoing is an amount of ₹ 618.10 lacs *(Previous Year ₹ 405.89 lacs)* paid to an external agency.

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31 DEFERRED TAX ASSETS AND LIABILITIES:

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

₹ lacs

Particulars	2011-12	2010-11
Deferred Tax Assets		
On Provision against debts and advances	**1,646.01**	*1,749.83*
On other items	**772.63**	*391.49*
Total	**2,418.64**	*2,141.32*
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	**3,422.25**	*2,163.52*
On other items	**304.85**	*300.78*
Total	**3,727.10**	*2,464.30*
Net Deferred Tax Asset / (Liability) Recognised	**(1,308.46)**	*(322.98)*

(b) Deferred tax charge for the year:

₹ lacs

Particulars	2011-12	2010-11
Opening Net Deferred Tax Asset / (Liability)	**(322.98)**	*534.77*
Less: Closing Net Deferred Tax Liability	**(1,308.46)**	*(322.98)*
Less: Debited to Hedging Reserve Account	**65.83**	*(20.10)*
Deferred Tax charge for the year	**1,051.31**	*877.85*

32 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

Particulars	Business Segments		Total
	Agri - Inputs	Others (non-reportable)	
REVENUE			
Total External Revenue	123,599.13	925.14	124,524.27
	105,380.97	*1,189.47*	*106,570.44*
Total Inter-Segment Revenue	-	-	-
Segment Revenue	123,599.13	925.14	124,524.27
	105,380.97	*1,189.47*	*106,570.44*
Total Revenue (A)			124,524.27
			106,570.44
RESULTS			
Segment Results (B)	17,056.01	234.25	17,290.26
	17,249.89	*889.17*	*18,139.06*
Unallocable Income (Net of unallocable expenses)			(892.01)
			679.83
Operating Profit			16,398.25
			18,818.89
Interest Expenses			1,459.27
			371.77
Profit before taxation			14,938.98
			18,447.12
Tax Expense			(4,869.78)
			(5,804.06)
Profit for the year before Minority Interest			10,069.20
			12,643.06

₹ lacs

Particulars	Business Segments		Total
	Agri - Inputs	Others (non-reportable)	
OTHER INFORMATION			
ASSETS			
Segment Assets (C)	100,637.75	1,489.69	102,127.44
	89,590.62	*1,785.31*	*91,375.93*
Unallocated assets			10,136.94
			10,290.01
Total Assets			112,264.38
			101,665.94
LIABILITIES			
Segment Liabilities (D)	34,344.07	195.50	34,539.57
	33,456.16	*100.81*	*33,556.97*
Unallocated Liabilities			22,278.17
			17,402.19
Total Liabilities			56,817.74
			50,959.16
CAPITAL EXPENDITURE			
Total cost incurred during the year to acquire segment assets (E)	5,515.33	-	5,515.33
	17,014.09	*22.94*	*17,037.03*
Total cost incurred during the year to acquire assets			5,515.33
			17,037.03
DEPRECIATION			
Segment Depreciation (F)	2,768.44	97.49	2,865.93
	1,641.12	*67.23*	*1,708.35*
Unallocated Depreciation			-
			-
Total Depreciation			2,865.93
			1,708.35
NON CASH EXPENSES			
Segment Non-cash expenses other than Depreciation & Amortisation (G)	177.92	-	177.92
	(219.94)	-	*(219.94)*
Total Non-cash Expenses			177.92
			(219.94)

Figures in italics relate to the previous year.

a. Secondary Segment Information:

₹ lacs

	2011-12	2010-11
1. Segment Revenue		
a. India	85,773.10	*80,674.45*
b. Outside India	38,751.17	*25,895.99*
Total	**124,524.27**	***106,570.44***
2. Segment Assets		
a. India	97,550.28	*85,411.83*
b. Outside India	4,577.16	*5,964.10*
Total	**102,127.44**	***91,375.93***

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) Segment Revenue includes Sales of Products less Excise Duty.

(ii) Unallocable assets include Investments, Advance Income Tax, Advance Fringe Benefit Tax, Interest Accrued on Investments and Fixed Deposits.

(iii) Unallocable liabilities includes Long Term Borrowings (includes current maturities on long-term debt), Short Term Borrowings, Provisions for Equity Dividend and tax thereon, Provision for Supplemental Payments on Retirement and Provision for Income and Fringe Benefit Tax.

(iv) Unallocable income includes income from investment activities.

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

33 (a) OTHER LIABILITIES INCLUDE PROVISION HELD IN RESPECT OF INDIRECT TAX MATTERS IN DISPUTE:

₹ lacs

Particulars	**2011-12**	*2010-11*
Opening Balance as at 1st April,2011	185.21	*185.21*
Additional provisions made during the year	-	-
Total	**185.21**	***185.21***
Payments made adjusted against above sum	-	-
Closing Balance as at 31st March, 2012	185.21	*185.21*

(b) Solacium amounting to ₹ 33.01 lacs *(Previous Year: ₹9.65 lacs)* was incurred for the year ended 31st March 2012. The Solacium represents compensation paid to customers for issues related to products dealt by the Company.

(c) Provision for Contingencies for claims in business operation amounting to ₹ Nil (Previous Year: ₹50.00 lacs) was provided for the year ended 31st March, 2012.

Particulars	**2011-12**	***2010-11***
Opening Balance as at 1st April,2011	50.00	-
Addition on acquisition of a Subsidiary	-	*50.00*
Closing Balance as at 31st March, 2012	**50.00**	***50.00***

34 EARNINGS PER SHARE:

₹ lacs

Particulars	2011-12	*2010-11#*
Net Profit After Tax (after adjustment of minority interest)	9,918.19	*12,603.72*
Weighted average No. of Equity Shares for Basic / Diluted EPS (Nos)	194,468,890	*194,468,890*
Nominal Value of Equity Per Share (in ₹)	1.00	*1.00*
Basic / Diluted Earning Per Share (in ₹)	5.10	*6.48*

During the year ended 31st March, 2012, the Company's Equity Shares of face value of ₹ 10 each were sub-divided into ten Equity Shares of face value of ₹ 1 each. Hence Basic and Diluted Earning Per Share for previous year presented has been adjusted as required by Accounting Standard 20 "Earning Per Share".

35 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 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 Group:

Particulars	As at 31.03.2012			*As at 31.03.2011*		
	No of Contracts	₹ lacs	Amount in Lacs	*No of Contracts*	*₹ lacs*	*Amount in lacs*
Receivables	11	3,179.91	USD 62.44	-	-	-
	1	172.49	AUD 3.30	-	-	-
Payables	26	4,869.91	USD 95.7	*3*	*1,496.78*	*USD 33.50*
	6	1,878.44	JPY 3,031.60	*2*	*1,001.94*	*JPY 1,858.70*

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

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

Foreign Currency	As at 31.03.2012			*As at 31.03.2011*		
	No of Contracts	Notional amount of currency option contracts	Fair Value Gain/ (Loss) ₹lacs	*No of Contracts*	*Notional amount of currency option contracts*	*Fair Value Gain/ (Loss) ₹lacs*
USD	1	29.50 lacs	(96.74)	*1*	*59 lacs*	*97.36*

USD = U.S. Dollar

The net loss on the derivative instrument of ₹ 63.40 lacs (net of Deferred Tax Asset of ₹ 30.45 lacs) *(Previous Year ₹73.66 lacs (net of Deferred Tax Liability of ₹35.38 lacs))* is recognised in the Hedging Reserve Account as at 31st March, 2012 and the same *(Previous Year ₹62.02 lacs)* is expected to be reclassified in the Statement of Profit and Loss by 31st March 2013.

Rallis India Limited

(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 31.03.2012		As at 31.03.2011	
	₹lacs	Amount in lacs	₹lacs	Amount in lacs
Exports of goods and services	*1,625.85*	*USD 26.10*	*5,952.57*	*USD 119.30*
		AUD 5.50		*AUD 12.70*
		EUR 0.10		*EUR 0.50*

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

Particulars	As at 31.03.2012		As at 31.03.2011	
	₹lacs	Amount in lacs	₹lacs	Amount in lacs
Packing Credit	-	-	*418.14*	*USD 8.20*
Imports of goods and services	*7,049.38*	*USD 136.50*	*8,466.54*	*USD 187.70*
		JPY 93.40		*JPY 2,545.70*
		EUR 0.70		*EUR 1.10*
		-		*AUD 0.20*
Customer Advances	*2.10*	*USD 0.0470*	*141.61*	*USD 3.20*

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

36 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) Holding/Ultimate Holding Company : Tata Chemicals Limited

(ii) Key Management Personnel : Mr.V.Shankar - Managing Director & CEO

b) Details of Transactions:

₹ lacs

Nature of Transactions	Holding Company	Key Management Personnel	Total
Purchase of Goods	200.95	-	200.95
	624.87	-	*624.87*
Sales of Goods	2,924.12	-	2,924.12
	888.21	-	*888.21*
Services Received	69.91	-	69.91
	55.33	-	*55.33*
Services Given	28.01	-	28.01
	21.85	-	*21.85*
Other Expenses	0.03	-	0.03
	9.69	-	*9.69*
Dividend Paid (Equity)	2,044.17	-	2,044.17
	1,525.02	-	*1,525.02*
Debit Balance outstanding as at year end - Other Receivables	73.03	-	73.03
	28.16	-	*28.16*
Credit Balance outstanding as at year end - Other Payables	346.26	-	346.26
	111.52	-	*111.52*
Remuneration Paid	-	216.73	216.73
	-	*246.25*	*246.25*

Figures in italics relate to the previous year.

37 EMPLOYEE BENEFIT OBLIGATIONS:

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). 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 Statement of profit and loss.

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

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2011-12			*2010-11*		
Present Value of Commitments	1.508.11	1,494.66	3,002.77	*1,541.81*	*1,562.49*	*3,104.30*
Fair Value of Plans	1,238.35	-	1,238.35	*1,469.68*	-	*1,469.68*
Net liability in the balance sheet	269.76	1,494.66	1,764.42	*72.13*	*1,562.49*	*1,634.62*

Defined Benefit Obligation :

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2011-12			*2010-11*		
Opening balance as at 1st April, 2011	1,541.81	1,562.49	3,104.30	*1,501.24*	*1,572.68*	*3,073.92*
Adjustment on acquisition of subsidiary	-	-	-	*59.93*	-	*59.93*
Past Service Cost	-	-	-	*80.02*	-	*80.02*
Current Service Cost	131.15	10.31	141.46	*123.04*	*19.85*	*142.89*
Interest expenses	130.68	127.56	258.24	*118.08*	*116.87*	*234.95*
Paid benefits	(388.51)	(144.18)	(532.69)	*(182.28)*	*(168.94)*	*(351.22)*
Actuarial (gain) / loss	92.98	(61.52)	31.46	*(158.22)*	*22.03*	*(136.19)*
Closing balance as at 31st March, 2012	1,508.11	1,494.66	3,002.76	*1,541.81*	*1,562.49*	*3,104.30*

Plan assets: Gratuity :

₹ lacs

Particulars	2011-12	*2010-11*
Opening balance as at 1st April, 2011	1,469.68	*1,341.60*
Adjustment upon acquisition of Subsidiary		*38.14*
Expected return on scheme assets	118.64	*109.22*
Contributions by the Group	111.18	*167.10*
Paid funds	(388.51)	*(182.28)*
Actuarial gain / (loss)	(72.64)	*(4.10)*
Balance with the Trust as at 31st March, 2012	1,238.35	*1,469.68*
Closing balance as at 31st March, 2012	1,238.35	*1,469.68*

Investment Details:

₹ lacs

Particulars	2011-12	2010-11
Debentures	397.36	464.01
Equity	258.57	186.69
Government Securities	305.33	188.32
Deposits, Money market Securities & Other Assets	47.74	144.51
Other – Fund managed by other insurer whose pattern of investment is not available with the Company	154.97	339.97
Others	74.38	146.18
Total Asset	1,238.35	1,469.68

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

Particulars	2011-12	2010-11
Expected return on plan assets	118.64	109.22
Actuarial gain / (loss)	(72.63)	(4.10)
Actual return on plan assets	46.01	105.12

Expenses on defined benefit plan:

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total
	2011-12			2010-11		
Current service costs	131.15	10.31	141.46	123.04	19.85	142.89
Past service cost	-	-	-	80.02	-	80.02
Interest expense	130.68	127.56	258.24	118.08	116.87	234.95
Expected return on investment	(118.64)	-	(118.64)	(109.22)	-	(109.22)
Net actuarial (gain) / loss	165.63	(61.52)	104.11	(154.12)	22.03	(132.09)
Expenses charged to the profit and loss account	308.82	76.35	385.17	57.80	158.75	216.55

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.

Particulars	2011-12	2010-11
Rate for discounting liabilities	8.25% to 8.60% p.a.	8.00% to 8.50% p.a.
Expected salary increase rate	8.00% p.a.	5.00% to 8.00% p.a.
Expected return on scheme assets	8.60% to 9 % p.a.	8.00% to 10 % 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

Particulars	2011-12	*2010-11*	*2009-10*	*2008-09*	*2007-08*
Defined benefit obligation	1,508.11	*1,541.81*	*1,501.24*	*1,238.59*	*1,138.26*
Plan asset	1,238.35	*1,469.69*	*1,341.60*	*605.77*	*860.98*
Surplus/(Deficit)	(269.76)	*(72.13)*	*(159.64)*	*(632.82)*	*(277.28)*
Experience adjustment on plan assets	(72.63)	*(3.79)*	*(34.54)*	*(146.09)*	*
Experience adjustment on plan liabilities	46.01	*(78.81)*	*(19.50)*	*25.81*	*

*The figures in respect of previous one period are not available.

(b) Supplemental Pay:

₹ lacs

Particulars	2011-12	*2010-11*	*2009-10*	*2008-09*	*2007-08*
Defined benefit obligation	1,494.66	*1,562.49*	*1,572.68*	*1,567.17*	*1,569.63*
Plan asset	-	-	-	-	-
Surplus/(Deficit)	(1,494.66)	*(1,562.49)*	*(1,572.68)*	*(1,567.17)*	*(1,569.63)*
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	(51.35)	*21.19*	*63.94*	*(79.49)*	*

*The figures in respect of previous one period are not available.

The contributions expected to be made by the Group during the financial year 2012-13 amount to ₹ 248.74 lacs.

Defined-Contribution Plans:

Amount recognised as expense and included in the Note No.24 - "Contribution to Provident and Other Funds" - ₹ 473.49 lacs *(Previous year ₹463.81 lacs).*

38 Statement pursuant to exemption under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies :-

₹ lacs

Name of Subsidiary Company	Rallis Chemistry Exports Ltd	Metahelix Life Sciences Ltd #	Dhaanya Seeds Ltd. @ #	Rallis Australasia Pty Ltd $
Country	India	India	India	Australia
Year	2011-12	2011-12	2011-12	2011-12
Capital	5.00	10.57	257.25	-
	5.00	*10.57*	*257.25*	*0.35*
Reserves	(11.75)	5,893.23	(171.97)	-
	7.75	*5,570.37*	*(291.58)*	*98.08*
Total Assets	12.02	6,260.29	9,292.90	-
	15.97	*5,935.33*	*5,356.58*	*98.43*
Total Liabilities	12.02	6,260.29	9,292.90	-
	15.97	*5,935.33*	*5,356.58*	-
Turnover	-	1,029.56	9,816.95	-
	-	*1,225.62*	*5,020.67*	*76.62*
Profit/(loss) before taxation	(4.02)	322.87	119.61	-
	(3.92)	*251.17*	*(1,335.10)*	*(83.90)*
Provision for taxation	-	-	-	-
	-	*67.89*	-	-
Profit/(loss) after taxation	(4.02)	322.87	119.61	-
	(3.92)	*183.28*	*(1,335.10)*	-

\# Turnover, Profit/(Loss) before taxation, Provision for Taxation and Profit/(Loss) after Tax shown above is for the period 01/04/2011 to 31/03/2012. 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.

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

39 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 ₹ 22.72 lacs *(Previous Year ₹ 30.44 lacs)* in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹ 290.40 lacs *(Previous Year ₹ 189.62 lacs)* were redeemed at a 25% premium which aggregated ₹ 72.60 lacs *(Previous Year ₹ 47.96 lacs)*.

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

	HOMI R. KHUSROKHAN B. D. BANERJEE E. A. KSHIRSAGAR PRAKASH R. RASTOGI BHARAT VASANI VENKATRAO S. SOHONI K. P. PRABHAKARAN NAIR R. MUKUNDAN YOGINDER K. ALAGH	*Directors*	R. GOPALAKRISHNAN V. SHANKAR P. S. MEHERHOMJI	*Chairman* *Managing Director & CEO* *Company Secretary*
Mumbai, 23rd April , 2012	Y. S. P. THORAT			

NOTES

NOTES

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-FOURTH ANNUAL GENERAL MEETING of the Company at Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021, on Wednesday, the 27th June, 2012 at 3.00 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 the 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-fourth Annual General Meeting of the Company, to be held on Wednesday, the 27th June, 2012 at 3.00 p.m. or at any adjournment thereof.

Signed this .... day of 2012

Reference Folio No.:

DP ID/BEN ID: Signature

Affix Revenue Stamp

No. of Shares held:

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.

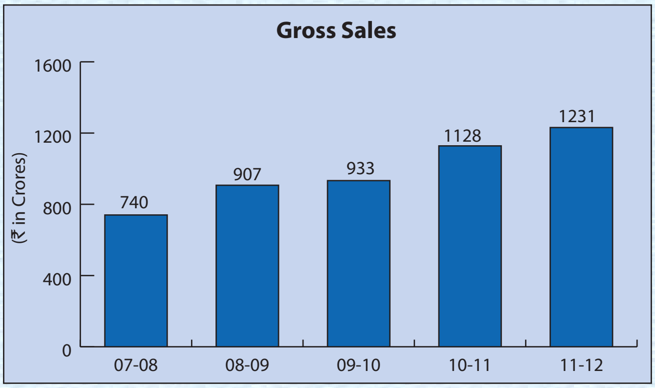
NOTE: The Proxy must be returned so as to reach the Registered Office of the Company, at 156/157, 15th Floor, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid Meeting.

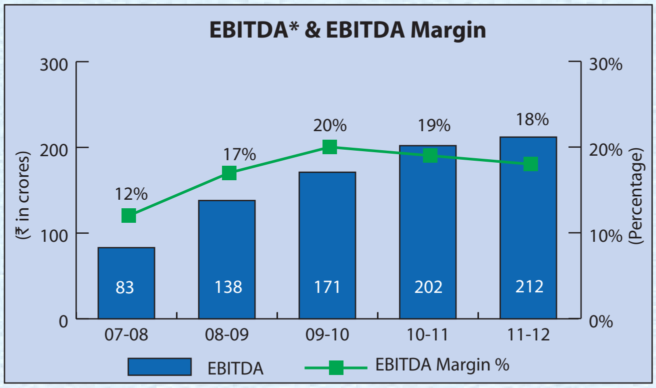
FINANCIAL STATISTICS

Year-end Financial Position ₹ lacs

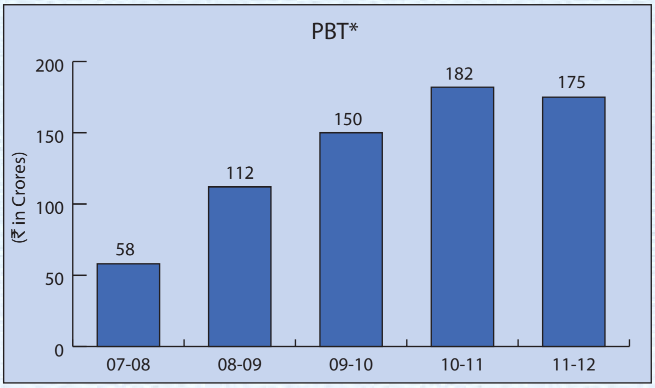
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Fixed Assets	**40,394**	38,445	26,478	18,766	14,787	14,411	16,528	18,186	17,665	15,608
Deferred Tax Asset/(Liability)	**(1,308)**	(323)	535	1,016	1,323	1,222	336	-	-	-
Investments	**18,094**	15,193	14,028	13,615	5,551	3,173	4,948	46	309	2,663
Total	**57,180**	**53,315**	**41,040**	**33,397**	**21,661**	**18,806**	**21,812**	**18,231**	**17,973**	**18,270**
Current Assets	**44,416**	42,453	32,450	34,727	33,431	31,551	30,420	26,979	38,055	54,402
Current Liabilities	**34,672**	36,197	30,400	25,914	20,022	25,914	23,650	17,747	20,374	33,265
Net Current Assets	**9,744**	**6,257**	**2,050**	**8,813**	**13,409**	**5,637**	**6,770**	**9,232**	**17,681**	**21,137**
TOTAL CAPITAL EMPLOYED	**66,924**	**59,572**	**43,090**	**42,210**	**35,070**	**24,443**	**28,582**	**27,463**	**35,654**	**39,408**
Capital										
- Preference	**-**	-	-	8,800	8,800	8,800	8,800	8,800	8,800	-
- Equity	**1,945**	1,945	1,296	1,198	1,198	1,198	1,198	1,198	1,198	1,198
Total	**1,945**	**1,945**	**1,296**	**9,998**	**9,998**	**9,998**	**9,998**	**9,998**	**9,998**	**1,198**
Reserves	**53,420**	48,391	40,983	24,869	20,755	11,179	7,563	4,618	7,255	6,707
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
Net Worth	**55,365**	**50,336**	**42,279**	**34,155**	**30,681**	**20,963**	**17,017**	**13,610**	**10,733**	**4,098**
Borrowings										
- Short term	**3,122**	972	161	2,455	3,604	2,541	2,901	5,607	16,236	30,513
- Long term	**8,437**	8,265	650	5,600	786	938	8,664	8,246	8,686	4,797
Total	**11,559**	**9,236**	**811**	**8,055**	**4,389**	**3,479**	**11,565**	**13,853**	**24,921**	**35,310**
TOTAL SOURCES	**66,924**	**59,572**	**43,090**	**42,210**	**35,070**	**24,443**	**28,582**	**27,463**	**35,654**	**39,408**
Summary of Operations										
Sales (including Excise)	**123,075**	112,764	93,349	90,683	73,966	67,680	65,275	60,350	54,587	88,508
Other Income	**3,682**	3,436	2,882	2,262	11,163	8,378	3,900	5,332	11,753	3,921
Total Income	**126,757**	**116,199**	**96,231**	**92,946**	**85,129**	**76,058**	**69,175**	**65,682**	**66,339**	**92,429**
Expenses										
Materials consumed	**70,893**	62,824	50,339	50,557	40,844	40,339	37,025	33,420	30,202	67,112
Personnel cost	**7,811**	6,958	7,498	7,274	6,135	5,520	5,165	5,281	5,631	5,654
Excise duty	**7,882**	8,230	6,000	7,291	6,847	5,475	6,140	6,241	5,667	3,919
Interest	**985**	332	267	326	409	1,089	841	1,449	3,956	4,152
Depreciation	**2,711**	1,716	1,831	2,295	2,007	3,100	1,675	1,611	1,703	1,522
Other expenses	**19,747**	17,782	15,076	14,603	14,270	15,034	13,874	14,264	16,562	17,784
Total	**110,029**	**97,842**	**81,011**	**82,345**	**70,512**	**70,556**	**64,721**	**62,266**	**63,721**	**100,142**
Profit before tax and prior year adjustment and exceptional item	**16,728**	**18,357**	**15,219**	**10,601**	**14,617**	**5,502**	**4,454**	**3,416**	**2,619**	**(7,714)**
Excpetional item:Cessation Cost	**1,719**	-	-	-	-	-	-	-	-	-
Profit before tax and prior year adjustment	**15,009**	**18,357**	**15,219**	**10,601**	**14,617**	**5,502**	**4,454**	**3,416**	**2,619**	**(7,714)**
Tax	**4,870**	5,736	5,116	3,472	2,098	(309)	201	67	64	(342)
Profit after tax before prior year adjustment	**10,139**	**12,621**	**10,104**	**7,129**	**12,519**	**5,811**	**4,253**	**3,349**	**2,555**	**(7,372)**
Prior year's adjustment	**-**	-	-	-	-	-	-	-	-	355
Profit after tax	**10,139**	**12,621**	**10,104**	**7,129**	**12,519**	**5,811**	**4,253**	**3,349**	**2,555**	**(7,727)**
IMPORTANT RATIOS										
Current Assets : Liabilities	**1.3**	1.2	1.1	1.3	1.7	1.2	1.3	1.5	1.9	1.6
Debt : Equity	**0.2**	0.2	0.0	0.2	0.1	0.2	0.7	1.0	2.3	8.6
PBT/Turnover %	**13.6**	16.3	16.3	11.7	19.8	8.1	6.8	5.6	4.8	(8.7)
Return (PBIT) on Capital Employed %	**26.5**	31.4	35.9	25.9	42.8	27.0	18.5	17.7	18.4	(9.0)
Dividend (per share)	**2.2**	20.0	18.0	16.0	10.0	8.0	4.0	1.0	-	-
Earnings (per share)*	**5**	65	52	53	22	42	29	22	20	(64)
Net Worth (per share)*	**28**	259	326	212	183	101	69	40	16	34

Previous years' figures have been regrouped, wherever necessary.
Figures upto 2004 are only for Rallis India Limited. Figures from 2004 onwards are that of merged entity.
* Earnings Per Share and Net Worth per share for 2012 is after stock split.

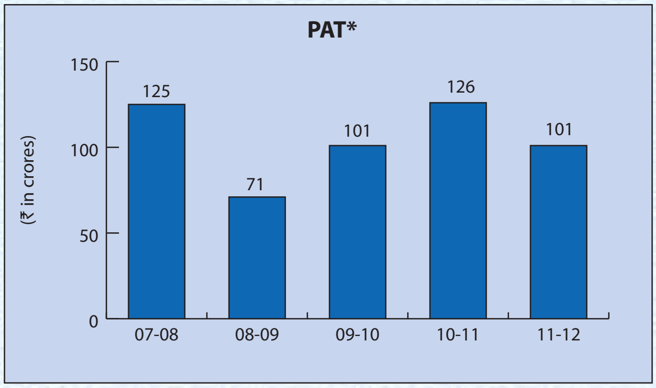




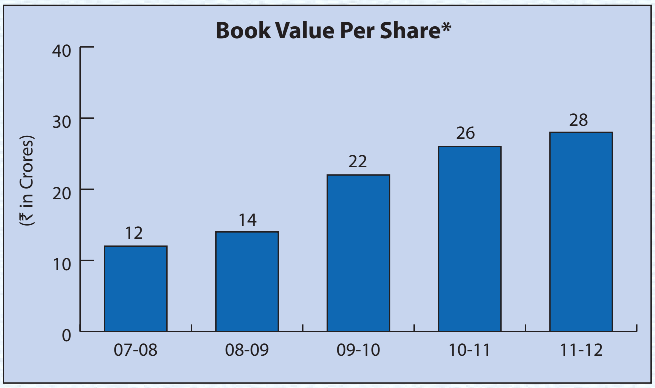
*EBITDA excludes extra-ordinary gains and losses such as fixed assets sale, cessation costs & forex losses/gains.



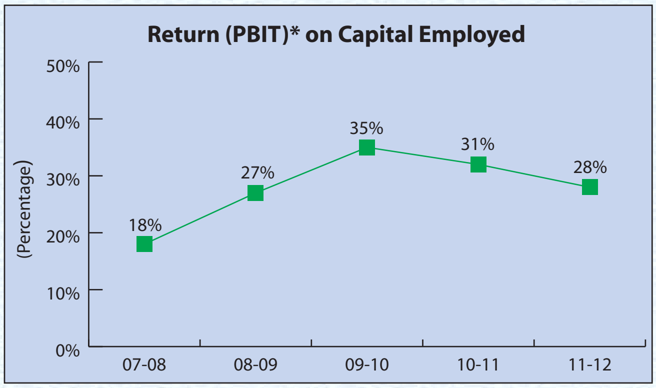
*PBT excludes extra-ordinary gains and losses such as fixed assets sale, cessation costs & forex losses/gains.



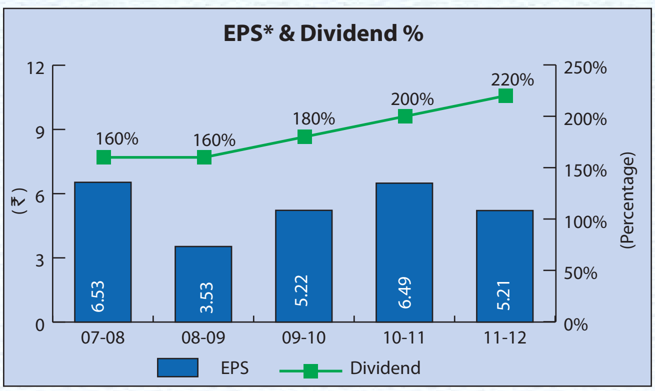
*PAT includes extra-ordinary gains and losses such as fixed assets sale, cessation costs & forex losses/gains.



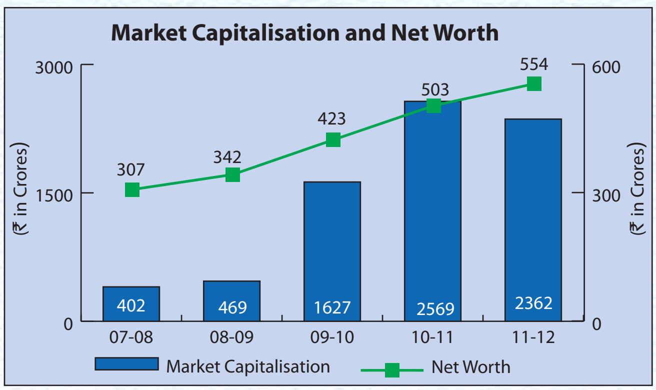
*Figures reclassified considering stock split and bonus issue for all years.



*PBIT excludes extra-ordinary gains and losses such as fixed assets sale, cessation costs & forex losses/gains.



*Figures reclassified considering stock split and bonus issue for all years



RALLIS INDIA LIMITED
A TATA Enterprise

BUSINESS EXCELLENCE

JRDQV AWARD
2011-2012
RALLIS INDIA LTD.

RALLIS Management with Mr. Ratan Tata

Mr. Ratan Tata presenting the JRDQV Award to Mr. V Shankar and team

LUCKNOW Region

CHANDIGARH Zone with JRDQV Trophy

Celebration at LOTE Factory

KOLKATA Region

Corporate Team

RALLIS INDIA LIMITED

A TATA Enterprise

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