RALLIS INDIA LIMITED

A TATA Enterprise

65th Annual Report | 2012-13

Balanced Growth

Business Excellence : One more landmark in the Journey …

Winning the CII-EXIM Prize for Excellence

Rallis bagged the prestigious CII-EXIM Prize for Business Excellence. Mr. V. Shankar, Managing Director & CEO of Rallis received this honour at a glittering ceremony of the CII National Quality Summit held in Bengaluru. This Prize is a coveted recognition in the CII-EXIM Business Excellence assessment and is awarded to the Organization recognized for following excellent business practices. The CII-EXIM assessment process follows the Excellence Model based on European Foundation for Quality Management (EFQM).

For Rallis, this is yet another milestone in its excellence journey, after winning the JRD QV Award last year.

Speaking on the recognition, Mr. V Shankar, Managing Director & CEO, Rallis India said,

"Receiving this honour is a valuable endorsement of our actions in the enterprise, enhances our teams' morale and motivates us to do more. I thank all Rallites for their commitment towards continuous improvement in business excellence. In the recent years, we have undergone a paradigm shift in our approach and I am elated, this journey is well acknowledged by all our stakeholders."

Rallis team receiving the CII-EXIM HONOURS
The CII- EXIM Certificate

Rallis team receiving the CII-EXIM HONOURS
The CII- EXIM Prize Trophy

Corporate Social Responsibility

Improve Quality of Life through water conservation:

- Rain water harvesting: To harvest rain water; water survey was conducted to understand the present status. Based on this, various remedies were utilized to save water and increase the ground water like 'Loose boulder structure', 'Vanarai dam' and tree plantation.
- Awareness programmes related to water conservation for communities, through various means, including showing documentary, slogan competition, poster making and demonstrations at Dahej, Ahmedabad, Akola, Lote and Chandigarh.
- Afforestation Project (Vana De Mataram initiative): On the deforested land of 5 hectares near Mumbai, 5,000 mixed species were planted to convert it into afforested land. This was done by involving the Forest Department and an NGO.
- Tree plantation Drives (Vana De Mataram initiative): More than 1,000 trees were planted across various locations.

Women empowerment (TARA initiative):

- SHG (SELF Help Group) (TARA initiative): Four SHG were initiated, involving around 60 women at Songaon at Lote.
- Skill training: The members of SHG were given exposure and skill training in various areas such as food processing, detergent making and rangoli making.
- Initiating home scale business by women groups: Based on the skill training provided and motivation given, women have started their own home based business through SHGs. Business like pickle making, jam making, sauce making, threading business, chiki making have been initiated and are gaining demand for their products.
- Spoorthi initiative: Focus on creating awareness on importance of educating the Girl child, Health awareness for women and importance of safe drinking water at Secunderabad and Guntur.

Children empowerment:

- Soft and hard skill programmes for students such as computer training, personality development and SSC preparatory series at Lote, Akola and Dahej.

- Career guidance for students of 10th and 12th standards at Lote and Dahej.
- Self defense training for girl students at Mumbai, Lote, Pune and Ahmedabad.
- Organizing various competitions for students, such as sports, slogan writing, poster making and essay writing across various locations.

Volunteering: Rallis' volunteers are involved in various initiatives across all locations, such as:

- Safety awareness programmes for community, including home safety, fire safety, LPG safety and road safety.
- Health awareness and check-up programmes, including AIDS awareness, de-addiction, blood donation, pulse polio campaign, dental check-up, 'Run for cause' for cancer patients, first aid training and stress management.
- Distributing educational aids to needy students, such as uniforms and notebooks.

The Key communities for the Company's CD initiatives are:

- RKK Farmers and their family members
- Villages in the vicinity of factory operations
- Rural Women
- Children and students

With the help of Saathis - our Employee Volunteers, various CD activities are implemented across all locations. Our Volunteer Champions take the lead in implementing various CD initiatives at their respective locations with the help of Saathis.

Rallis CD initiatives have created positive impact on the community and at the end of our various programmes, communities have shared their positive feedback. Some of the impacts of above initiatives are:

- Increase in awareness related to safety precautions to be taken while handling pesticides.
- Enhancement in employability, Improvement in agri output and generating rural employment.
- Increase in green belt.
- Increase in ground water level.
- Increase in confidence level of students.
- Clarity about various career options available, along with their potential.
- Women motivated to start their own business and be financially independent.

- Increase in self confidence and self image of girls and women.

Besides these CD initiatives, you Company also focuses on working towards upliftment of SC/ ST communities through its Affirmative Action (AA) initiatives. Of the four themes under AA initiatives, viz: Employment, Employability, Entrepreneurship and Education, your Company focuses on Employment and Employability, along with working in the other two areas.

The above efforts have resulted in planting of more than 6,000 trees during the year 2012-13 and 50% of Saathis volunteered for more than 5,400 hours for achieving the above results.

RALLIS

A TATA Enterprise Sixty-fifth annual report 2012-2013

Contents

Annual General Meeting	:	Monday, 24th June, 2013
Time	:	4.00 p.m.
Venue	:	Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021.

BOOK CLOSURE DATES
11TH JUNE, 2013 TO 24TH JUNE, 2013

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
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*
M. M. Tripathy	*Vice President - Human Resources & Business Excellence*
Ravindra R. Joshi	*Vice President - Manufacturing*
Subhash R. Kadam	*Vice President - Research & Development*
K. B. Belliappa	*Vice President -* Strategic Alliances
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*
Malik Shah	Vice President - Planning & Procurement
Coomie N. Kapadia	Head - Internal Audit

Share Registrars and Transfer Agents

TSR Darashaw Pvt. 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,

I would like to touch upon recent trends in agriculture and your Company's response to these trends.

TRENDS IN AGRICULTURE

Advance Estimates have pegged the growth of agriculture and allied activities at 1.8% in 2012-13. This is not spectacular; however there have been variations in agriculture performance across regions and crops. The average conceals some positives which suggest changes in agriculture. For example:

a. Agricultural rainfall is different from the weather rainfall. Even when the weather is erratic, agriculture in parts may do well. For instance, agriculture growth rate of Madhya Pradesh for year 2012-13 is healthy at 14.28 per cent[i], while some States observed muted or negative growth. Bihar grew at an impressive 9.5% over last year. In Karnataka 2012-13, despite the drought in 157 talukas, the agricultural sector is likely to register a growth of 1.8% against minus 2.2% in 2011-12.

b. Progressive farmers are increasingly adoptive of latest tools, techniques and practices. This is leading to short-term and long-term benefits. For instance, crop diversification into high-value produce is a healthy sign in terms of meeting the consumer demand curve in the short-term as well as improving the soil quality in the long-term. In fact crop diversification is one key intervention to address the grave issue of soil degradation.

   According to a report prepared by CII-McKinsey, "There has been a marked shift in production from basic food grains to high-value produce, especially fruits and vegetables. In 2000, basic food grain formed 60 per cent of the total produce by weight, while fruits, vegetables and meat and fibre formed only 38 per cent. By 2010, there was a shift to high-value crops, which formed 45 per cent of total production."

c. Rural income and consumption expenditure has seen an upward trend. Rural buying power is at a high compared to previous years. According to provisional results from NSSO carried out in mid-2012, India's rural income grew at a much faster clip between 2010 and 2012 than in the previous years. Another survey by Crisil in August 2012 indicates that rural spending outpaced urban spending between 2009-10 and 2011-12 for the first time in nearly 25 years. Discretionary spending of a typical rural Indian household rose to ₹24,000 in 2009-10, from ₹14,000 in 2004-05, growing at about 11% per annum, which is faster than the inflation rate of nearly 6% per annum over the same period. This trend is encouraging and bodes well for the future of agriculture.

These examples demonstrate that, despite patchy weather, an alert Company can find segments to serve in Indian agriculture. Nonetheless there are broader policy issues that need to be addressed:

a. Although Government subsidies on fertilizers / food as well as schemes like MGNREGA have put more money in the hands of farmers, these are initiatives that need deeper study as these have also led to some unintended consequences. A report by Commission for Agricultural Costs and Prices (CACP) indicates that with only 2-3% of all agriculture jobs being generated by MGNREGA, it cannot be driving agriculture wage growth and fuel rural economy. The report states that instead, increase in State and agriculture GDP have a more pronounced impact on farm wages. It concludes by saying that marginal returns on public investments in agriculture are at least 5-10 times more than those on subsidies such as fertilisers, power and so on. Right now the country spends close to ₹40,000 Cr on MGNREGA and another ₹200,000 Cr on fertiliser / food subsidy. Perhaps a deeper analysis by policy makers and a more balanced allocation between subsidies and gross capital formation can further accelerate the growth and address the needs of all segments of farmers.

b. Nutrient Based Subsidy (NBS) policy, has led prices of NPK fertilizers to be market determined while price of urea continues to be administratively decided. Consequently, price of urea is much lower than that of other fertilizers. This has resulted in excessive use of urea, thereby distorting the balanced norms of fertilizer application.

c. Price incentives also might not be too relevant for a large majority of marginal farmers. According to Agricultural Census 2010-11, out of 138 million farming holdings in the country, 117 million are small and marginal holdings. From 62% in 1960-61, small and marginal landholdings are now close to 85% of total holdings (2010-11). With almost half of the cultivated area, they account for more than two-thirds of national vegetables and milk production and more than half of cereals and fruits produced. The Planning Commission has concluded, that "the small and marginal farmers are certainly going to stay for a long time in India". But, with very little marketable surplus, their farming is hardly commercial. And that is why interventions like MSP and procurement prices do not touch these farmers with negligible marketable surplus[ii].

d. Retaining and inducting new talent in agriculture is tough as urbanization might increasingly prompt next generation to move away from farming. This threat also extends to finding the right people in Agri Companies and extension services.

RALLIS RESPONSE

Taking note of the opportunities and challenges facing the sector, your Company has undertaken several strategic and operational initiatives. The section below gives a snapshot of the same.

Growing NPP (Non-pesticide portfolio)

As mentioned last year your Company strives to create new and relevant products and create a portfolio of agri-inputs and services that addresses critical needs of the farmers. This will address the changing farmer and agriculture needs as well as leverage the competencies in Rallis including that in the technical and manufacturing space. Rallis continues to monitor what is internally called 'innovation turnover index' to ensure that the sale from new products is a significant proportion of total sales. Rallis has traditionally been strong in crop protection marketing and will continue to grow by providing value added solutions for farmers in this space. As part of balancing its portfolio of business, Company is also focusing on growing an equally compelling portfolio for non-pesticides products like Plant Growth Nutrients, Seeds, micro-nutrients, contract manufacturing, etc. The aspiration continues to improve the share of non-pesticide business from current levels of 10% to 40% in the next few years.

Excessive and imbalanced usage of chemical fertiliser is leading to soil degradation. Depletion in soil organic content is responsible for various other issues as it influences soil structure, water retention, microbial activities, soil aeration and nutrient retention. As mentioned last year, your Company by acquiring stake in Zero Waste Agro Organics Pvt. Ltd., is now able to manufacture and market, scientifically prepared organic compost, derived out of wastes from sugar industry. Geogreen, as it is branded, was introduced during the year. It has been very well received by farmers who are able to see crop productivity improvement by its usage. The aspiration is to further make the brand grow so that more and more farmers are benefited by its application.

The opportunity to scale up the seeds business is equally attractive. Quality seeds are one of the key agricultural inputs, which determine the productivity of the crops. Quality of the seed used largely determines the efficacy of other agricultural inputs like fertilizers and pesticides[iii]. It is estimated that quality of seed accounts for 20-25% of productivity. A majority stake in Metahelix has given your Company the head-start in this important product segment. The strategy is to leverage research capabilities of Metahelix and the distribution strength of Rallis to create and establish relevant brands for farmers. During the year, extensive field activities were conducted to establish the new brands.

Strengthening farmer connect

This relevant product mix is amply supported by services and existing farmer connect, in order to emerge as complete solutions provider to the farmer community. Our farmer relationship building activities such as Rallis Kisan Kutumba, Grow More Pulses (MoPu) moved to the next orbit with significant increases in farmer contacts and field level productivity improvement programmes. In fact RKK membership base has grown to 1 Million farmers during the current year. 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.

Augment Agri-training

The Company has embarked on some noteworthy initiatives to create trained manpower to sell agri-solutions to farmers. Tata Rallis Agri Inputs Training Scheme (TRAITS) is a unique initiative started for promoting employability of non-graduate, rural youth from farming background, by imparting them training in the Agri-marketing and crop advising field. This makes them employable for a career in Agri marketing and crop advising. Thus it is not only making the unemployed rural youths employable, but is also increasing the number of crop advisors in the field which benefits the farmer community as a whole. This initiative was rolled out as a pilot at three locations namely, Baramati (Maharashtra), Birbhum (West Bengal) and Dharwad (Karnataka).This year your Company extended TRAITS to Bhubaneswar in Odisha and Nalanda in Bihar.

Nurture engaged employees

Your Company realises that only motivated and engaged employees can drive the Company's agenda of creating value for farming community, society and shareholders. And that is why Company places special focus on employee engagement, functional competence and talent management. Last year's engagement survey had indicated that the ratio of highly engaged to actively disengaged employees in your Company was 15:1 which is way better than the ratio that world class organizations enjoy. This year a different agency undertook employee engagement survey and I am happy to share that Employee Engagement Score for Rallis is 80%, which is higher than the Average Score for Manufacturing Industries and the Best Employer India score. This year, the Company also participated in a survey conducted by 'Great Place to Work Institute'. The score is 82%, which is equal to the average of top 50 companies which participated in the survey.

The Company identifies developmental needs of employees through various means like competency mapping, annual appraisals, organizational needs and new business initiatives. Training and development plans thus devised are completely aligned with organizational vision and help employees achieve their true potential. Furthermore, the Company constantly works on building a leadership pipeline through initiatives, such as Employee Growth Scheme, Rallis Leadership Development Programme for first time managers and Rallis Customized Leadership Development programmes for high potential managers. Other initiatives include competency mapping for critical positions, individual development plans and mentoring for high potential employees. These initiatives have ensured that Rallis continues to have a highly motivated workforce.

ACKNOWLEDGEMENT

I am happy to state that most of the interventions talked about have also resulted in a very profitable 2012-13 with your Company crossing the milestone consolidated gross sales of ₹1500 Cr, a growth of 16% over previous year, despite the tough environment and business conditions. PAT also grew by 20% to ₹119 Cr. I would not touch upon the operational and financial details as it will be covered by management in due course.

I would like to conclude by thanking the employees and shareholders of the Company for their constant support and faith in the Company.

R. Gopalakrishnan

Chairman

Mumbai
May 14, 2013

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[i] Indian Express, estimates by CSO, Madhya Pradesh topples Bihar in growth rate in 2012-13, dated 31/03/2013

[ii] Agriculture Census 2010-11, Distribution of number of holdings and area operated in India & Article titled, "The survival of the smallest", by S. Gurumurthy, The Hindu Business Line

[iii] State of Indian agriculture 2012-13, Govt of India, Ministry of Agriculture

RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the 65th 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 Monday, the 24th June, 2013 at 4.00 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, 2013 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 2012-13 and to declare a Final Dividend for the year 2012-13 on Equity Shares.

3. To appoint a Director in place of Mr. R. Mukundan who retires by rotation and is eligible for re-appointment.

4. To appoint a Director in place of Dr. Yoginder K. Alagh who retires by rotation and is eligible for re-appointment. He has offered himself for re-election and his term would be up to February 2014.

5. To appoint a Director in place of Mr. E. A. Kshirsagar who retires by rotation and is eligible for re-appointment.

6. To appoint Auditors and to fix their remuneration.

7. **Payment of Commission to Directors**

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

   RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), such sum by way of commission, not exceeding one percent per annum of the net profits of the Company computed in the manner referred to in Sections 198, 349 and 350 of the Act for each of the five financial years of the Company commencing from 1st April, 2013 be paid to and distributed amongst such Directors of the Company (other than the Managing Director and/ or Wholetime Director(s), if any), in such amounts or proportions and in such manner and in all respects as may be directed by the Board from time to time.

Notes:

1. The Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item No.7 above is annexed hereto. The relevant details of Directors seeking re-appointment under Item Nos.3 to 5 above, 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. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.

4. 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.

5. **Book Closure and Dividend:**

   (a) **The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 11th June, 2013 to Monday, 24th June, 2013 (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 26th June, 2013 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 11th June, 2013.

      (ii) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members on 11th June, 2013.

6. **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 provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrars and Transfer Agents, TSR Darashaw Pvt. Ltd. Members holding shares in electronic form are requested to provide the details to 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.

7. 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.

8. 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.

9. **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.

10. **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, 2005 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, 2006 is due for transfer to the Fund on 30th June, 2013.

11. 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: 25th April, 2013

Registered Office:

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

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

Pursuant to Section 173 of the Companies Act, 1956 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.7 of the accompanying Notice dated 25th April, 2013.

Item No. 7:

The Members of the Company at their 60th Annual General Meeting held on 30th May, 2008 had approved the payment of remuneration by way of Commission to the non-whole time Directors of the Company not exceeding one percent per annum of the net profits of the Company computed in the manner referred to under Section 198 of the Companies Act, 1956. The remuneration was to be distributed amongst such of the Directors (other than the Managing Director and/or Wholetime Directors) and in such proportion and manner as the Board may decide for each of the five financial years of the Company from 1st April, 2008.

Since the said resolution was valid upto 31st March, 2013, as per the provisions of Section 309 of the Companies Act, 1956, it is proposed to pass a Special Resolution enabling the payment of commission to Directors (other than the Managing Director and/or Wholetime Director(s), if any) for five financial years commencing from 1st April, 2013.

All the Directors of the Company except Mr. V. Shankar are concerned or interested in the Resolution mentioned at Item No. 7 of the accompanying Notice to the extent of Commission that may be received by them.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 25th April, 2013

Registered Office:

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

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

Name of Director	**Mr. R. Mukundan**	**Dr. Yoginder K. Alagh**	**Mr. E. A. Kshirsagar**
Date of Birth	19.09.1966	14.02.1939	10.09.1941
Date of Appointment	03.12.2009	22.04.2010	24.02.2006
Expertise in specific functional areas	Mr. Mukundan has wide experience in the field of Strategy & Business Development, Corporate Quality & Business Excellence, Corporate Planning and Manufacturing. He was Executive Vice President of the Global Chemicals Business and the Consumer Products in Tata Chemicals Ltd. from 2007 and is currently its Managing Director.	Dr. Alagh is a former Minister of Power & Planning, Science & Technology - Government of India, Chairman of BICP, Chairman of IRMA and has held various positions of power with the Government. An eminent Economist, Dr. Alagh has wide experience in policy making and planning.	Mr. Kshirsagar has wide experience in Corporate Strategy & Structure, Valuation, Feasibility Studies, Disinvestments/ Mergers & Acquisitions.
Qualifications	BE (Electrical Engineering) from IIT, Roorkee and MBA from FMS, Delhi University. Also attended the Advanced Management Programme at Harvard Business School in 2008.	Master's Degree in Economics from the University of Rajasthan and Master's Degree and Doctoral Degree in Economics from the University of Pennsylvania, USA.	Fellow Member of the Institute of Chartered Accountants, England and Wales
No. of shares held in the Company	NIL	NIL	NIL
List of companies in which Directorship held as on 31.03.2013	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata Chemicals Ltd. - Managing Director 3. Tata International Ltd. 4. Metahelix Life Sciences Ltd. 5. Dhaanya Seeds Ltd. **OVERSEAS COMPANIES** 1. Homefield International Pvt. Ltd. 2. Homefield Pvt. UK Ltd. 3. Tata Chemicals Africa Holdings Ltd. 4. Tata Chemicals Magadi Ltd. 5. Homefield 2 UK Ltd. 6. Tata Chemicals (Europe) Holdings Ltd. 7. Gusiute Holdings (UK) Ltd. 8. Valley Holdings Inc. 9. Tata Chemicals North America Inc. 10. General Chemical International Inc. 11. NHO Canada Holdings Inc. 12. TCSAP LLC 13. General Chemical (Great Britain) Ltd. 14. General Chemical Canada Holdings Inc. 15. GCSAP Canada Inc. 16. TCSAP Holdings (DE General Partnership) 17. Tata Chemicals (Soda Ash) Partners (TCSAP) (DE General Partnership)	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata Chemicals Ltd. 3. Shree Cements Ltd. 4. Somany Ceramics Ltd. 5. Star Agri Warehousing Collateral Management Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata Chemicals Ltd. 3. Batliboi Ltd. 4. HCL Infosystems Ltd. 5. JM Financial Ltd. 6. Manappuram Finance Ltd. 7. Merck Ltd. 8. JM Financial Products Ltd. **PRIVATE COMPANIES** 1. Manipal Global Education Services Pvt. Ltd. **OVERSEAS COMPANIES** 1. Tata Chemicals Europe Holdings Ltd., U.K. 2. Tata Chemicals Magadi Ltd., U.K. 3. Vama Sundari Investments Pvt. Ltd., Mauritius

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

Name of Director	Mr. R. Mukundan	Dr. Yoginder K. Alagh	Mr. E. A. Kshirsagar
	18. Bio Energy Venture - 1 (Mauritius) Pvt. Ltd. 19. Tata Chemicals International Pte. Ltd. 20. Indo-Maroc Phosphore S.A. 21. Grown Energy (Proprietary) Ltd. 22. Grown Energy Zambeze Holdings Pvt. Ltd. 23. Grown Energy Zambeze Limitada 24. EPM Mining Ventures Inc., USA 25. Tata South East Asia Ltd., Hong Kong		
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he is a Director as on 31.03.2013	1. Tata Chemicals Ltd. - Shareholders'/ Investors' Grievance Committee	1. Rallis India Ltd. - Audit Committee 2. Tata Chemicals Ltd. - Audit Committee - Shareholders'/Investors' Grievance Committee (Chairman) 3. Shree Cements Ltd. - Audit Committee - Shareholders'/Investors' Grievance Committee 4. Somany Ceramics Ltd. - Audit Committee 5. Star Agri Warehousing Collateral Management Ltd. - Audit Committee	1. Rallis India Ltd. - Audit Committee (Chairman) - Shareholders'/ Investors' Grievance Committee 2. Tata Chemicals Ltd. - Audit Committee 3. Batliboi Ltd. - Audit Committee (Chairman) 4. JM Financial Ltd. - Audit Committee (Chairman) 5. HCL Infosystems Ltd. - Audit Committee (Chairman) 6. Merck Ltd. - Audit Committee 7. JM Financial Products Ltd. - Audit Committee (Chairman) 8. Manappuram Finance Ltd. - Audit Committee

Rallis India Limited

DIRECTORS' REPORT

TO THE MEMBERS OF RALLIS INDIA LIMITED

The Directors hereby present their Sixty-fifth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

₹ Crores

	Standalone		Consolidated	
	2012-13	*2011-12*	**2012-13**	*2011-12*
Revenue from operations (Gross)	**1418.58**	*1260.07*	**1552.98**	*1353.70*
Excise Duty	**(94.80)**	*(78.82)*	**(94.80)**	*(78.82)*
Revenue from operations (Net)	**1323.78**	*1181.25*	**1458.18**	*1274.88*
Other Income	**11.45**	*7.50*	**11.74**	*6.87*
	1335.23	*1188.75*	**1469.92**	*1281.75*
Profit/ (-) Loss before Finance cost, Depreciation and Tax	**214.68**	*204.76*	**222.31**	*209.83*
Finance Costs	**(12.52)**	*(10.37)*	**(18.49)**	*(14.59)*
Depreciation	**(28.81)**	*(27.11)*	**(31.53)**	*(28.66)*
Profit/ (-) Loss before exceptional item	**173.35**	*167.28*	**172.29**	*166.58*
Exceptional item:				
– Cessation cost	**-**	*(17.19)*	**-**	*(17.19)*
Profit before Tax	**173.35**	*150.09*	**172.29**	*149.39*
Provision for Tax	**(38.72)**	*(38.18)*	**(38.72)**	*(38.19)*
Deferred Tax	**(15.25)**	*(10.52)*	**(14.77)**	*(10.51)*
Profit for the year before minority interest	**119.38**	*101.39*	**118.80**	*100.69*
Minority Interest	**-**	*-*	**0.21**	*(1.51)*
Profit for the year	**119.38**	*101.39*	**119.01**	*99.18*
Balance of Profit brought forward from previous year	**242.03**	*213.01*	**241.40**	*214.58*
	361.41	*314.40*	**360.41**	*313.76*
Appropriations				
Debenture Redemption Reserve	**(12.50)**	*(12.50)*	**(12.50)**	*(12.50)*
Transfer from/ (to) General Reserve	**(11.93)**	*(10.14)*	**(11.93)**	*(10.14)*
Interim Dividend	**(19.45)**	*(19.45)*	**(19.45)**	*(19.45)*
Income Tax on Interim Dividend	**(3.15)**	*(3.15)*	**(3.15)**	*(3.15)*
Proposed Equity Dividend	**(25.28)**	*(23.34)*	**(25.28)**	*(23.34)*
Income tax on Equity Dividend	**(4.30)**	*(3.78)*	**(4.30)**	*(3.78)*
Balance Profit/(-) Loss carried forward to Balance Sheet	**284.80**	*242.03*	**283.80**	*241.40*

DIVIDEND

The Board of Directors had declared an interim dividend of ₹1/- per share (100%) on the Equity Shares of the Company, in October 2012. The Directors are pleased to recommend a final dividend of ₹1.30 per share (130%) on the Equity Shares. This will take the total dividend for the year to ₹2.30 per share (230%) (*Previous year ₹2.20 per share, i.e. 220%)*. 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 ₹52.18 Crores (including dividend tax) *(Previous Year ₹49.72 Crores)*.

COMPANY PERFORMANCE

The Company achieved a new landmark in revenues, crossing the ₹1,500 Crores milestone. The Company's profit before tax on a consolidated basis, is ₹172.29 Crores during the year, as compared to ₹149.39 Crores in the previous year, an increase of 15% over the last year. The Company earned a net profit of ₹119.01 Crores, as against a net profit of ₹99.18 Crores in the previous year on a consolidated basis.

OPERATIONS

(1) **CROP PROTECTION**

The year 2012-13 was a challenging year for Indian agriculture, as monsoon played truant during the main cropping season. Tough times such as Neelam cyclone and worst drought in few key States were also added challenges faced during the year. The Central Statistical Organization (CSO) has estimated the growth of agriculture (which includes food grains, oilseeds, sugarcane and fibre crops) and allied activities (which includes livestock, fisheries and forestry) at 1.8% in 2012-13, as compared to 3.6% during 2011-12. However, food grain production during 2012-13 crop year is estimated to fall to 255.36 million tonnes, from a record 259.32 million tonnes in the previous year, due to irregular rainfall in 2012, which took a toll on kharif cultivation and productivity. There was a decline in production of food grains, oilseeds, sugarcane and fibers. The share of agriculture and allied sectors in India's GDP also declined to 13.7% in 2012-13 on account of higher growth in the non-farm sectors.

Good progress has been made though, over the last few years in segments of agriculture. Per capita availability of fruits in the country has increased from 138 gms per person per day in 2005 to 175 gms per person per day in the current year. Similarly, per capita availability of vegetables also increased from 279 gms per person per day to 316 gms per person per day during the same period. While in 2011-12, Agri-exports touched $37 billion against imports of only $17 billion, in 2012-13, exports are likely to cross $40 billion against imports of roughly $20 billion. Grain stocks in Government godowns have been the highest at 82 million tonnes in June 2012, and is likely to cross 90 million tonnes in June-July 2013, breaking all records in India.

The branded **Domestic Formulation Business** registered a growth of 8% during the year over the previous year, despite seasonal aberrations in crops like paddy and pulses. The industry is estimated to have recorded a low growth 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 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, Fujione and Taarak.

Our customer relationship building activities, branded under the umbrella of **Rallis Kisan Kutumba** (RKK) moved into the next orbit, with a connect to one Million RKK farmers being digitized into the system, 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 **International Business Division** registered an increase of 9% in sales, as compared to 2011-12. The increase in sales was due to rising demand for crop commodities and price improvement in wheat and cotton. International Business comprised 32% 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 significant volume growth in key manufactured products exported to Latin America and USA under contract manufacturing business.

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.

(2) **NON-PESTICIDE PORTFOLIO (NPP)**

Alongside growing the Crop Protection business, your Company is also building a robust Non-Pesticide Portfolio of businesses to cater to the changing needs of the farmers and agriculture. This not only leverages the deep farmer connect your Company has, but also provides a large platform to serve the emerging needs of the sector.

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 intensified the branding activities to establish the brands which were launched last year.

Your Company is giving focused attention to improving the quality of life of the Agriculture community in India. As a move towards sustainable agriculture, your Company is increasing its focus on greener and cleaner products. Launch of Tata Uphaar, a 100% organic growth Promoter and Gluco Beta, a unique blend of Carbon, Proteins, Primary Nutrients (N and K), Secondary Nutrients (Ca and Mg) and Micro Nutrients (Zn, Fe and B) in Organic form 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 farmer increase his income, but will also help in arresting soil deterioration due to imbalanced use of chemical fertilizers.

Agri Services: Initiatives such as the ***Samrudh Krishi*** services started by the Company at Nasik for grape farmers and at Gujarat for cumin farmers have 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.

Soil Conditioner: During the year, the Company acquired an equity stake in Zero Waste Agro Organics Private Limited (ZWAOPL), a Maharashtra based Company manufacturing scientifically prepared organic compost, a soil conditioner. Your Company has introduced the product GeoGreen in key cash crops such as grapes, banana, vegetables, pomegranates, sugarcane, arecanut, ginger, potato and apple. The product acceptance has been good, as reflected in field demonstrations and farmer testimonials. Besides existing sites for production, new production sites are being added to scale up volumes. GeoGreen is derived out of wastes from sugar industry, to improve soil health and drive agriculture productivity. The technology supports sustainable agriculture and will help farmers in addressing the challenge of food security.

Tata Rallis Agri Inputs Training Scheme (TRAITS): This initiative aims at 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 facilitates skill development as a larger cause, while also creating a competent field team for Rallis. This year, your Company extended TRAITS to Bhubaneswar in Odisha and Nalanda in Bihar.

RESEARCH & DEVELOPMENT

The Company has reinforced its Research and Development Centre (Rallis Innovation Chemistry Hub - **RICH**) at Bengaluru during the year. RICH is a state of the art R & D centre, comprising Chemistry, Product Development and Registration Departments. The Chemistry Department further comprises Process Chemistry, Formulation Development and Analytical Research sections. Bioscience laboratories have also been set up for quick evaluation of new products.

The Company's Research and Development efforts are focused on new and safer formulations for better efficacy, improved value and services to the farmers. A number of registration dossiers have been submitted during the year for supporting domestic and international business.

Process Chemistry focused on developing cost effective processes for molecules that are off patent, in the areas of crop protection and having relevant market potential. Six patents were filed during the last year. Some of these are also being filed for world patents in relevant areas of interest. Process improvement projects were undertaken for improving product quality, yields and productivity of manufacturing processes. Process development projects for contract manufacturing opportunities were also taken up as a major activity. Environment, Health and Safety (EHS) considerations were given special emphasis.

Some molecules arising out of NMITLI (New Millennium Indian Technology Leadership Initiative) project were evaluated as lead molecules. Structural Activity Relationship (SAR) showed few more molecules that would be potentially useful. The project will be pursued further.

Product Development of new formulations was also undertaken with the help of field trials in different areas, so as to assess their bio efficacy and ensuring that these formulations are safe to use.

INDUSTRIAL RELATIONS

The overall relations with bargainable employees of the Company were cordial and harmonious during the year 2012-13. The number of employees on the rolls of the Company marginally reduced from 857 to 843 during the year.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

During the year, the Company has acquired and subscribed to equity shares representing 22.81% of the paid-up equity share capital of Zero Waste Agro Organics Private Limited (ZWAOPL). Furthermore, the Company has been granted the right, under the Shareholders Agreement, to nominate a majority of the Directors on the Board of ZWAOPL. As a result of this, ZWAOPL has become a subsidiary of the Company pursuant to Section 4 of the Companies Act, 1956, with effect from 18th October, 2012.

The Ministry of Corporate Affairs, Government of India, 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, subject to fulfilment of certain conditions. Accordingly, the Board of Directors of the Company has, by resolution, given consent for not attaching the Balance Sheet, Statement of Profit and Loss and other documents of its subsidiaries in the Annual Report of the Company for the financial year ended 31st March, 2013.

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. In addition, 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.), Rallis Chemistry Exports Ltd. and Zero Waste Agro Organics Pvt. Ltd.

DIRECTORS

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

In accordance with Article 112(2) of the Articles of Association of the Company, Mr. R. Mukundan, Dr. Yoginder K. Alagh and Mr. E. A. Kshirsagar 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

The Internal Audit Department undertook a substantial number of internal audit reviews with a view to encompassing a large coverage. This resulted in providing adequate assurance on compliance and sustenance in internal controls.

The Enterprise Risk Management framework, as well as control testing pertaining to the financial reporting for the CEO/CFO certification framework as required under Clause 49 of the Listing Agreements with the Stock Exchanges, was 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. M/s. Deloitte Haskins & Sells, the existing Auditors have furnished a certificate, under Sections 224(1B) and 226 of the Companies Act, 1956, regarding their eligibility for re-appointment. The Members are requested to consider their re-appointment as Auditors of the Company for the current year and authorize the Board of Directors to fix their remuneration.

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.

By General Circular No. 8/2012 dated 10th May, 2012 issued by the Ministry of Corporate Affairs, Government of India, it has been made mandatory for companies to file Cost Audit Reports from the Financial Year 2011-12 onwards in XBRL (Extensible Business Reporting Language) format. The due date for filing of the Cost Audit Reports for the financial year 2011-12 was 28th February, 2013. The Company has filed the Reports with the Ministry of Corporate Affairs on 30th January, 2013.

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, 25th April, 2013

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 continued its focus on conservation of energy resources and it has instilled this in its working culture. Our focus is to conserve energy by eliminating wastages and improving efficiencies. This is taken into consideration right from design stage, procurement and installation of equipment/ appliances.

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 National Action Plan on Climate Change.

During the year under review, focus was towards eliminating wastages by every consumer of energy. Usage of VFDs (Variable Frequency Drive) for high powered motors and energy efficient pumps, agitators, Rotary valve, etc. helped in maintaining the power cost. To reduce power consumption, CFL, LED and solar powered lights were also installed at most of the locations. Few reciprocating chilled water system and air compressors were replaced with screw technology to save power.

These efforts have helped us in maintaining the purchased power cost and reducing the electricity generated through own diesel generators, over the previous year. However, captive power produced using gas has gone up due to rise in gas price. The conservation programme implemented by the Company will continue to further conserve power and energy.

(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 exploring installation of Briquette Boiler with Chilled water System, replacement of reciprocating brine compressors with high efficiency brine screw compressors, high efficiency agitators, VFD controllers for compressors, LED based lighting & Solar lighting fixtures in the plant, 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**

		2012-13	*2011-12*
1. Electricity			
(a) Purchased			
Unit	In Lacs of kwh	**2,09.56**	*2,00.85*
Total amount	₹ Lacs	**14,02.62**	*13,97.59*
Rate/ Unit	₹/ kwh	**6.69**	*6.66*

			2012-13	2011-12
(b)	Own Generation through Diesel generator			
	Unit	In Lacs of kwh	**5.54**	*3.60*
	Unit per litre of Diesel oil	Kwh/ Litre	**2.89**	*2.05*
	Total amount	₹ Lacs	**67.28**	*68.27*
	Cost/ Unit	₹/ kwh	**12.14**	*24.12*
(c)	Own Generation through CPP			
	Unit	In Lacs of kwh	**1,02.75**	*1,04.09*
	Unit per M^3 of Gas	Kwh/ M^3	**3.55**	*3.53*
	Total amount	₹ Lacs	**9,70.92**	*8,15.26*
	Cost/ Unit	₹/ kwh	**9.45**	*7.83*
2.	Other Consumption			
(a)	High Speed Diesel			
	Quantity	Kl	**20.84**	*17.41*
	Total Cost	₹ Lacs	**9.96**	*7.27*
	Rate/ Unit	₹/ Litre	**47.79**	*41.14*
(b)	Furnace Oil			
	Quantity	Kl	**1,589.06**	*1,249.39*
	Total Amount	₹ Lacs	**6,54.49**	*6,28.62*
	Rate/ Unit	₹/ Litre	**41.19**	*27.58*
(c)	Bio Fuel - Briquettes			
	Quantity	MT	**-**	*81.93*
	Total Cost	₹ Lacs	**-**	*4.01*
	Rate/ Unit	₹/ Kg	**-**	*4.89*
(d)	Gas			
	Quantity	M^3	**50,53,570.00**	*52,74,359.68*
	Total Cost	₹ Lacs	**14,59.65**	*12,47.27*
	Rate/ M^3	₹	**28.88**	*23.65*

(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:**

The Company's Research and Development efforts aim to deliver increasing value to the farming community. Towards this, the Research and Development Centre focuses on developing new and safer formulations for better efficacy, greener products that are environmentally safe, as also affordable for the farmer.

Product Development of new formulations is undertaken in the areas of Crop Protection, Plant Growth Promoters (PGPs) and Plant Growth Nutrients (PGNs). A number of registration dossiers have been submitted during the year for supporting domestic and international business.

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

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

(ii) Two products were registered in India for the domestic/ export markets.

(iii) Two new products namely, Tata Uphaar (Plant Growth Promoter) and Gluco Beta (Plant Growth Nutrient) were commercialized during 2012-13. Tata Uphaar (RDS) is an advanced formulation that improves crop vigour, has a greening effect, higher flower retention, better fruit setting, improved quality and higher yield. Gluco Beta is an organic nutrient supplement to minimize the multi nutrient deficiency and helps in increasing the yield. Gluco Beta is suitable for all crops, but will be highly responsive in cereal crops like rice and wheat.

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

	2012-13	*2011-12*
Capital expenditure	**14.64**	*0.05*
Revenue expenditure *	**8.92**	*8.99*
	23.56	*9.04*
Total R&D expenditure as a percentage of net sales	**1.80%**	*0.78%*

* includes an amount of ₹4.23 Crores *(Previous Year ₹5.83 Crores)* paid to external agencies.

During the year, the Company has also incurred an expenditure of ₹9.20 Crores (*Previous year ₹4.71 Crores*) towards product development and registration, which is included under Capital Work In Progress (CWIP). Total amount included in CWIP is ₹10.94 Crores (*Previous Year ₹16.39 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.

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

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

(e) The Innovation Turnover Index (revenues from products newly introduced in the last four years to total turnover) was around 15%.

(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

	2012-13	*2011-12*
1. Foreign Exchange Earned	**419.83**	*387.36*
2. Outgo of Foreign Exchange	**409.07**	*358.68*

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SCENARIO AND RALLIS' GROWTH STRATEGY

Industry Structure:

Agriculture production capability has to cope up with the ever-growing world population. Based on evidences, in 1900 there were 1.6 Billion people on the planet; in 1992 this had risen to 5.25 billion and by the year 2050 it may reach over 9 billion[1]. This increase in world population is mostly in developing countries, where the need for food is the gravest and starvation threatens human life.

Civilization has been combating weeds, insects, diseases and other pests throughout history. Agrochemicals which can be classified into three major categories, namely Insecticides, Fungicides and Herbicides, are an unavoidable part of modern life, used to protect everything from flower gardens to agricultural crops from specific pests. As per FAO reports, without agrochemicals, food production would decline, many fruits and vegetables would be in short supply and prices would rise. Some 20 to 40 percent of the world's potential crop production is already lost annually because of the effects of weeds, pests and diseases[2]. As per research estimates, in India annual crop losses on account of poor and inadequate use of crop protection chemicals exceed ₹100,000 Crores[3].

Continuous innovation has led to development of crop protection products with lower usage rates and better degradability, leading to lower environmental loading, improved human safety profile for farmers, workers and consumers, high biological efficacy, selective control of target pests and increased safety to specific beneficiaries, naturally occurring insects and organisms.

World Agrochemical Market:

The global crop protection industry has registered a growth of 6% p.a. since 2005 to reach USD 47.3 Billion in 2012. This market is expected to grow further, owing to the increasing food, fiber and fuel needs, at 4% p.a. to reach USD 54 Billion in 2015[4].

The crop protection chemicals market is mainly concentrated in the major developed countries such as United States and Western European nations. Europe has the largest share in the agrochemical market followed by Asia, Latin America and North America[4].

Herbicides are the most widely used agrochemical products globally, followed by insecticides and fungicides. Fungicide is the highest growing segment as it helps increasing yield, improving quality and in seed treatment. Fungicides are used in almost all agriculture markets of the world due to favorable climatic conditions for the fungal growth. Herbicides are used in most of the regions of the world, though the major markets are North America and Europe due to favorable climatic conditions there. Insecticides are more prevalent in Asian countries. This is due to higher growth of cotton, cereal, fruits and vegetables, which have higher incidence of insect attacks[4].

Indian Crop Protection Market:

India accounts for approx 4% of the global agro chemicals market estimated at USD 1.8 Billion. With the introduction of newer molecules and the increasing awareness among farmer community, the industry is witnessing high growth rates in recent times. The crop protection industry in India is dominated by molecules which are off-patent. Hence, a strong distribution network and brand presence acts as a competitive advantage[5].

As per published reports, consumption of crop protection products in India is among the lowest in the world. Per capita consumption of crop protection products in India is 0.6 kg/ ha compared to 13 kg/ ha in China and 7 kg/ ha in USA. Some of the reasons for low consumption in India are low purchasing power of farmers, lack of awareness among farmers, limited reach and lower accessibility of products[5]. This presents an immense opportunity for the crop protection industry to grow in India.

Market Trends:

- Increasing focus on development and production of environmentally safe pesticides by the industry as well as the Government.

- Focus by larger companies on brand building by conducting awareness camps for farmers and providing complete solutions.

- Increase in strategic alliances among large players for greater market reach and acquisitions of smaller domestic companies by global players to penetrate growing Indian market.

- Emphasis is on yield and quality output by the farmers. With increasing disposable income, farmers are willing to spend more to gain high yield and quality output. Preference for high quality products is on the rise.

- Usage of herbicides and fungicides is on the rise due to increased awareness, unavailability of labour and increased focus on fruits and vegetables.

Non-Pesticide Portfolio:

With an increase in the disposable income, Indian agriculture has three needs viz. increase production, increase productivity and increase quality of produce. All these needs can be addressed by use of modern agricultural practices which include Seeds, PGN and Agri-services.

Plant Growth Nutrients (PGN)

All the twenty-one nutrients required by the plant, including Macronutrients, Micronutrients and Secondary Nutrients must be balanced so that the plant maintains good health to defend unfavorable environmental conditions. Indiscreet agriculture practices in many parts of the country have led to increasing removal of secondary and micronutrients from the soil and multiple nutrient deficiencies, which are becoming a major constraint to increasing production.

A significant drop in the yield and quality of crops in the country has brought into focus the need for promoting balanced use of fertilization and educating the Indian farmer about the deficiencies of secondary and micronutrients in the soil.

Your Company has introduced a range of Specialty Nutrient products and to address sustainable agriculture, is focused on greener and cleaner products. These products not only will act as a vehicle for building relationship in fast growing fruits and vegetables, but also facilitate catering to small and marginal farmers. The current Indian market of Plant Growth Nutrients and specialty fertilizers is estimated to be ₹1,800 Crores[6].

Seeds

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on the quality of seeds to a large extent. The global market for seeds for the year 2012-13 has been USD 37.5 Billion growing at a CAGR of 8% for last 10 years. Indian seed industry has grown at the rate of 15% over the last five years and is estimated to be USD 1.6 Billion for the year 2012-13[7].

Soil Conditioner

Health of the soil is very important for optimizing crop production as also for good health of people and animals consuming farm produce. Soil conditioners are used to improve poor soils and to rebuild soil structure to improve the plant capacity to absorb water and nutrients from the soil. A wide variety of products are used as soil conditioners, such as bone meal, compost, farm yard manure, etc. There is a big need for soil conditioners of good quality which are organic in nature.

Agri Services

With the changing technologies and improved solutions available, the farming community is increasingly looking for services to support them in farm activities. The Government has also recognized this and provided for incentives for agricultural extension services. These will include educating farmers on right usages of crop protection products, seeds, PGN and propagate good agricultural practices.

Rallis Response:

Your Company launched *Rallis Poised* growth agenda in May 2007, targeting a sustained profitable and balanced growth. Since the launch of *Rallis Poised* growth agenda, your Company has recorded 16% CAGR in gross revenues. The *Rallis Poised* growth agenda has seven growth drivers, viz. Contract Manufacturing, Brand Premium, Value Enhancement (known as "DISHA" initiative), Overseas market expansion (named "Apollo"), Agri Services, Sustainability and Accelerating Growth. This is supported by three enablers, viz. Process orientation, infrastructure support in manufacturing Units, fields and offices and a committed and competent team of engaged employees.

Initiatives such as acquisition of a stake in Metahelix Life Sciences in December 2010, setting up a new manufacturing facility at Dahej in Gujarat, operating since June 2011, grow More Pulses programme, Samrudh Krishi, TRAITS and initiatives of current year including the acquisition of a stake in Zero Waste Agro Organics and investment at new R&D facility RICH at Bengaluru has further strengthened the *Rallis Poised* growth agenda. These initiatives are not only to drive growth but also towards balancing its business portfolio by focusing on its core business of crop protection as well as non-pesticide portfolio of Seeds, PGN, Agri Services, Contract Manufacturing, etc.

Business Environment 2012-13:

The global crop protection market for the year 2012 was up 6.4% over 2011. While all regions showed good level of growth over the previous year, the strongest growth was seen in Latin America on account of strong crop prices and increase in demand for maize, soybean and sugarcane.

The Indian Crop Protection industry is estimated to have recorded low growth for 2012-13. The Kharif season was delayed by over three weeks 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 during harvesting was impacted by Neelam Cyclone. Rabi was characterized by low pest and disease occurrence in key crops, especially paddy and pulses. Area under pulses, wheat and soya was higher than last year, but there was a drop in the acreage of cotton, paddy and coarse cereals. Overall, the year was challenging for the industry in India with inventory and margin pressures.

RALLIS' OVERALL PERFORMANCE

Consolidated Results:

Your Company's gross sales for the year 2012-13 crossed the key milestone of ₹1,500 Crores, reflecting a growth of 16% over the previous year. The Company's profit before tax during the year at ₹172.29 Crores, grew by 15%. Net profit after minority interest rose 20% to ₹119.01 Crores.

Standalone Results:

The gross sales for the year 2012-13 were ₹1,401.14 Crores, a 13% rise over the previous year. Profit before tax was higher by 15% at ₹173.35 Crores while net profit for the year stood at ₹119.38 Crores, recording a growth of 18% over the previous year.

REVIEW OF OPERATIONS

(1) **Crop Protection:**

(a) **Domestic Formulations Branded Business:**

The Domestic Branded Business of the Company registered a growth of 8% during the current year, driven by a sustained performance of the key brands. During the year the Company intensified activities under its market expansion programme EAGLE (**E**xpansion and **A**ggressive **G**rowth through **L**eadership and **E**xcellence). The latest brand recall survey carried out by an independent agency has reported an improvement in the brand recall among farmers, with seven out of top ten brands being that of Rallis.

Your Company continued to strengthen its long standing relationship with the Indian farmers through the farmer relationship building platform RKK - *Rallis Kisan Kutumba.* RKK touched a new milestone during the year with the farmer base crossing a million farmers. RKK is a unique initiative, enabling 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 contacts throughout the crop cycle, organizing crop seminars, product demonstrations, Farmer exchange programmes (Prerna), Focused Group Discussions (FGDs) and Advisory services. Your Company has added more value added services such as sms alerts on crop prices, weather and possible disease outbreak through *Samrudh Krishi* programme. Farmer helpline call centres have been strengthened and have become an important tool in servicing the farmers. Rallis currently offers helplines in fifteen vernacular languages.

TATA Rallis brand stands for reliability and trust in the minds of the Indian Farmers. We pride on this relationship being a major strength of Rallis. The core strength in Rallis is to build sustainable brands. Old Brands such as Rogor (currently Tafgor), Asataf and Contaf which were established by Rallis many years ago, continue to find a place in the minds of the farmers and are ruling strong and the new brands such as Applaud, Ergon, Takumi and Ralligold are steadily rising in brand equity and finding their leading place in the industry. The Company adopts several marketing methods to build brands, such as -

- o Systematic product segmentation, such as megabrands approach and various focused campaigns to build awareness wherein the entire sales force is engaged in contacting and educating the farmer and creating awareness.

- o 4 S campaigns – a distinctive approach where farmers across the country are contacted at regular intervals by a cross functional team from Rallis to create greater customer centricity across the Company. The four stages in the campaign are to contact the farmer (Sampark), build a relationship (Sambandh), create higher productivity (Samrudhi) and ensure customer delight (Santushti).

- o Innovative bouquet of activities like crop seminars, field demonstrations, Prerna programmes, Advisory Centers, quizzes are part of the activities conducted on a regular basis.

(b) **International Business:**

The International Business Division showed consistent performance during the year, with a growth of 9% over the previous year. The Company's strategy is towards maintaining a good share of international business of its total revenue pie and this stood at above 30%.

The increase in revenues over the previous year was led by Contract Manufacturing and alliance based sales in Latin America, a key market for crop protection. The last quarter of 2012-13 also saw an additional contract gained for a new Active Ingredient product for the US market. South East Asia and Africa continued to grow on account of new registrations received for key products.

(2) **Non-Pesticide Portfolio**

(a) **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 seed brands in 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, extensive field activities were conducted to establish the new brands.

(b) **Plant Growth Nutrients:**

As a move towards sustainable agriculture, your Company is increasing its focus on greener and cleaner products. Tata Uphaar, a 100% organic growth promoter and Gluco Beta, a unique blend of carbon, proteins, primary nutrients (N and K), secondary nutrients (Ca and Mg) and micro nutrients (Zn, Fe and B) in organic form is a move in that direction. Ralligold, a Plant Growth Nutrient, which partially reduces fertilizer 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.

(c) **Agri Services:**

Initiatives such as the ***Samrudh Krishi*** services started by the Company at Nasik for grape farmers and at Gujarat for cumin farmers have 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, and also helping them in marketing the produce, aims at embracing the entire value chain of products and services in growing pulses.

MoPu:

Pulses Productivity programme of Rallis has received acclaim from Maharashtra Government, during a recent World Economic Forum organized meeting. Under this initiative 1,60,000 farmers were covered during the year, supporting them to improve crop productivity and returns. The Public Private Partnership Project (PPP) between Maharashtra Government and Rallis, for Pulses, was executed, guiding the farmers deploying the Rallis Package of Practices. The other States where MoPu continued were Karnataka and Tamilnadu and during the year it was also extended to Madhya Pradesh.

Samrudh Krishi:

Farmer advisory services deployed in grapes, chilli and cumin crops has completed full year of operations. The farmers have reported reduction in input costs, improved yields, and better quality of produce which resulted in better prices, following Rallis' advisory support. In grapes, the share of exportable produce went up, giving the farmers better netbacks. Advisory services for chilli crop was launched during the year in Andhra Pradesh and the results are encouraging. Your Company has also piloted SK activities for paddy in Odisha.

Tata Rallis Agri Inputs Training Scheme (TRAITS):

In order to build necessary field force competencies your Company had launched TRAITS initiative in 2011-12 whereby non-graduate, rural youths with a farming background were trained in Agri-marketing and crop advisory activities. Two new centers for TRAITS have been opened at Bhubaneswar in Odisha and Nalanda in Bihar during the year.

ZWAOPL: Soil Conditioner : organic compost business:

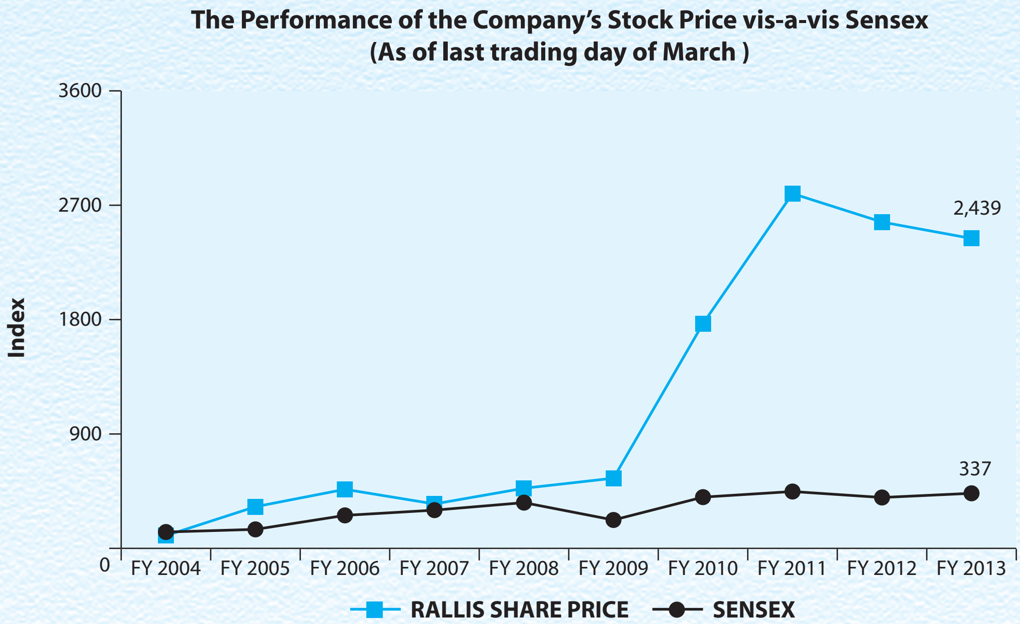
After the acquisition of stake in Zero Waste Agro Organics Private Limited (ZWAOPL), your Company has introduced the product GeoGreen, a scientifically prepared organic compost for key cash crops such as grapes, banana, vegetables, pomegranates, sugarcane, arecanut, ginger, potato and apple and the product is well accepted by the farmers.

TOTAL SHAREHOLDER RETURN

Total Shareholder Return (TSR), is the yearly rate of return of an investment made considering capital appreciation plus dividends over time. The TSR of an investment made in your Company in March 2004 kept till the last trading day of March 2013 works out to be quite attractive at 47% per annum. This means that if one had invested ₹100 in Rallis' stock in March 2004, the total value that the investment would have earned would be ₹2,537, if one had sold the stock on the last trading day of March 2013.

The dividend payout of the Company has improved over the years, from ₹1/- per share in 2005 (on Equity Shares of ₹10/- each) to ₹2.20 per share in 2012 (on Equity Shares of ₹1/- each). Along with the recommended final dividend of ₹1.30 per share, the dividend payout of the Company in 2013 will be ₹2.30 per share.

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 2004, the y-o-y performance of the Rallis stock and Sensex till FY 2013 is shown in the chart.



	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Rallis Share Price	71	233	330	248	335	392	1,255	1,321	121	115
Sensex	5,591	6,493	11,280	13,072	15,644	9,709	17,528	19,445	17,404	18,836

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 most of the key crops are expected to continue and will lead to increased investments by the farmers on agri inputs and improving overall productivity.

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 2013-14.

RISKS, CONCERNS AND THREATS

The performance of the crop protection industry and other agri inputs is dependent on monsoons, pest and disease incidences on crops. Major fluctuations in total rainfall and its distribution affect the crop acreages 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)

A major highlight has been the setting up of RICH (Rallis Innovation Chemistry Hub) in Bengaluru during the year. RICH is a state of the art R & D centre, comprising Chemistry, Product Development and Registration Departments. The Chemistry Department further comprises Process Chemistry and Development, Formulation Development and Analytical Research sections. Bioscience laboratories have also been set up for quick evaluation of new products.

The Company's Research and Development efforts are focused on new and safer formulations for better efficacy, improved value and services to the farmers. A number of registration dossiers have been submitted during the year for supporting domestic and international business.

Process Chemistry and Development focused on developing cost effective processes for molecules that are off-patent, in the areas of crop protection and having relevant market potential. Six patents were filed during the last year. Some of these are also being filed for world patents in relevant areas of interest. Process improvement projects were undertaken for improving product quality, yields and productivity of manufacturing processes. Process developments for contract manufacturing opportunities were also taken up as a major activity. Environment, Health and Safety (EHS) considerations were given special emphasis.

Product Development of new formulations in areas of Crop Protection, PGP/ PGR, Micronutrients was also undertaken with help of field trials in different areas, so as to assess their bio efficacy, effective dose and ensuring that these formulations are safe to use.

ENVIRONMENT, HEALTH & SAFETY (EHS)

During the year 2012-13, your Company has been awarded use of the Responsible Care Logo by Indian Chemical Council (ICC). This is testimony to the strong Environment, Health & Safety systems in the Company, which go beyond statutory norms. This recognition has an international recognition and there are only sixteen chemical companies in India who have received this recognition so far.

As in previous years, the Company has "Zero lost time accident at the workplace" as its long term strategic goal. Barring one minor fire incident, there were no reportable accidents during the year, with more than 80% 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 with commitment from senior leadership and supported by all levels of workforce across the Organization. Behavior Based Safety training & observations, Emergency Response training, RC Management system, Quantitative Risk Assessment, near miss identification & analysis and contractor safety were the key focus areas, among many others, during the year.

Since the Company's new plant at Dahej has been developed as a model in EHS systems, the same are now being deployed in other Units, including QRA, 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.

Utility management and energy conservation initiatives continued to be focus area in all manufacturing Units. This has helped in improving the "Greening Index" of the Company.

All Units of the Company are certified for IMS (Integrated Management System) which includes ISO-9001, OHSAS-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. The new plant at Dahej is recommended for IMS certification by DNV which includes ISO-9001, ISO-14001, OHSAS-18001 and ISO-50001 (Energy Management system).

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:

- o Responsible Care Logo by ICC
- o NSC Maharashtra Chapter Award for Akola Unit
- o Two Awards for Dahej Unit in Green Environment Contest by Baroda Productivity Council:
  - Category : Food, Agro & Pharma - Winner
  - Overall winner in Safety Vertical - Winner

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company's internal audit systems are geared towards ensuring adequate internal controls to meet the size and needs of business, for safeguarding the assets of the Company, evaluating reliability of financial and operational information, identifying weaknesses and areas of improvement and to meet with all compliances.

The risk based annual internal audit programme focuses primarily on such system and process checks and controls, monitoring compliances and continuous upgrade of controls.

This process enables reporting of significant audit observations to the Audit Committee. The Audit Committee reviews the audit observations and monitors the implementation through action taken reports. Suggesting value add ideas is also one of the key focus areas.

The scope and authority of the Corporate Audit Department is derived from the Audit Charter approved by the Audit Committee. Internal Audit reviews are performed by an in-house team of multi-disciplinary professionals comprising chartered accountants, CISA and a technical resource.

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.

The development and use of e-platform will continue to be a prime initiative in the current year, with the objective of covering a larger volume of audit data to provide a more meaningful assurance in addition to the regular reviews, thus raising the bar of control effectiveness.

RISK MANAGEMENT

Risk management includes implementing systems to identify risks, report them and take measures to mitigate them. The Company has laid down procedures to inform the Audit Committee of the Board of Directors about risk assessment and minimisation procedures.

This risk management process covers risk identification, assessment, analysis and mitigation, along with providing necessary updates to the Audit Committee of Directors and to the Board of Directors. The risk structure comprises risk owners, who define the mitigation plans for all categories of risks including responsibilities and timelines and the activity owners who are responsible for taking action on the risk mitigation plans.

During the year, the key business risks of the Company covering all the functions were updated. Currently, there is a repository of 11 key risks which are evaluated based on the probability and impact of each risk.

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 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 revisited some of the employee policies and revised them to keep them in line with the changing scenario. Manpower appropriation studies were carried out at Ankleshwar and Dahej factories. The reports are being studied for implementation.

The Company carried out an Internal Customer Satisfaction Survey to look for opportunities to enhance the satisfaction of internal customers. The satisfaction scores have 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. A new web based e-learning initiative called 'eVidya' was launched in collaboration with Harvard Business Publishing and Tata Management Training Center. Employees can complete the training modules from any place and at any time on this e-learning portal.

This year, the Company participated in Employee Engagement Survey conducted by Aon Hewitt. Employee Engagement Score for Rallis is 80%, which is higher than the Average Score for Manufacturing Industries and Aon Hewitt Best Employer India score. This year, the Company also participated in a survey conducted by 'Great Place to Work Institute'. The score is 82%, which is equal to the average of top 50 companies which participated in the survey this year.

As on 31st March, 2013, the employee strength was 843, as compared to 857 as on 31st March, 2012.

BUSINESS EXCELLENCE

The year 2012-13 was an eventful year for Rallis. Your Company was declared the winner of the CII-EXIM Bank Prize at the National Quality Summit of CII (Confederation of Indian Industry) held in Bengaluru on 2nd November, 2012. This honour is given to the Organization that exhibits highest standards of excellence based on the CII-EXIM Bank Business Excellence Model which is adapted from EFQM (European Foundation for Quality Management) model. This Prize, following the coveted JRDQV Award of Tata Business Excellence Model won by the Company during 2011, is a cause for celebration, while also placing the onus on the Company to continue on the journey of excellence for a better and sustained growth.

These coveted Awards acknowledge the sustained efforts and strong commitment of all employees of the Company to excel, sustain and grow together. Winning the JRD QV Award and the CII-EXIM Bank Prize has energized the Organization to continue on the Business Excellence (BE) path with renewed vigour.

Some highlights of the Business Excellence journey this year are:

- Six entries from the Company qualified for Tata Innovista Regional Network Forum, with four of them winning the regional rounds. One project - "The Product P – A Customer's Delight" achieved the Global Recognition in the "Dare to Try" category.
- One project - "EAGLE" got accolades at the QIMPRO Convention on Innovation.
- LASER (**L**earn, **A**pply, **S**hare, **E**njoy & **R**eflect) drive continued in all factories. Significant changes in the workplace conditions were achieved through implementation of 5S.
- More than 300 employees participated in training programmes on "Practicing Business Excellence" (PBE).

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 six 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. Furthermore, 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.

This year, your Company has also implemented "eBandhan", the dealer portal for better dealer connect and online interaction with dealers.

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 key focus area in sustainability are water management (recycling, reusing and conservation), water shed projects for community, carbon foot printing and reduction of specific CO2 generation, enhanced safety for all employees and associates. The Company is also planning to use renewable source of energy in steam and power generation in different Units.

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 already 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.

The Company's Community development efforts have resulted in expanding the community base to over 1,416 events and benefitting over 48,000 people.

The Key Themes inspiring CD (Community Development) initiatives as per the CD Policy are Leveraging competence in the field of agriculture, Improving quality of life through water conservation and Empowering women & children. The foundation of these key themes is Volunteering by enthusiastic employees of Rallis.

The focused initiatives under these Key themes, which are carried out by Rallis' Employee Volunteers Saathis are:

- Leveraging Competency in Agriculture
- Improve Quality of Life through water conservation
- Women empowerment (TARA initiative)
- Children empowerment

Rallis CD initiatives have created positive impact on the community and at the end of our various programmes, communities have shared their positive feedback. Some of the impacts of above initiatives are:

- Awareness related to safety precautions to be taken while handling pesticides.
- Enhanced employability, improvement in agri output and generating rural employment.
- Increase in green belt.
- Increase in ground water level.
- Increase in confidence level of students.
- Clear understanding on various career options available, along with their potential.
- Women motivated to start their own business and be financially independent.
- Increase in self confidence and self image of girls and women.

Besides these CD initiatives, your Company also focuses on working towards upliftment of SC/ ST communities through its Affirmative Action (AA) initiatives. Of the four themes under AA initiatives, viz: Employment, Employability, Entrepreneurship and Education, your Company focuses on Employment and Employability, along with working in the other two areas.

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.

1. http://www.census.gov/population/international/data/idb/worldpopgraph.php
2. http://www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How_to_Feed_the_World_in_2050.pdf
3. Estimated by the Standing Committee on Petroleum and Chemicals 2011-12.
4. The Global Agrochemical and Seed Markets Industry Developments *Phillips McDougall Ltd*
5. Conference on Agro chemicals 2011 - Dept of Chemicals & Petrochemicals Govt of India and FICCI
6. Independent market research agencies
7. http://seednet.gov.in/Material/Structure.pdf

REPORT ON CORPORATE GOVERNANCE

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

Effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. It is essentially a system by which companies are directed and controlled by the management in the best interest of all stakeholders. In a strict sense, Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Your Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. It, therefore, 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 31.03.2013, comprised 11 Directors, of which 10 were Non-Executive Directors. The Company has a non-executive Chairman and the 6 Independent Directors as on 31.03.2013, comprised more than 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 2012-13	Attendance at AGM held on 27th June, 2012	No. of Directorships* (As on 31.03.2013)			No. of committee positions in Mandatory Committees* (As on 31.03.2013)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. R. Gopalakrishnan (Chairman)	Non-Independent Non-Executive	6	Yes	5	7	12	-	3	3
Mr. Homi R. Khusrokhan	Non-Independent Non-Executive	6	Yes	-	7	7	1	6	7
Mr. B. D. Banerjee	Independent Non-Executive	5	Yes	-	2	2	1	2	3
Mr. E. A. Kshirsagar	Independent Non-Executive	6	Yes	-	8	8	5	4	9
Mr. Prakash R. Rastogi	Independent Non-Executive	6	Yes	-	2	2	-	1	1

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Director	Category	No. of Board Meetings attended during 2012-13	Attendance at AGM held on 27th June, 2012	No. of Directorships* (As on 31.03.2013)			No. of committee positions in Mandatory Committees* (As on 31.03.2013)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. Bharat Vasani	Non-Independent Non-Executive	6	Yes	-	5	5	-	1	1
Dr. Venkatrao S. Sohoni (upto 28.05.2012)	Non-Independent Non-Executive	1	NA	-	3	3	-	2	2
Dr. K. P. Prabhakaran Nair	Independent Non-Executive	6	Yes	-	1	1	-	2	2
Mr. R. Mukundan	Non-Independent Non-Executive	4	Yes	-	5	5	-	1	1
Dr. Yoginder K. Alagh	Independent Non-Executive	5	Yes	-	5	5	1	6	7
Dr. Y. S. P Thorat	Independent Non-Executive	5	Yes	1	9	10	5	1	6
Mr. V. Shankar (Managing Director & CEO)	Non-Independent Executive	6	Yes	2	3	5	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 Indian public companies have been considered for committee positions.

The Company held 6 Board Meetings during 2012-13 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were: 23rd April, 2012; 27th June, 2012; 23rd July, 2012; 17th October, 2012; 23rd January, 2013 and 18th March, 2013.

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.

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

Composition and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. All members of the Committee are financially literate, with Mr. E. A. Kshirsagar and Mr. H. R. Khusrokhan having the relevant accounting and financial management expertise.

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 2012-13
Mr. E. A. Kshirsagar, Chairman	Independent, Non-Executive	8
Mr. Homi R. Khusrokhan, Member	Non-Independent, Non-Executive	7
Mr. B. D. Banerjee, Member	Independent, Non-Executive	7
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	8
Dr. Venkatrao S. Sohoni, Member (upto 28.05.2012)	Non-Independent, Non-Executive	1
Dr. K. P. Prabhakaran Nair, Member	Independent, Non-Executive	8
Dr. Yoginder K. Alagh, Member	Independent, Non-Executive	7

The Audit Committee met 8 times during the year and the gap between two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held were: 23rd April, 2012; 27th June, 2012; 23rd July, 2012; 24th September, 2012; 17th October, 2012; 27th November, 2012; 23rd January, 2013 and 18th March, 2013. Necessary quorum was present at the above Meetings.

During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas. Risk mitigation plans covering key risks affecting the Company were presented to the Committee. The Chairman of the Committee briefs the Board members about the significant discussions at Audit Committee 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 27th June, 2012.

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 2012-13
Mr. B. D. Banerjee, Chairman	Independent, Non-Executive	3
Mr. R. Gopalakrishnan, Member	Non-Independent, Non-Executive	3
Mr. E. A. Kshirsagar, Member	Independent, Non-Executive	3
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	2

The Committee met three times during the year, on 23rd April, 2012; 24th September, 2012 and 13th February, 2013.

The Chairman of the Nominations & Remuneration Committee, Mr. B. D. Banerjee was present at the Annual General Meeting of the Company held on 27th June, 2012.

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. Since the above approval was valid upto 31st March, 2013, Members' approval is being sought at the forthcoming Annual General Meeting, enabling the payment of commission not exceeding 1% per annum of the net profits of the Company to Non-Executive Directors for five financial years commencing from 1st April, 2013. 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 2012-13

The aggregate value of salary, perquisites and commission paid to Mr. V. Shankar, Managing Director & CEO, during the year 2012-13 is ₹2,41,73,392/-, comprising:

Salary	:	₹43,20,000/-
Perquisites and allowances	:	₹68,53,392/-
Commission for the financial year 2011-12, paid during 2012-13	:	₹1,30,00,000/-
Period of Agreement	:	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 sitting fees paid during the financial year 2012-13 to the Non-Executive Directors for attending the Board and Committee Meetings for the year 2012-13 and the commission paid to them during 2012-13 for the year 2011-12, are as follows:

Name of Director	Fees paid (₹)	Commission for the financial year 2011-12, paid during 2012-13 (₹)
Mr. R. Gopalakrishnan	2,60,000	18,70,000
Mr. Homi R. Khusrokhan	3,40,000	11,55,000
Mr. B. D. Banerjee	3,30,000	17,00,000
Mr. E. A. Kshirsagar	4,30,000	21,40,000
Dr. S. Ramanathan (upto 30.06.2011)	NA	4,55,000
Mr. Prakash R. Rastogi	4,00,000	11,60,000
Mr. Bharat Vasani	1,40,000	14,00,000
Dr. Venkatrao S. Sohoni (upto 28.05.2012)	45,000	4,55,000
Dr. K. P. Prabhakaran Nair	2,90,000	17,00,000
Dr. Yoginder K. Alagh	2,40,000	10,10,000
Dr. Y. S. P. Thorat	1,00,000	4,55,000

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

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

Terms of reference

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

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. Mr. 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 23rd April, 2012 and 17th October, 2012.

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 2012-13
Mr. B. D. Banerjee, Chairman	Independent, Non-Executive	2
Mr. E. A. Kshirsagar, Member	Independent, Non-Executive	2
Dr. Venkatrao S. Sohoni, Member (upto 28.05.2012)	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

A total of 671 correspondences were received from investors during 2012-13, of which 4 cases were reported as complaints. Two correspondences remained pending as on 31st March, 2013. These were received during the last week of March 2013 and hence were pending on 31st March, 2013, but have been subsequently replied to, as certified by TSR Darashaw Pvt. Ltd. (Registrars).

One request for transfer of 750 shares and one request for dematerialization of 750 shares were pending as on 31st March, 2013. These requests were received during the last week of March 2013 and hence were pending on 31st March, 2013, but have been subsequently processed, as certified by the 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 2012-13
Mr. R. Gopalakrishnan, Chairman	Non-Independent, Non-Executive	4
Mr. Homi R. Khusrokhan, Member	Non-Independent, Non-Executive	4
Mr. E. A. Kshirsagar, Member	Independent, Non-Executive	3
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	3
Mr. R. Mukundan, Member	Non-Independent, Non-Executive	2
Mr. V. Shankar, Member	Non-Independent, Executive	4

The Executive Committee of the Board met four times during the year, on 12th July, 2012; 23rd October, 2012; 22nd January, 2013 and 28th February, 2013.

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 2012-13
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	2
Mr. Bharat Vasani, Member	Non-Independent, Non-Executive	2

The Property Committee met twice during the year, on 25th June, 2012 and 4th December, 2012.

7. **SUBSIDIARY COMPANIES**

The Company does not have any material unlisted Indian subsidiary as defined under Clause 49 of the Listing Agreement, viz. an unlisted subsidiary incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. It is, therefore, not required to have an Independent Director of the Company on the Board of such subsidiary.

The Company's Audit Committee reviews the consolidated financial statements of the Company as well as the financial statements of the subsidiaries. The minutes of the Board Meetings, along with a report of the significant developments of the unlisted subsidiaries of the Company, are periodically placed before the Board of Directors of the Company.

8. **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
Wednesday, 27th June, 2012	Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021.	3.00 p.m.	There was no matter that required passing of a special resolution.
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 a 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.

9. **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, 2013.

e) The Company has a well defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.

f) 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.

g) The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

h) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Further, the status of compliance with the non-mandatory requirements is as under:

- o The Non-Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.
- o The Company has set up the Remuneration Committee as per the provisions of Clause 49.
- o Half yearly performance of the Company is sent to all shareholders.
- o The financial statements of the Company are unqualified.
- o The Company has adopted a Whistle Blower Policy, which has been widely disseminated to all employees in the Company.
- o The Company has adopted the guidelines for the composition of the Board of Directors, which provides for the tenure and retirement age for the Managing and Non-Executive Directors.

10. **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 are uploaded on the Corporate Filing and Dissemination System (CFDS), a portal to view information filed by listed companies.

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 website and on CFDS.

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

iv) Comprehensive information about the Company, its business and operations and press releases can be viewed on the Company's website. The "Investor Relations" section on the website gives information relating to financial results, annual reports, shareholding pattern and presentations made to analysts and at Annual General Meetings. Information about unclaimed dividends is also available in this section, under the head "Amounts pending transfer to IEPF".

Members also have the facility of raising their queries/ complaints through the Shareholder Query Form available under "Shareholder Information" in the "Investor Relations" section of the website.

v) The quarterly Shareholding Pattern and Corporate Governance Report of the Company are posted through CFDS. They are also filed with the National Stock Exchange of India Ltd. through NSE Electronic Application Processing System (NEAPS). Hard copies of the same are also filed with the Stock Exchanges where the Company's shares are listed.

vi) 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.

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

11. GENERAL SHAREHOLDER INFORMATION

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

Annual General Meeting date, time and venue:

Monday, 24th June, 2013 at 4.00 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) of the Listing Agreement, particulars of Directors seeking re-appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 24th June, 2013.

Financial Calendar	:	April to March
Date of book closure	:	11th June, 2013 to 24th June, 2013 (both days inclusive)
Dividend payment date	:	26th June, 2013
Listing on Stock Exchanges	:	The Company's Equity Shares are listed on the following Stock Exchanges:

BSE 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 2012-13.

Stock Code on BSE 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	:	INE613A01020

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 BSE Ltd.

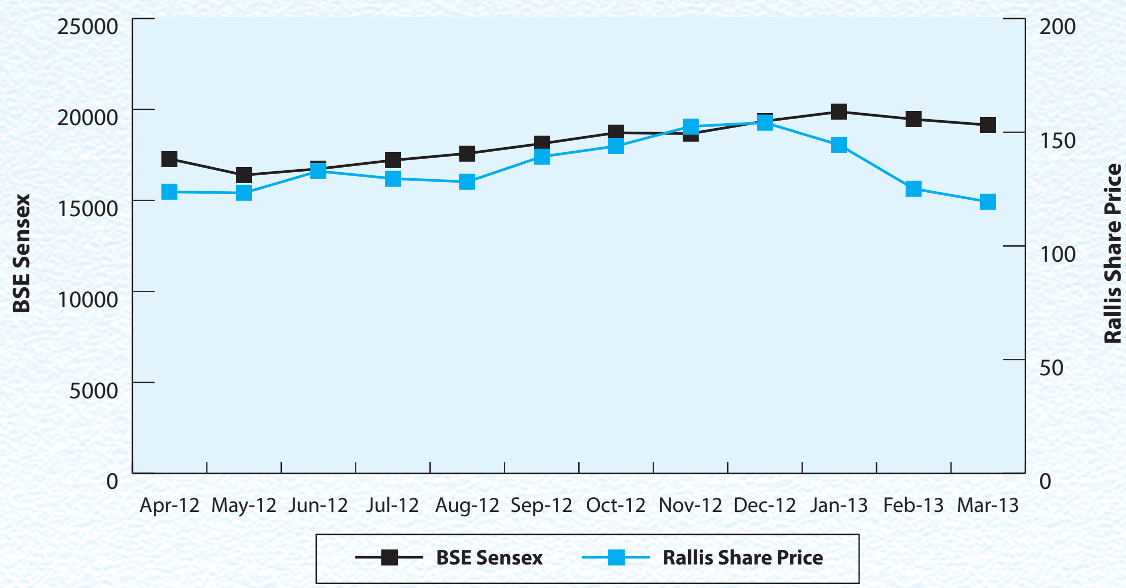
Rate of interest	:	9.05%
Date of Redemption	:	29th October, 2013
Scrip Code on BSE Ltd.	:	947111
Demat International Security Identification Number (ISIN) in NSDL and CDSL for Debt Instruments	:	INE613A07019

Market Information:

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

Month	BSE 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 2012	135.40	111.55	16,35,328	2,044.38	21,690	135.25	111.05	84,26,989	10,366.22	85,300
May 2012	133.00	112.50	23,29,713	2,879.85	21,239	140.00	112.00	68,50,334	8,413.40	1,09,767
June 2012	144.70	120.05	29,10,990	3,867.03	33,377	144.35	119.75	89,76,610	12,021.18	1,12,349
July 2012	142.45	117.50	11,03,820	1,413.62	17,109	142.00	117.50	49,44,813	6,376.27	68,251
August 2012	139.50	122.00	15,32,389	1,973.35	14,427	139.50	121.00	42,22,277	5,493.05	53,693
September 2012	150.00	130.35	12,45,050	1,764.70	21,976	150.20	129.00	44,92,616	6,346.63	71,571
October 2012	154.30	135.30	24,68,802	3,537.01	27,191	154.60	135.25	74,16,223	10,675.68	84,335
November 2012	168.50	139.75	64,74,375	9,843.30	33,419	168.50	139.70	93,66,880	14,427.56	94,761
December 2012	168.75	148.10	10,20,784	1,603.37	18,512	169.95	148.00	34,39,819	5,394.66	62,553
January 2013	155.90	129.05	18,89,870	2,703.60	25,626	155.90	129.00	59,03,070	8,548.83	72,107
February 2013	138.90	112.50	18,00,722	2,201.57	13,614	142.00	112.50	43,16,872	5,443.01	54,436
March 2013	130.25	111.10	11,37,551	1,345.19	14,635	130.45	111.00	34,61,824	4,120.59	53,127

Performance of Rallis Share Price in comparison with BSE Sensex



Share Registrars and Transfer Agents:

TSR DARASHAW PVT. 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 Pvt. Ltd. (TSRDPL):

Branches of TSRDPL

TSR Darashaw Pvt. 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 Pvt. 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 Pvt. Ltd.,
2/42, Ansari Road,
1st Floor, Daryaganj,
Sant Vihar,
New Delhi 110 002.
Tel.: 011-2327 1805
Fax: 011-2327 1802
Email: tsrdldel@tsrdarashaw.com

TSR Darashaw Pvt. Ltd.,
"E" Road, Northern Town,
Bistupur,
Jamshedpur 831 001.
Tel.: 0657-242 6616
Fax: 0657-242 6937
Email: tsrdljsr@tsrdarashaw.com

Agent of TSRDPL

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 Pvt. Ltd. at its registered address or at any of the above mentioned branch offices or at the office of the Agent of TSRDPL. 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, 2013:

Holding of Nominal Value: ₹1/-

Sr. No.	Range	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	26,21,758	26,21,758	1.35	19,974	74.77
2	501 to 1000	22,53,447	22,53,447	1.16	2,855	10.69
3	1001 to 2000	25,71,209	25,71,209	1.32	1,711	6.41
4	2001 to 3000	17,69,973	17,69,973	0.91	674	2.52
5	3001 to 4000	9,71,888	9,71,888	0.50	269	1.01
6	4001 to 5000	10,65,988	10,65,988	0.55	228	0.85
7	5001 to 10000	35,52,473	35,52,473	1.82	487	1.82
8	Greater than 10000	17,96,62,154	17,96,62,154	92.39	515	1.93
	Total	**19,44,68,890**	**19,44,68,890**	**100.00**	**26,713**	**100.00**

Shareholding pattern as on 31st March, 2013:

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 *	51,45,638	2.65
3	Foreign Institutional Investors and Foreign Companies	2,06,55,939	10.62
4	Non Resident Individuals	12,61,598	0.65
5	Other Bodies Corporate & Trusts	1,34,31,008	6.91
6	Nationalized Banks and Mutual Funds	86,36,679	4.44
7	Foreign Banks and Other Banks	81,773	0.04
8	Individuals	4,78,39,645	24.60
	Total	**19,44,68,890**	**100.00**

* Based on legal advice, Tata AIA Life Insurance Co. Ltd. is not considered part of the Promoter Group. It holds 15,43,369 Equity Shares, representing 0.79% 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, 2013:

Physical form : 1.75

Electronic form with NSDL : 93.66

Electronic form with CDSL : 4.59

The Company's shares are regularly traded on BSE Ltd. and the National Stock Exchange of India Ltd. in the electronic form.

Rallis India Limited

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 Pvt. 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, 2013.

V. Shankar
Managing Director & CEO

Mumbai, 25th April, 2013

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, 2013, 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, 25th April, 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RALLIS INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **RALLIS INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principals generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

MUMBAI 25th April, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" section 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 explanations 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 other than 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 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.

(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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance,Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 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	483.95
		Additional Commissioner	1998-99, 2000-01, 2001-02, 2006-07 to 2008-09	253.58
		Deputy Commissioner	1983-84, 1992-93, 1994-95, 1996-97 to 2006-07	498.75
		Assistant Commissioner	1993-94, 1998-99, 1999-00, 2001-02, 2003-04 to 2009-10	117.49
		Tribunal	1992-93, 1995-96 to 2001-02	424.28
		Commercial Tax Officer	1990-91, 1996-97, 1997-98, 2002-03	28.16
Finance Act, 1994	Service Tax	Assistant Commissioner	2007-08, 2010-11	7.35
		Superintendent of Excise and Custom	2007-08 to 2012-13	11.55
		Joint Commissioner	2005-06 to 2009-10	26.73
		Tribunal	2006-07 to 2010-11	19.59
Customs Act, 1962	Custom Duty	High Court	1999-00	144.10
Central Excise Act, 1994	Excise Duty (including penalty and interest)	Additional Commissioner	2005-06	26.61
		Joint Commissioner (Appeals)	1999-00 to 2000-01	62.80
		Deputy Commissioner	1999-00 2001-02	29.61
		Tribunal	1986-87, 1990-91, 1996 - 97 to 1998-99, 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	300.31

(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
(Firm Registration No. 117366W)

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

MUMBAI, 25th April 2013

Rallis India Limited

BALANCE SHEET AS AT 31ST MARCH, 2013

₹ lacs

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,944.71	1,944.71
Reserves and surplus	3	60,203.89	53,420.33
		62,148.60	55,365.04
Non-current liabilities			
Long-term borrowings	4	842.19	8,213.16
Deferred tax liabilities (Net)	31	2,864.13	1,308.46
Other Long term liabilities	5	588.21	383.00
Long-term provisions	6	2,954.13	2,853.87
		7,248.66	12,758.49
Current liabilities			
Short-term borrowings	7	-	3,122.04
Trade payables	45	21,313.67	21,938.16
Other current liabilities	8	12,247.40	6,579.70
Short-term provisions	9	3,679.94	3,181.60
		37,241.01	34,821.50
Total		106,638.27	102,945.03
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10 a	36,433.86	35,159.01
Intangible assets	10 b	768.90	46.75
Capital work-in-progress		1,572.62	3,492.11
Intangible assets under development		1,091.00	1,545.54
Non-current investments	11	19,243.99	17,797.96
Long-term loans and advances	12	8,675.05	8,888.51
Other non-current assets	13	-	20.90
		67,785.42	66,950.78
Current assets			
Current investments	14	103.84	296.14
Inventories	15	19,034.99	22,416.15
Trade receivables	16	14,376.06	8,209.28
Cash and cash equivalents	17	2,443.64	1,054.88
Short-term loans and advances	18	2,629.48	3,725.89
Other current assets	19	264.84	291.91
		38,852.85	35,994.25
Total		106,638.27	102,945.03
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, 25th April, 2013

R. GOPALAKRISHNAN *Chairman*

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

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ lacs

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from operations (gross)	20	141,858.01	126,007.19
Less : Excise Duty		9,479.79	7,882.19
Revenue from Operations (net) (I)		132,378.22	118,125.00
Expenses:			
Cost of materials consumed	22	68,566.76	62,063.21
Purchases of Traded Goods	36(b)	12,433.32	9,212.73
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	2,418.86	(382.70)
Employee benefits expense	24	7,784.29	8,033.35
Other expenses	25	20,852.49	19,472.18
Total expenses (II)		112,055.72	98,398.77
Earnings before interest, depreciation, tax and amortization (I-II)		20,322.50	19,726.23
Finance costs	26	1,251.49	1,037.15
Depreciation and amortization expense	10	2,881.05	2,711.08
Other income	21	1,145.45	749.85
Profit before exceptional items		17,335.41	16,727.85
Exceptional items			
Cessation Cost		-	1,719.11
Profit before tax		17,335.41	15,008.74
Tax expense:			
a. Current tax		3,872.11	3,818.47
b. Deferred tax - Charge (net)		1,525.22	1,051.31
Profit for the year		11,938.08	10,138.96
Earnings per equity share (of ₹ 1 each) :	41		
(1) Basic		6.14	5.21
(2) Diluted		6.14	5.21
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, 25th April, 2013

B. D. BANERJEE
E. A. KSHIRSAGAR
PRAKASH R. RASTOGI
BHARAT VASANI
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*

Rallis India Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

₹ lacs

		For the year ended 31st March, 2013	For the year ended 31st March, 2012
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before tax	**17,335.41**	*15,008.74*
	Adjustments for :		
	Depreciation and amortisation expense	**2,881.05**	*2,711.08*
	Interest expenses	**1,184.72**	*985.14*
	Interest income	**(52.27)**	*(35.05)*
	Interest from Investments	**(39.55)**	*(46.89)*
	Surplus on liquidation of subsidiary	**-**	*(107.69)*
	Dividend Income	**(87.61)**	*(23.20)*
	Credit balances written back	**(5.67)**	*(442.05)*
	Provision for supplemental payments on retirement	**82.80**	*(67.83)*
	Provision for gratuity	**(137.96)**	*177.40*
	Provision for compensated absences	**(12.91)**	*(22.23)*
	Unrealised foreign exchange translation loss	**56.41**	*63.64*
	Profit on sale of assets (net) (includes assets w/off)	**(689.21)**	*(224.49)*
	Operating Profit before Working Capital Changes	**20,515.21**	*17,976.57*
	Adjustments for :		
	Trade payables and other liabilities	**(966.80)**	*(2,145.12)*
	Trade receivables and other assets	**(6,199.06)**	*1,005.48*
	Inventories	**3,381.16**	*(1,713.04)*
	Long term loans and advances	**247.15**	*(50.99)*
	Short term loans and advances	**1,103.38**	*(1,080.21)*
	CASH GENERATED FROM OPERATIONS	**18,081.04**	*13,992.69*
	Taxes paid (Net of Refund and interest on refund received)	**(3,466.87)**	*(4,069.18)*
	NET CASH FROM OPERATING ACTIVITIES (A)	**14,614.17**	*9,923.51*
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets	**(4,091.67)**	*(5,033.85)*
	Proceeds from sale of fixed assets	**1,163.30**	*384.45*
	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	**(21,585.70)**	*(12,321.46)*
	Proceeds from redemption of debentures	**296.14**	*290.40*
	Purchase of non-current investments in subsidiaries	**(1,549.87)**	*(3,191.83)*
	Proceeds from sale of current investments	**21,585.70**	*12,321.46*
	Interest/Dividend received	**226.90**	*153.05*
	Investments in Bank Deposits (original maturity of more than 3 months) (net)	**44.74**	*(8.51)*
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(3,910.46)**	*(6,648.12)*

₹ lacs

		For the year ended 31st March, 2013	For the year ended 31st March, 2012
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long-term borrowings	**120.58**	*190.61*
	Repayment of long-term borrowings	**(128.22)**	*(18.56)*
	(Repayment) / Proceeds of short-term borrowings(net)	**(3,122.04)**	*2,150.52*
	Dividends paid on Equity Shares (including dividend distribution tax)	**(4,954.69)**	*(4,726.51)*
	Interest Paid	**(1,203.53)**	*(971.66)*
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(9,287.90)**	*(3,375.60)*
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**1,415.81**	*(100.21)*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash in Hand	**3.07**	*2.22*
	Balances with Scheduled Banks on Current Account and Deposit Account	**781.77**	*882.83*
		784.84	*885.05*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in Hand	**3.02**	*3.07*
	Balances with Scheduled Banks on Current Account and Deposit Account	**2,197.64**	*781.77*
		2,200.66	*784.84*
	Footnotes:		
	Cash and Cash Equivalents as above	**2,200.66**	*784.84*
	Restricted Bank Balance	**96.18**	*78.50*
	Balances with scheduled banks:		
	On Fixed Deposit as Margin Money against Bank Guarantees	**146.80**	*191.54*
	CASH AND BANK BALANCES AS PER NOTE 17	**2,443.64**	*1,054.88*

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, 25th April, 2013

B. D. BANERJEE
E. A. KSHIRSAGAR
PRAKASH R. RASTOGI
BHARAT VASANI
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*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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. 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 Company's share in the acquired company's assets.

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 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 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 substantively 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

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 on a straight line basis over the lease period, whichever 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.

2 SHARE CAPITAL:

	As at 31st March, 2013		As at 31st March, 2012	
	Number	**₹ lacs**	*Number*	*₹ lacs*
Authorised				
Equity Shares of ₹1 each	**500,000,000**	**5,000.00**	*500,000,000*	*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	**194,468,890**	**1,944.69**	*194,468,890*	*1,944.69*
Forfeited Shares				
Equity Shares of ₹1 each	**2,000**	**0.02**	*2,000*	*0.02*
Total	**194,470,890**	**1,944.71**	*194,470,890*	*1,944.71*

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

	As at 31st March, 2013		As at 31st March, 2012	
	Number	**₹ lacs**	*Number*	*₹ lacs*
At the beginning of the year	**194,468,890**	**1,944.69**	*19,446,889*	*1,944.69*
Sub-division (refer note below)	-	-	*175,022,001*	-
Outstanding at the end of the period	**194,468,890**	**1,944.69**	*194,468,890*	*1,944.69*

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:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	**₹ lacs**	*Number*	*₹ lacs*
Tata Chemicals Limited (Holding Company)	**97,341,610**	**973.42**	*97,341,610*	*973.42*

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	**% Holding**	*No. of Shares*	*% Holding*
Tata Chemicals Limited	**97,341,610**	**50.06%**	*97,341,610*	*50.06%*
Rakesh Jhunjhunwala	**19,507,820**	**10.03%**	*12,416,820*	*6.38%*

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:

	2012-13	2011-12	2010-11	2009-10	2008-09
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, 2013.

3 RESERVES AND SURPLUS:

₹ lacs

	As at 1st April, 2012	**Additions**	**Deductions**	***As at 31st March, 2013***	*As at 1st April, 2011*	*Additions*	*Deductions*	*As at 31st March, 2012*
Capital Reserve	**1,243.10**	**-**	**-**	**1,243.10**	*1,243.10*	*-*	*-*	*1,243.10*
Capital Redemption Reserve	**8,151.77**	**-**	**-**	**8,151.77**	*8,151.77*	*-*	*-*	*8,151.77*
Securities Premium Account	**8,793.88**	**-**	**-**	**8,793.88**	*8,793.88*	*-*	*-*	*8,793.88*
Debenture Redemption Reserve	**2,500.00**	**1,250.00**	**-**	**3,750.00**	*1,250.00*	*1,250.00*	*-*	*2,500.00*
Other Reserves :								
Capital Subsidy	**63.58**	**-**	**-**	**63.58**	*63.58*	*-*	*-*	*63.58*
General Reserve	**8,528.14**	**1,193.81**	**-**	**9,721.95**	*7,514.24*	*1,013.90*	*-*	*8,528.14*
Hedging Reserve Account (Refer Note No. 42)	**(63.40)**	**-**	**(63.40)**	**-**	*73.66*	*-*	*137.06*	*(63.40)*
	29,217.07	**2,443.81**	**(63.40)**	**31,724.28**	*27,090.23*	*2,263.90*	*137.06*	*29,217.07*
Surplus in the Statement of Profit and Loss								
Balance as per last financial statements	**24,203.26**	**-**	**-**	**24,203.26**	*21,300.57*	*-*	*-*	*21,300.57*
Net Profit For the current year	**-**	**11,938.08**	**-**	**11,938.08**	*-*	*10,138.96*	*-*	*10,138.96*
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)**	*-*	*-*	*1,944.69*	*(1,944.69)*
Distribution Tax on Interim Dividend	**-**	**-**	**315.48**	**(315.48)**	*-*	*-*	*315.48*	*(315.48)*
Proposed Equity Dividend	**-**	**-**	**2,528.10**	**(2,528.10)**	*-*	*-*	*2,333.63*	*(2,333.63)*
Distribution Tax on Proposed Equity Dividend	**-**	**-**	**429.65**	**(429.65)**	*-*	*-*	*378.57*	*(378.57)*
Transfer to General Reserves	**-**	**-**	**1,193.81**	**(1,193.81)**	*-*	*-*	*1,013.90*	*(1,013.90)*
Net Surplus in the Statement of Profit and Loss	**24,203.26**	**11,938.08**	**7,661.73**	**28,479.61**	*21,300.57*	*10,138.96*	*7,236.27*	*24,203.26*
	53,420.33	**14,381.89**	**7,598.33**	**60,203.89**	*48,390.80*	*12,402.86*	*7,373.33*	*53,420.33*

4 LONG-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Secured		
Debentures (see note a,b & c below)	-	*7,500.00*
	-	*7,500.00*
Unsecured		
Deferred payment liabilities		
i. Sales Tax Deferral Scheme (see note d below)	**766.87**	*627.68*
ii. Council of Scientific & Industrial Research loan (see note d below)	**75.32**	*85.48*
	842.19	*713.16*
Total	**842.19**	*8,213.16*

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: (₹ lacs)

Particulars	**Repayment Schedule**	**As at 31st March, 2013**	*As at 31st March, 2012*
Sales Tax Deferral Scheme - Akola	Varied Annual Installments from 2013-14 to 2015-16	**218.97**	331.84
Sales Tax Deferral Scheme - Lote*	Varied Annual Installments from 2018-19 to 2026-27	**616.24**	497.46
Council of Scientific & Industrial Research loan	Varied Annual Installments from 2013-14 to 2017-18	**94.15**	107.70

* 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, 2013	*As at 31st March, 2012*
Advances from customers	**588.21**	*383.00*
Total	**588.21**	*383.00*

6 LONG-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Provision for employee benefits		
Compensated Absences	**355.71**	*332.82*
Supplemental Payments on Retirement	**1,426.60**	*1,349.23*
Others		
Fringe Benefit Tax	**11.29**	*11.29*
Provision for Income Tax (net of advance tax)	**1,160.53**	*1,160.53*
Total	**2,954.13**	*2,853.87*

7 SHORT-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Secured		
Loans repayable on demand from banks*	**-**	*3,122.04*
Total	**-**	*3,122.04*

* 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, 2013	*As at 31st March, 2012*
Other Liabilities		
i. Current maturity of long term debt		
Sales Tax Deferral Scheme (unsecured) (refer note 4 d)	**68.34**	*201.62*
Council of Scientific & Industrial Research loan (unsecured) (refer note 4 d)	**18.83**	*22.22*
Debentures ((Secured) Refer Note a,b & c in Note 4)	**7,500.00**	*-*
ii. Interest accrued but not due on borrowings	**5.14**	*23.95*
iii. Unpaid dividends	**96.18**	*78.50*
iv. Other Payables:		
Provident Fund and other employee deductions	**113.98**	*111.81*
Customer Advances and Deposits	**3,550.35**	*4,776.42*
Creditors for Capital Purchases	**542.58**	*1,011.68*
Central Excise, Customs Duty, VAT and Service Tax payable	**283.94**	*309.93*
Tax deducted at source	**68.06**	*43.57*
Total	**12,247.40**	*6,579.70*

Rallis India Limited

9 SHORT-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
a. Provision for employee benefits		
Gratuity	**99.19**	*230.18*
Compensated Absences	**57.99**	*93.79*
Supplemental Payments on Retirement	**150.86**	*145.43*
b. Others		
Proposed Equity Dividend	**2,528.10**	*2,333.63*
Distribution Tax on Proposed Equity Dividend	**429.65**	*378.57*
Provision for Income Tax (net of advance tax)	**414.15**	-
Total	**3,679.94**	*3,181.60*

10 FIXED ASSETS:

₹ lacs

	Gross Block (At Cost)				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April 2012	Additions	Disposals	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation charge for the year	On disposals/ Adjustment	Balance as at 31st March 2013	Balance as at 31st March 2013	*Balance as at 31st March 2012*
a Tangible Assets										
Freehold Land	254.15	-	-	254.15	-	-	-	-	254.15	*254.15*
Leasehold Land (Refer footnote 4)	4,601.71	36.57	-	4,638.28	195.41	46.26	-	241.67	4,396.61	*4,406.30*
Buildings (Refer footnote 1 & 2)	14,841.75	563.02	536.65	14,868.12	2,328.44	417.61	251.29	2,494.76	12,373.36	*12,513.31*
Plant and Equipment	30,146.21	4,263.92	2,672.39	31,737.74	13,086.92	2,208.62	1,981.74	13,313.80	18,423.94	*17,059.29*
Furniture and Fixtures	565.75	192.49	9.47	748.77	322.07	35.77	8.78	349.06	399.71	*243.68*
Vehicles	1,021.00	-	435.50	585.50	489.78	84.31	290.04	284.05	301.45	*531.22*
Office Equipment	263.15	160.80	6.21	417.74	112.09	25.16	4.15	133.10	284.64	*151.06*
Total	51,693.72	5,216.80	3,660.22	53,250.30	16,534.71	2,817.73	2,536.00	16,816.44	36,433.86	*35,159.01*
b Intangible Assets										
Goodwill	163.63	-	-	163.63	163.63	-	-	163.63	-	-
Computer software	939.83	58.07	-	997.90	893.08	46.39	-	939.47	58.43	*46.75*
Product Registrations	493.25	727.40	-	1,220.65	493.25	16.93	-	510.18	710.47	-
Total	1,596.71	785.47	-	2,382.18	1,549.96	63.32	-	1,613.28	768.90	*46.75*
Total Fixed Assets	53,290.43	6,002.27	3,660.22	55,632.48	18,084.67	2,881.05	2,536.00	18,429.72	37,202.76	
Previous Year	*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*

Footnotes:

1. Cost of buildings includes cost of 45 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 6 *(Previous Year 7)* Co-operative Societies.
2. Buildings include an asset having gross block of ₹ 156.96 lacs *(Previous Year ₹ 169.29 lacs)* and net block of ₹ 105.42 lacs *(Previous Year ₹ 116.06 lacs)* where the conveyance in favour of the Company is not completed.
3. Fixed assets include ₹ 425.42 lacs *(Previous Year ₹ 434.98 lacs)* representing the book value of assets held for disposal. The Management expects to recover amounts higher than the carrying value of these assets.
4. Leasehold land include ₹ 1,708 lacs, for which the Company has made representation with Government Agencies regarding fulfilment of pre-conditions of lease upon expiry of timeline.

11 NON-CURRENT INVESTMENTS:

₹ lacs

	Nominal Value (in ₹)	Nos.	As at 31st March, 2013	As at 31st March, 2012
A. Trade Investments (Valued at cost less provision for diminution)				
Unquoted equity instruments - Fully paid up:				
a. Investment in Subsidiaries:				
Zero Waste Agro Organics Pvt. Ltd.	10	12,956	**1,000.07**	-
Rallis Chemistry Exports Ltd.	10	50,000	**5.00**	*5.00*
Metahelix Life Sciences Ltd.	10	82,796	**16,369.62**	*15,819.82*
		A	**17,374.69**	*15,824.82*
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*
Sipcot Industries Common Utilities Ltd.	100	113	**NIl**	*NIl*
Patancheru Enviro-Tech Ltd.	10	10,822	**1.08**	*1.08*
Advinus Therapeutics 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	**19,243.99**	*17,694.12*
B. Other Investments (Valued at cost less provision for diminution)				
a. Investments in equity instruments - Fully paid up (Quoted)				
Spartek Ceramics India Ltd.	10	7,226	**Nil**	*Nil*
Nagarjuna Finance Ltd.	10	400	**Nil**	*Nil*
Pharmaceuticals Products of India Limited	10	10,000	**Nil**	*Nil*
Ballasore Alloys Ltd. (Previously known as Ispat Alloys Ltd.)	10	504	**Nil**	*Nil*
J.K.Cement Ltd.	10	44	**Nil**	*Nil*
Uniscans & Sonics Ltd.	10	96	**Nil**	*Nil*
		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	**Nil**	*Nil*
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 Ltd. - Non Convertible Debentures (Refer Note No. 46)	1,000	10,384	**-**	*103.84*
		G	**-**	*103.84*
ii. Quoted-Fully Paid				
14% Spartek Ceramics India Limited-Debentures - Redeemable Partly Convertible (₹1)	60	560	**Nil**	*Nil*
		H	**-**	*-*
		I=G+H	**-**	*103.84*
		J=I+F+C	**19,243.99**	*17,797.96*
Aggregate Book Value of Investments:				
Unquoted - At cost less Provision for diminution in value			**19,243.99**	*17,797.96*
Quoted - At cost less Provision for diminution in value			**-**	*-*
			19,243.99	*17,797.96*

Footnotes:
Market value of quoted investments ₹ 0.59 lacs *(Previous Year ₹ 0.57 lacs)*.

Rallis India Limited

12 LONG-TERM LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Capital Advances	**144.54**	*150.21*
Security Deposits	**555.52**	*706.65*
Other Loans and Advances	**361.84**	*457.86*
Advance Income Tax (net of provisions)	**7,613.15**	*7,573.79*
Total	**8,675.05**	*8,888.51*

13 OTHER NON-CURRENT ASSETS:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Interest accrued on long term investments	**-**	*20.90*
Total	**-**	*20.90*

14 CURRENT INVESTMENTS:

(Refer Note No. 46)

₹ lacs

	Nominal value (in ₹)	**Numbers**	**As at 31st March, 2013**	*As at 31st March, 2012*
Investments in Debentures (Unquoted-Fully Paid)				
Current portion of 4.25% Advinus Therapeutics Pvt. Ltd. - Non Convertible Debentures	1,000	10,384	**103.84**	*296.14*
Total			**103.84**	*296.14*

15 INVENTORIES:

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

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
a. Raw Materials and components (Including goods-in transit of ₹ 965.96 lacs; *Previous year ₹ 3,209.95 lacs*)	**6,402.47**	*7,510.56*
b. Work-in-progress (Pesticides)	**666.62**	*900.27*
c. Finished goods (excluding finished goods traded in) (Refer Note No. 36(a))	**9,074.43**	*10,952.71*
d. Stock in trade (in respect of goods acquired for trading) (Refer Note No. 36(b))	**2,009.84**	*2,316.77*
e. Stores and spares	**109.12**	*74.46*
f. Packing Materials	**772.51**	*661.38*
Total	**19,034.99**	*22,416.15*

16 TRADE RECEIVABLES:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Trade receivables outstanding for a period less than six months		
Secured, considered good	**772.23**	*309.58*
Unsecured, considered good	**13,507.55**	*7,881.25*
	14,279.78	*8,190.83*
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	**4.55**	*11.00*
Unsecured, considered good	**91.73**	*7.45*
Doubtful	**272.04**	*549.49*
Less: Provision for doubtful debts	**(272.04)**	*(549.49)*
	96.28	*18.45*
Total	**14,376.06**	*8,209.28*

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

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Cash and Cash equivalents		
a. Balances with banks in Current accounts	**1,432.28**	*774.75*
b. Cash on hand	**3.02**	*3.07*
C. Deposits with less than 3 months maturity	**765.36**	*7.02*
	2,200.66	*784.84*
Other Bank Balances		
a. Balances held for unpaid dividends	**96.18**	*78.50*
b. Bank deposits as margin money against Bank Guarantees	**146.80**	*191.54*
	242.98	*270.04*
Total	**2,443.64**	*1,054.88*

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

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
a. Advances Recoverable in Cash or in Kind	**1,115.37**	*2,282.55*
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	**1,507.14**	*1,443.34*
d. Gratuity	**6.97**	*-*
Total	**2,629.48**	*3,725.89*

* 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)*.

Rallis India Limited

19 OTHER CURRENT ASSETS:

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
Interest on current maturity of Debentures	26.60	54.51
Interest on current maturity of fixed deposit	6.43	5.09
Export benefits receivable	231.81	232.31
Total	264.84	291.91

20 REVENUE FROM OPERATIONS:

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of products (Refer Note No. 34)		
Own Manufactured Goods	122,395.64	113,431.17
Traded Goods	17,718.05	10,062.98
Sale of services	81.76	12.78
Other operating revenues		
Scrap and Sundry Sales	972.21	992.36
Export Incentives	415.87	742.27
Discounts Earned	119.07	120.89
Royalty Income	149.74	202.69
Others	5.67	442.05
	141,858.01	126,007.19
Less : Excise duty	9,479.79	7,882.19
Total	132,378.22	118,125.00

21 OTHER INCOME:

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest Income on term and fixed deposits	18.94	16.02
Interest on loans and advances	33.33	19.03
Interest from Investments		
On current investments	39.55	38.38
On long term investments	-	8.51
Dividend income		
On current investments	85.71	21.48
On long term investments	1.90	1.72
Surplus on Liquidation of Subsidiary	-	107.69
Profit on sale of Fixed Assets (net)	689.21	224.49
Sundry Income	276.81	312.53
Total	1,145.45	749.85

22 COST OF MATERIALS CONSUMED:

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Raw Materials Consumed (Refer Notes No. 35 and 39)		
Opening Stock	**7,510.56**	*6,071.16*
Add : Purchases	**62,646.41**	*59,061.72*
Less : Closing Stock	**6,402.47**	*7,510.56*
	63,754.50	*57,622.32*
Packing Materials Consumed (Refer Note No. 39)	**4,812.26**	*4,440.89*
Total	**68,566.76**	*62,063.21*

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

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Opening Stock		
Finished Goods - Own Manufactured	**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*
Closing Stock		
Finished Goods - Own Manufactured	**9,074.43**	*10,952.71*
Finished Goods - Traded	**2,009.84**	*2,316.77*
Work in progress	**666.62**	*900.27*
	11,750.89	*14,169.75*
Net decrease/(Increase)	**2,418.86**	*(382.70)*

24 EMPLOYEE BENEFITS EXPENSE:
(Refer Note No. 44)

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
(a) Salaries and Wages	**6,438.20**	*6,514.06*
(b) Contribution to Provident and Other Funds	**408.53**	*413.78*
(c) Gratuity	**90.50**	*271.61*
(d) Staff welfare	**847.06**	*833.90*
Total	**7,784.29**	*8,033.35*

25 OTHER EXPENSES:

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Freight, Handling and Packing	3,080.26	2,579.03
Processing	742.79	636.99
Changes in Excise Duty on Inventory of Finished Goods	(138.74)	199.05
Travelling	796.79	669.78
Power and Fuel	4,762.41	4,275.75
Brand Equity Contribution	180.41	156.60
Repairs :		
to Machinery	678.80	552.06
to Buildings	96.16	110.99
Others	255.74	406.26
Stores and Spares Consumed (Refer Note No. 39)	500.32	487.81
Rates and Taxes	216.22	294.07
Bad Debts	303.45	320.45
Cash Discount	873.66	1,326.80
Commission	66.60	53.30
Insurance	197.52	179.97
Rent	1,068.09	746.85
Bank Charges	211.80	250.24
Directors' Fees & Commission	335.75	288.85
Provision for Doubtful Debts/Advances	26.00	-
Less : Provision for doubtful debts written back	(303.45)	(320.45)
Selling Expenses	2,041.04	1,656.37
Legal and Professional	573.73	518.55
Net loss on Foreign currency transactions and translation (other than considered as finance cost)	430.35	994.99
Pre-operative Expenses Capitalised	-	(150.62)
Other Expenses (Refer Note No. 29)	3,856.79	3,238.49
Total	**20,852.49**	*19,472.18*

26 FINANCE COSTS :

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest expense on:		
Borrowings	1,053.73	841.13
Other interest	130.99	144.01
Net (gain)/Loss on Foreign Currency transactions and translation	66.77	52.01
Total	**1,251.49**	*1,037.15*

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

(i) Contingent Liabilities:

₹ lacs

Particulars	2012-13	2011-12
a. Claims against the Company not acknowledged as debts:		
- Sales Tax	2,000.40	*2,158.63*
- Excise Duty	360.84	*360.84*
- Customs Duty	144.10	*149.50*
- Income Tax	6,838.48	*6,655.04*
- Service Tax	65.21	*42.14*
- Property Cases	47.36	*47.36*
- Labour Cases	109.00	*109.00*
- Other cases	109.56	*472.01*
- Number of cases where amount is not quantifiable 41 Nos. *(Previous Year 41 Nos.)*		
b. Guarantees #	-	*3.10*
c. Other money for which the company is contingently liable:		
- Bills Discounted (fully covered by buyer's letters of credit)	1,547.36	*104.10*
	11,222.31	*10,101.72*

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) to devolve in respect of its exposure and therefore no provision has been made in respect thereof.

(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 for an amount aggregating ₹ 506.77 lacs. *(previous year 2,591 equity shares held by them for an amount aggregating ₹ 506.77 lacs.)*

(b) to allow the founder shareholders, a put option exercisable over a period of 3 years *(Previous Year: 4 years)*, 8,433 shares held by them for an amount aggregating ₹ 1,649.11 lacs *(Previous Year: 11,244 shares for an amount aggregating ₹ 2,199.21 lacs)*.

At the end of 3 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) During the financial year 2012-13, the Company has acquired 12,956 equity shares of Zero Waste Agro Organics Private Limited (ZWAOPL) for an amount aggregating to ₹ 1,000.07 lacs. Besides, the shares already acquired, it has made the following commitments:

(a) Investment of ₹ 1,900.03 lacs in respect to ZWAOPL effectively taking the shareholding of Rallis to 50.06%.

(C) Estimated amount of contracts remaining to be executed on capital account of tangible assets is ₹ 934.83 lacs *(Previous Year ₹ 1,848.66 lacs)* against which advances paid aggregate ₹ 144.54 Lacs *(Previous Year ₹ 150.21 lacs)* and Intangible assets is ₹ 12.80 lacs *(Previous Year ₹ 95.79 lacs)*.

(D) For derivatives and lease commitments, refer note no 42 and 28 respectively.

28 The Company has procured motor vehicles under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹ 427.84 lacs *(Previous Year ₹ 203.53 lacs)* net of amount recovered from employees ₹ 3.59 lacs *(Previous Year ₹ 2.34 lacs)*. Disclosures in respect of non-cancellable leases are given below:

₹ lacs

Particulars	**2012-13**	*2011-12*
a) Total of minimum lease payments	**1,225.75**	*1,236.64*
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	**470.00**	*372.26*
Later than one year and not later than five years	**755.75**	*864.38*
c) Lease payments recognised in the statement of profit and loss for the year	**427.84**	*203.53*

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

29 OTHER EXPENSES INCLUDE AUDITORS' REMUNERATION AS UNDER:

₹ lacs

Particulars	**2012-13**	*2011-12*
Audit Fees	**55.20**	*46.98*
Tax Audit	**10.00**	*10.00*
Fees for other services	**57.08**	*49.20*
Reimbursement of out-of-pocket expenses	**1.53**	*0.82*

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

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

₹ lacs

Particulars	**2012-13**	*2011-12*
On tangible fixed assets	**1,463.94**	*5.30*
On items which have been expensed during the year	**891.70**	*899.04*
Total	**2,355.64**	*904.34*

During the year the Company has also incurred ₹ 919.94 lacs *(Previous Year ₹ 471.14 lacs)* towards 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 2013 is ₹ 1,094.17 lacs *(Previous Year ₹ 1,638.98 lacs)*.

Included in the foregoing is an amount of ₹ 422.69 lacs *(Previous Year ₹ 582.94 lacs)* paid to an external agency.

31 DEFERRED TAX ASSETS AND LIABILITIES:

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

₹ lacs

Particulars	2012-13	2011-12
Deferred Tax Assets		
On Provision against debts and advances	**1,629.93**	*1,646.01*
On other items	**639.56**	*772.63*
Total	**2,269.49**	*2,418.64*
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	**4,888.74**	*3,422.25*
On other items	**244.88**	*304.85*
Total	**5,133.62**	*3,727.10*
Net Deferred Tax Asset / (Liability) Recognised	**(2,864.13)**	*(1,308.46)*

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

Particulars	2012-13	2011-12
Opening Net Deferred Tax Asset	**(1,308.46)**	*(322.98)*
Less: Closing Net Deferred Tax Liability	**(2,864.13)**	*(1,308.46)*
Less: Debited to Hedging Reserve Account	**(30.45)**	*65.83*
Deferred Tax charge for the year	**1,529.18**	*1,051.31*

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

₹ lacs

Particulars	2012-13	2011-12
Opening Balance as at 1st April	**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	**185.21**	*185.21*

33 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.

34 TURNOVER:

Particulars	Units	2012-13		2011-12	
		Quantity	₹ lacs	*Quantity*	*₹ lacs*
Agri inputs	Tonnes KL. Ltr	13,616 9,180	134,090.93	*14,346* *10,153*	*119,967.56*
Plant Growth Nutrients	Tonnes KL. Ltr	3,052 331	4,495.34	*1,712* *156*	*2,519.95*
Seeds	Tonnes	1,100	1,011.03	*414*	*1,006.64*
Agri services	Tonnes Nos.	8 2	516.39		
			140,113.69		*123,494.15*
Less:- Excise Duty			9,479.79		*7,882.19*
Net Turnover			**130,633.90**		*115,611.96*

35 QUANTITATIVE AND VALUE ANALYSIS OF MATERIALS CONSUMED:

Particulars	Units	2012-13		*2011-12*	
		Quantity	₹ lacs	*Quantity*	*₹ lacs*
Active Ingredients for pesticides	Tonnes/KL	5,136	27,678.22	*5,510*	*26,955.02*
Other Chemicals	Tonnes	43,054	35,789.12	*42,279*	*30,613.26*
	KL	278	287.16	*588*	*54.04*
			63,754.50		*57,622.32*

36 (a) LICENSED / INSTALLED CAPACITIES, PRODUCTION AND STOCKS OF GOODS MANUFACTURED:

Particulars	Units	Installed	Production	Opening Stocks		Closing Stocks	
		Capacity	Quantity	Quantity	₹ lacs	Quantity	₹ lacs
Agri inputs	Tonnes	22,020	11,357	1,216	7,498.85	909	5,613.79
	Tonnes	*15,225*	*11,266*	*2,271*	*9,185.55*	*1,216*	*7,498.85*
Liquids	KL	13,000	7,695	874	3,278.57	588	3,079.65
	KL	*13,500*	*9,456*	*1070*	*3,037.07*	*874*	*3,278.57*
Plant Growth Nutrients	Tonnes	N.A.	3,086	259	175.29	302	380.99
	Tonnes	*N.A.*	*1,542*	*402*	*261.92*	*259*	*175.29*
Total					**10,952.71**		**9,074.43**
					12,484.54		***10,952.71***

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	1,923	2,438.10	180	577.15	149	249.46
	KL	1,207	8,344.80	71	1,539.25	95	1,334.55
	Tonnes	*2,122*	*2,107.33*	*84*	*173.18*	*180*	*577.15*
	KL	*525*	*5,964.00*	*39*	*475.21*	*71*	*1,539.25*
Plant Growth Nutrients	Tonnes	27	10.61	4	0.15	16	7.86
	KL	331	546.31	40	71.98	40	63.55
	Tonnes	*-*	*3.30*	*28*	*5.36*	*4*	*0.15*
	KL	*189*	*354.51*	*8*	*16.26*	*40*	*71.98*
Seeds	Tonnes	1,259	769.14	49	128.24	104	313.67
	Tonnes	*575*	*783.59*	*48*	*27.34*	*49*	*128.24*
Agri Services	Tonnes	8,507	259.63	-	-	258	6.05
	Nos	4,930	64.73	-	-	2,714	34.70
Total			**12,433.32**		**2,316.77**		**2,009.84**
			9,212.73		*697.35*		*2,316.77*

Figures in italics are in respect of the previous year.

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

₹ lacs

Particulars	**2012-13**	***2011-12***
Raw Materials	40,538.76	*35,481.13*
Stores, spare parts and packing materials	63.67	*35.19*
Capital Goods	77.95	*115.76*
Total	**40,680.38**	***35,632.08***

38 EXPENDITURE IN FOREIGN CURRENCIES:

₹ lacs

Particulars	**2012-13**	***2011-12***
Interest	7.94	*9.65*
Professional Fees	93.63	*90.16*
Processing	-	*24.86*
Commission	57.13	*43.61*
Travelling	25.40	*24.39*
Research and Development	0.49	*1.33*
Handling and other selling expenses	15.03	*2.91*
Subscription	7.98	*13.97*
Bank Charges	13.40	*14.55*
Others	5.26	*10.88*
Total	**226.26**	***236.31***

39 VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED:

₹ lacs

Particulars	**2012-13**		***2011-12***	
	Amount	**%**	***Amount***	***%***
Raw Materials				
Imported (including Customs Duty)	40,149.25	63%	*35,565.39*	*62%*
Indigenous	23,605.25	37%	*22,056.93*	*38%*
Total	**63,754.50**	**100%**	***57,622.32***	***100%***
Packing Materials				
Imported (including Customs Duty)	-	-	-	-
Indigenous	4,812.26	100%	*4,440.89*	*100%*
Total	**4,812.26**	**100%**	***4,440.89***	***100%***
Spare Parts & Components				
Imported (including Customs Duty)	36.83	7%	*30.34*	*6%*
Indigenous	463.49	93%	*457.47*	*94%*
Total	**500.32**	**100%**	***487.81***	***100%***

40 EARNINGS IN FOREIGN EXCHANGE:

₹ lacs

Particulars	2012-13	2011-12
Export of goods on F. O. B. Basis	41,524.33	38,139.73
Royalty Income	149.74	202.69
Freight, insurance and other matters	308.70	286.00
Surplus on Liquidation of Subsidiary	-	107.69
Total	**41,982.77**	**38,736.11**

41 EARNINGS PER SHARE:

₹ lacs

Particulars	2012-13	2011-12
Profit for the year	11,938.08	10,138.96
Weighted average No. of Equity Shares for Basic / Diluted EPS (Nos)	19,44,68,890	19,44,68,890
Nominal Value of Equity Per Share (in ₹)	1.00	1.00
Basic / Diluted Earning Per Share (in ₹)	6.14	5.21

42 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 31.03.2013			As at 31.03.2012		
	No of Contracts	₹ lacs	Amount in lacs	No of Contracts	₹ lacs	Amount in lacs
Receivables	6	1,711.34	USD 31.52	10	2,986.36	USD 58.70
	2	434.88	AUD 7.68	1	172.49	AUD 3.30
Payables	2	1,583.75	USD 29.17	26	4,869.91	USD 95.7
	5	1,698.23	JPY 2944.10	6	1,878.44	JPY 3,031.60

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 31.03.2013			*As at 31.03.2012*		
	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	Nil	Nil	Nil	*1*	*29.50 lacs*	*(96.74)*

USD = U.S. Dollar

The net loss on the derivative instrument of ₹ 63.40 lacs (net of Deferred Tax Asset of ₹ 30.45 lacs) recognised in 2011-2012 in the Hedging Reserve Account has been recycled in the Statement of Profit and Loss in 2012-2013.

(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 31.03.2013		As at 31.03.2012	
	₹ lacs	Amount in lacs	*₹ lacs*	*Amount in lacs*
Exports of goods and services	4,052.19	USD 78.07	*1,625.85*	*USD 26.10*
		AUD 5.35		*AUD 5.50*
		EUR 0.47		*EUR 0.10*

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	₹ lacs	Amount in lacs	*₹ lacs*	*Amount in lacs*
Imports of goods and services	5,744.58	USD 99.98	*7,049.38*	*USD 136.50*
		JPY 317.37		*JPY 93.40*
		EUR 0.02		*EUR 0.70*
Customer Advances	175.04	USD 3.22	*2.1*	*USD 0.05*

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

43 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
Dhaanya Seeds Ltd
Zero Waste Agro Organics Pvt. Ltd. w.e.f 18th October,2012
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	126.77	802.04	-	928.81
	200.95	*302.70*	-	*503.65*
Sales of Goods	2,773.38	53.28	-	2,826.66
	2,721.94	*182.65*	-	*2,904.59*
Amount Received on liquidation	-	-	-	-
	-	*107.69*	-	*107.69*
Services Received	32.42	-	-	32.42
	69.91	-	-	*69.91*
Services Given	44.43	-	-	44.43
	28.01	-	-	*28.01*
Investment in Subsidiary	-	1,549.87	-	1,549.87
	-	*3,191.83*	-	*3,191.83*
Other Expenses	12.63	58.13	-	70.76
	0.03	*0.90*	-	*0.93*
Dividend Paid (Equity)	2,141.52	-	-	2,141.52
	2,044.17	-	-	*2,044.17*
Debit Balance outstanding as at year end - Other Receivables	99.47	274.51	-	373.98
	73.03	*440.16*	-	*513.19*
Credit Balance outstanding as at year end - Other Payables	7.03	-	-	7.03
	62.37	-	-	*62.37*
Investment as at year end	-	17,374.69	-	17,374.69
	-	*15,824.82*	-	*15,824.82*
Remuneration Paid	-	-	241.73	241.73
	-	-	*216.73*	*216.73*

Figures in italics relate to the previous year.

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

₹ lacs

Nature of Transactions	Tata Chemicals Ltd.	Rallis Australasia Pty. Ltd	Rallis Chemistry Exports	Dhaanya Seeds Ltd	Zero Waste Agro Organics Pvt Ltd	Metahelix Life Sciences Ltd
Purchase of Goods	126.77	-	-	692.95	109.09	-
	200.95	-	-	*302.70*	-	-
Sales of Goods	2,773.38	-	-	53.28	-	-
	2,721.94	-	-	*182.65*	-	-
Amount Received on liquidation	-	-	-	-	-	-
	-	*107.69*	-	-	-	-
Services Received	32.42	-	-	-	-	-
	69.91	-	-	-	-	-
Services Given	44.43	-	-	-	-	-
	28.01	-	-	-	-	-
Other Expenses	12.63	-	-	42.97	15.16	-
	0.03	-	-	*0.90*	-	-
Investments in Subsidiary	-	-	-	-	1,000.07	549.80
	-	-	-	-	-	*3,191.83*
Loans given	-	-	-	-	-	-
	-	-	*18.61*	-	-	-
Provisions for Loans given to subsidiary	-	-	-	-	-	-
	-	-	*18.61*	-	-	-
Dividend Paid (Equity)	2,141.52	-	-	-	-	-
	2,044.17	-	-	-	-	-

Figures in italics relate to the previous year.

44 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*
	2012-13			***2011-12***		
Present Value of Commitments	1,537.94	1,577.46	3,115.40	*1,402.76*	*1,494.66*	*2,897.42*
Fair Value of Plans	1,445.72	-	1,445.72	*1,172.57*	-	*1,172.57*
Net liability in the balance sheet	92.22	1,577.46	1,669.68	*230.19*	*1,494.66*	*1,724.85*

Defined Benefit Obligation :

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
		2012-13			***2011-12***	
Opening balance as at 1st April	1,402.76	1,494.66	2,897.42	*1,471.98*	*1,562.49*	*3,034.47*
Benefits earned during the year	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-
Current Service Cost	130.88	124.96	255.84	*113.17*	*10.31*	*123.48*
Interest expenses	115.73	123.31	239.04	*125.11*	*127.56*	*252.67*
Paid benefits	(98.08)	(230.33)	(328.41)	*(384.36)*	*(144.18)*	*(528.54)*
Actuarial (gain) / loss	(13.35)	64.86	51.51	*76.86*	*(61.52)*	*15.34*
Closing balance as at 31st March	1,537.94	1,577.46	3,115.40	*1,402.76*	*1,494.66*	*2,897.42*

Plan assets: Gratuity :

₹ lacs

Particulars	2012-13	*2011-12*
Opening balance as at 1st April	1,172.57	*1,419.20*
Expected return on scheme assets	100.84	*113.52*
Contributions by the Company	228.47	*94.21*
Paid funds	(98.08)	*(384.36)*
Actuarial gain / (loss)	41.92	*(69.99)*
Balance with the Trust as at 31st March	1,445.72	*1,172.57*
Closing balance as at 31st March	1,445.72	*1,172.57*

Investment Details:

₹ lacs

Particulars	2012-13	*2011-12*
Debentures	772.33	*397.36*
Equity	-	*258.57*
Government Securities	350.53	*305.33*
Deposits, Money market Securities & Other Assets	95.12	*47.74*
Other – Fund managed by other insurer whose pattern of investment is not available with the Company	153.41	*89.19*
Others	74.33	*74.38*
Total Asset	1,445.72	*1,172.57*

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	2012-13	*2011-12*
Expected return on plan assets	100.84	*113.52*
Actuarial gain / (loss)	41.92	*(69.99)*
Actual return on plan assets	142.76	*43.53*

Expenses on defined benefit plan:

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2012-13			*2011-12*		
Current service costs	130.88	124.96	255.84	*113.17*	*10.31*	*123.48*
Past service cost	-	-	-	-	-	-
Interest expense	115.73	123.31	239.04	*125.11*	*127.56*	*252.67*
Expected return on investment	(100.84)	-	(100.84)	*(113.52)*	-	*(113.52)*
Net actuarial (gain) / loss	(55.27)	64.86	9.59	*146.85*	*(61.52)*	*85.33*
Expenses charged to the statement of profit and loss	90.50	313.13	403.63	*271.61*	*76.35*	*347.96*

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	2012-13	*2011-12*
Rate for discounting liabilities	8.10% p.a.	*8.25% p.a.*
Expected salary increase rate	8.00% p.a.	*8.00% p.a.*
Expected return on scheme assets	8.70% p.a.	*8.60% p.a.*
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	*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	2012-13	*2011-12*	*2010-11*	*2009-10*	*2008-09*
Defined benefit obligation	1,537.94	*1,402.76*	*1,471.98*	*1,501.24*	*1,238.59*
Plan asset	1,445.72	*1,172.57*	*1,419.20*	*1,341.60*	*605.77*
Surplus/(Deficit)	(92.22)	*(230.19)*	*(52.78)*	*(159.64)*	*(632.82)*
Experience adjustment on plan assets gain/(loss)	41.92	*(69.99)*	*(3.27)*	*(34.54)*	*(146.09)*
Experience adjustment on plan liabilities (gain)/loss	(13.35)	*76.86*	*(72.57)*	*(19.50)*	*25.81*

(b) Supplemental Pay:

₹ lacs

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	1,577.46	*1,494.66*	*1,562.49*	*1,572.68*	*1,567.17*
Plan asset	-	-	-	-	-
Surplus/(Deficit)	(1,577.46)	*(1,494.66)*	*(1,562.49)*	*(1,572.68)*	*(1,567.17)*
Experience adjustment on plan assets gain/(loss)	-	-	-	-	-
Experience adjustment on plan liabilities (gain)/loss	64.86	*(61.52)*	*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 2013-14 amount to ₹ 99.19 lacs *(Previous year ₹ 230.18 lacs)*

Defined-Contribution Plans:

Amount recognised as expense and included in the Note 24 — "Contribution to Provident and Other Funds" — ₹ 408.53 lacs *(Previous Year ₹ 413.78 lacs).*

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

a The total amount of delayed payments during the year aggregate ₹ 14.94 lacs in respect of 7 parties with amounts ranging from ₹ 0.03 lacs to ₹ 4.01 lacs. *(Previous Year ₹ 37.62 lacs in respect of 7 parties with amounts ranging from ₹ 0.57 lacs to ₹ 17.11 lacs).*

b The amount of principal outstanding in respect of the above as at Balance Sheet date is ₹ 596.34 lacs in respect of 31 parties *(Previous Year ₹ 379.67 lacs in respect of 28 parties with amounts ranging from ₹ 0.02 lacs to ₹ 166.60 lacs)* with amounts ranging from ₹ 0.13 lacs to ₹ 144.29 lacs.

c The total interest payable on account of delayed payment during the year is ₹ 0.03 lacs. The Company has made payment of ₹ 0.14 lacs during the year. The total interest payable aggregates ₹ Nil *(Previous Year ₹ 0.12 lacs)* and this entire amount was paid, outstanding balance as at the year end is Nil.

46 The Company has invested ₹ 880.00 lacs in Non-Convertible Debentures ("NCDs") of Advinus Therapeutics 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 ₹ 28.49 lacs *(Previous Year ₹ 22.72 lacs)* in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹ 296.15 lacs *(Previous Year ₹ 290.40 lacs)* were redeemed at a 25% premium which aggregated ₹ 74.04 lacs *(Previous Year ' 72.60 lacs).*

47 During the year, the Company has acquired / subscribed to equity shares comprising 22.81% of the equity shares of Zero Waste Agro Organics Private Limited (ZWAOPL).

48 During the previous 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.

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

R. GOPALAKRISHNAN *Chairman*

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

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 25th April, 2013

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

I. Registration Details

Registration No.	14083	State Code 11
Balance Sheet Date	31 / 03 / 2013 (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
1063827	1063827

Sources of Funds

Paid-up Capital	Reserves & Surplus
194471	602389
Secured Loans	Unsecured Loans
750000	92935
Deferred Tax Liability	
28641 3	

Application of Funds

Net Fixed Assets	Investments
4001092	193478 3
Net Current Assets	
1408338	

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	Total Expenditure
1306339 0	1132984 9
+ - Profit Before Tax	+ - Profit After Tax
✓ (-) 173354 1	✓ (-) 119380 8
Earnings per Share ₹	Dividend Rate %
6.14	230

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

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF RALLIS INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **RALLIS INDIA LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

(b) 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

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

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (net) of Rs. 493.16 lacs as at 31st March, 2013, total revenues of Rs. Nil lacs and net cash flows amounting to Rs. 25.47 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

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

MUMBAI, 25th April, 2013

Rallis India Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

₹ lacs

	Note No.	As at 31st March, 2013	*As at 31st March, 2012*
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,944.71	*1,944.71*
Reserves and surplus	3	60,128.79	*53,357.09*
		62,073.50	*55,301.80*
Minority Interest		469.42	*144.84*
Non-current liabilities			
Long-term borrowings	4	1,073.56	*8,558.03*
Deferred tax liabilities (Net)	31	2,864.13	*1,308.46*
Other Long term liabilities	5	595.76	*389.46*
Long-term provisions	6	3,047.25	*2,940.76*
		7,580.70	*13,196.71*
Current liabilities			
Short-term borrowings	7	4,326.81	*6,498.24*
Trade payables		25,028.14	*24,705.00*
Other current liabilities	8	15,815.16	*9,062.18*
Short-term provisions	9	3,723.74	*3,232.35*
		48,893.85	*43,497.77*
Total		119,017.47	*112,141.12*
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10 a	37,453.29	*36,121.69*
Intangible assets	10 b	1,321.89	*250.92*
Capital work-in-progress		1,572.62	*3,492.11*
Intangible assets under development		1,879.86	*2,496.17*
Goodwill on consolidation		16,764.15	*15,333.81*
Non-current investments	11	1,869.30	*1,973.14*
Deferred tax assets (net)	31	51.84	*-*
Long-term loans and advances	12	9,177.18	*9,093.75*
Other non-current assets	13	-	*20.90*
		70,090.13	*68,782.49*
Current assets			
Current investments	14	103.84	*296.14*
Inventories	15	26,717.94	*27,172.19*
Trade receivables	16	16,477.41	*10,350.74*
Cash and cash equivalents	17	2,583.56	*1,120.69*
Short-term loans and advances	18	2,770.38	*4,126.96*
Other current assets	19	274.21	*291.91*
		48,927.34	*43,358.63*
Total		119,017.47	*112,141.12*

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, 25th April, 2013

B. D. BANERJEE
E. A. KSHIRSAGAR
PRAKASH R. RASTOGI
BHARAT VASANI
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*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ lacs

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from operations (gross)	20	155,297.95	135,369.65
Less : Excise Duty		9,479.75	7,882.19
Revenue from Operations (net) (I)		145,818.20	127,487.46
Expenses:			
Cost of materials consumed	22	77,328.90	66,774.14
Purchases of traded Goods		11,551.53	8,732.32
Changes in inventories of finished goods work-in-progress and stock-in-trade	23	(1,092.65)	(1,577.48)
Employee benefits expense	24	9,439.43	9,245.99
Other expenses	25	27,533.83	24,016.41
Total expenses (II)		124,761.04	107,191.38
Earnings before interest, depreciation, tax and amortization (I-II)		21,057.16	20,296.08
Finance costs	26	1,848.70	1,459.27
Depreciation and amortization expense	10	3,153.31	2,865.93
Other income	21	1,173.54	687.21
Profit before exceptional items		17,228.69	16,658.09
Exceptional items			
Cessation Cost		-	1,719.11
Profit before tax		17,228.69	14,938.98
Tax expense:			
a. Current tax		3,907.07	3,842.08
b. Less: MAT credit		34.96	23.61
c. Deferred tax - Charge (net)		1,476.90	1,051.31
Profit for the year before minority interest		11,879.68	10,069.20
Minority Interest		(21.54)	151.01
Profit for the year		11,901.22	9,918.19
Earnings per equity share: (₹)	34		
(1) Basic		6.12	5.10
(2) Diluted		6.12	5.10
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

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B.P. SHROFF
Partner

Mumbai, 25th April, 2013

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

₹ lacs

		For the year ended 31st March, 2013	For the year ended 31st March, 2012
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before tax	**17,228.69**	*14,938.98*
	Adjustments for :		
	Loss on Foreign exchange		*0.88*
	Depreciation and amortization expense	**3,153.31**	*2,865.93*
	Interest expenses	**1,781.93**	*1,407.26*
	Interest income	**(106.16)**	*(86.84)*
	Surplus on liquidation of subsidiary	**-**	*(12.99)*
	Grants for projects	**(41.52)**	*(31.64)*
	Dividend Income	**(87.61)**	*(23.20)*
	Credit balances written back	**(5.67)**	*(442.05)*
	Provision for supplemental payments on retirement	**82.80**	*(67.83)*
	Provision for gratuity	**(126.57)**	*197.63*
	Provision for compensated absences	**(1.41)**	*(12.33)*
	Unrealised foreign exchange translation loss	**55.78**	*59.57*
	Profit on sale of assets (net) (includes assets w/off)	**(689.21)**	*(224.73)*
	Operating Profit before Working Capital Changes	**21,244.36**	*18,568.64*
	Adjustments for :		
	Trade payables and other liabilities	**408.01**	*470.29*
	Trade receivables and other assets	**(5,517.55)**	*349.53*
	Inventories	**454.25**	*(4,280.31)*
	Long term loans and advances	**79.38**	*(35.37)*
	Short term loans and advances	**1,363.55**	*(1,577.46)*
	CASH GENERATED FROM OPERATIONS	**18,032.00**	*13,495.32*
	Taxes paid (Net of refund and interest on refund received)	**(3,601.60)**	*(4,069.09)*
	NET CASH FROM OPERATING ACTIVITIES (A)	**14,430.40**	*9,426.23*
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets	**(4,654.43)**	*(5,700.68)*
	Proceeds on sale of fixed assets	**1,163.60**	*387.86*
	Advance received against fixed assets to be disposed off	**-**	*650.13*
	Amount Received on liquidation of subsidiary	**-**	*12.99*
	Purchase of current investments	**(21,585.70)**	*(12,321.46)*
	Proceeds from redemption of debentures	**296.14**	*290.40*
	Purchase of non-current investments in subsidiary	**(1,084.22)**	*(3,191.83)*
	Proceeds from sale of current investments	**21,585.70**	*12,321.46*
	Interest/Dividend received	**241.24**	*157.95*
	Investments in bank deposits (original maturity of more than 3 months) (net)	**44.74**	*(8.51)*
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(3,992.93)**	(7,401.69)

₹ lacs

		For the year ended 31st March, 2013	*For the year ended 31st March, 2012*
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long-term borrowings	**183.76**	*258.29*
	Repayment of long-term borrowings	**(283.69)**	*(18.56)*
	Capital subsidy received	**66.52**	*31.63*
	Proceeds/(Repayment) of short-term borrowings (net)	**(2,171.43)**	*3,448.82*
	Dividends paid on Equity Shares (including dividend distribution tax)	**(4,954.69)**	*(4,726.51)*
	Interest paid	**(1,788.01)**	*(1,383.32)*
	NET CASH USED IN FINANCING ACTIVITIES (C)	**(8,947.54)**	*(2,389.65)*
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**1,489.93**	*(365.11)*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash in Hand	**4.24**	*25.50*
	Balances with Scheduled Banks on Current Account and Deposit Account	**846.41**	*1,190.26*
		850.65	*1,215.76*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in Hand	**7.47**	*4.24*
	Balances with Scheduled Banks on Current Account and Deposit Account	**2,333.11**	*846.41*
		2,340.58	*850.65*
	Footnotes:		
	Cash and Cash Equivalents as above	**2,340.58**	*850.65*
	Restricted Bank Balances	**96.18**	*78.50*
	Balances with scheduled banks:		
	On Bank Deposit as Margin Money against Bank Guarantees	**146.80**	*191.54*
	CASH AND BANK BALANCES AS PER NOTE 17	**2,583.56**	1,120.69

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, 25th April, 2013

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, 2013

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 the 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%	7th July , 2009*
Metahelix Life Sciences Ltd #	India	77.02%	30th December, 2010
Zero Waste Agro Organics Private Ltd	India	22.81%	18th October, 2012
Rallis Australasia Pty Ltd $	Australia	100%	4th May, 2006*
Held through Subsidiary:			
Dhaanya Seeds Ltd @	India	77.02%	30th December, 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 equity shares in Metahelix Life Sciences Limited (Metahelix) during the year ended 31st March, 2013, consequently the shareholding of the Company in Metahelix has increased from 75.64% to 77.02% as at 31st March, 2013.

During the year ended 31st March 2013, the Company has acquired / subscribed to shares comprising 22.81% of the equity shares of Zero Waste Agro Organics Private Limited (ZWAOPL). Rallis India Limited has certain rights under the Shareholder Agreement which requires ZWAOPL to be treated as a subsidiary of the Company and hence it is consolidated.

$ 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.

Depreciation by some subsidiaries is provided on a straight line basis at rates stated below :

Type of Asset	Estimated Useful Life
Buildings	10 to 20 Years
Plant and Machinery	5 Years
Seed Processing Machine	10 Years
Electrical Equipments & Fittings	5 Years
Furniture and Fixtures	4 Years
Office Equipments	5 Years
Vehicles	4 to 5 Years
Computer Hardware	3 to 4 Years
Computer Software	1 to 4 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 Company's share in the acquired company's assets.

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 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.

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge .

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

(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 recycled 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 comprises 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 substantively 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

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 on 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 statement is 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.

Rallis India Limited

2 SHARE CAPITAL:

	As at 31st March, 2013		*As at 31st March, 2012*	
	Number	**₹ lacs**	*Number*	*₹ lacs*
Authorised				
Equity Shares of ₹1 each	**500,000,000**	**5,000.00**	*500,000,000*	*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	**194,468,890**	**1,944.69**	*194,468,890*	*1,944.69*
Forfeited Shares				
Equity Shares of ₹1 each	**2,000**	**0.02**	*2,000*	*0.02*
Total	**194,470,890**	**1,944.71**	*194,470,890*	*1,944.71*

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

	As at 31st March, 2013		*As at 31st March, 2012*	
	Number	₹ lacs	*Number*	*₹ lacs*
At the beginning of the year	194,468,890	1,944.69	*19,446,889*	*1,944.69*
Sub-division (refer note below)	-	-	*175,022,001*	-
Outstanding at the end of the period	194,468,890	1,944.69	*194,468,890*	*1,944.69*

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:

Particulars	As at 31st March, 2013		*As at 31st March, 2012*	
	Number of Shares	₹ lacs	*Number of Shares*	*₹ lacs*
Tata Chemicals Limited (Holding Company)	97,341,610	973.42	*97,341,610*	*973.42*

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

Particulars	As at 31st March, 2013		*As at 31st March, 2012*	
	No. of Shares	% Holding	*No. of Shares*	*% Holding*
Tata Chemicals Limited	97,341,610	50.06%	*97,341,610*	*50.06%*
Rakesh Jhunjhunwala	19,507,820	10.03%	*12,416,820*	*6.38%*

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:

	2012-13	*2011-12*	*2010-11*	*2009-10*	*2008-09*
Equity Shares :					
Bonus shares issued *	-	-	6,482,296	-	-
Preference Shares :					
7.50% Cumulative Reedeemable Preference Shares of ₹ 10 each Redeemed	-	-	-	88,000,000	-

** 64,82,296 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, 2013.

3 RESERVES AND SURPLUS:

₹ lacs

	As at 1st April, 2012	**Additions**	**Deductions**	**As at 31st March, 2013**	*As at 1st April, 2011*	*Additions*	*Deductions*	*As at 31st March, 2012*
Capital Reserve	**1,243.10**	**-**	**-**	**1,243.10**	*1,243.10*	*-*	*-*	*1,243.10*
Capital Redemption Reserve	**8,151.77**	**-**	**-**	**8,151.77**	*8,151.77*	*-*	*-*	*8,151.77*
Securities Premium Account	**8,793.88**	**-**	**-**	**8,793.88**	*8,793.88*	*-*	*-*	*8,793.88*
Debenture Redemption Reserve	**2,500.00**	**1,250.00**	**-**	**3,750.00**	*1,250.00*	*1,250.00*	*-*	*2,500.00*
Other Reserves :								
Capital Subsidy	**63.58**	**25.00**	**-**	**88.58**	*63.58*	*-*	*-*	*63.58*
General Reserve	**8,528.14**	**1,193.81**	**-**	**9,721.95**	*7,514.24*	*1,013.90*	*-*	*8,528.14*
Hedging Reserve Account (Refer Note No. 35)	**(63.40)**	**-**	**(63.40)**	**-**	*73.66*	*-*	*137.06*	*(63.40)*
Foreign Currency translation reserve	**-**			**-**	*(0.88)*	*0.88*	*-*	*-*
	29,217.07	**2,468.81**	**(63.40)**	**31,749.28**	*27,089.35*	*2,264.78*	*137.06*	*29,217.07*
Surplus in the Statement of Profit and Loss								
Balance as per last financial statements	**24,140.02**	**-**	**-**	**24,140.02**	*21,458.10*	*-*	*-*	*21,458.10*
Net Profit for the current year	**-**	**11,901.22**	**-**	**11,901.22**	*-*	*9,918.19*	*-*	*9,918.19*
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)**	*-*	*-*	*1,944.69*	*(1,944.69)*
Distribution Tax on Interim Dividend	**-**	**-**	**315.48**	**(315.48)**	*-*	*-*	*315.48*	*(315.48)*
Proposed Equity Dividend	**-**	**-**	**2,528.10**	**(2,528.10)**	*-*	*-*	*2,333.63*	*(2,333.63)*
Distribution Tax on Proposed Equity Dividend	**-**	**-**	**429.65**	**(429.65)**	*-*	*-*	*378.57*	*(378.57)*
Transfer to General Reserves	**-**	**-**	**1,193.81**	**(1,193.81)**	*-*	*-*	*1,013.90*	*(1,013.90)*
Net Surplus in the Statement of Profit and Loss	**24,140.02**	**11,901.22**	**7,661.73**	**28,379.51**	*21,458.10*	*9,918.19*	*7,236.27*	*24,140.02*
Total	**53,357.09**	**14,370.03**	**7,598.33**	**60,128.79**	*48,547.45*	*12,182.97*	*7,373.33*	*53,357.09*

Rallis India Limited

4 LONG-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Secured		
a. Debentures (Refer note a,b and c below)	-	*7,500.00*
b. Term Loans		
from banks (Refer note g and h)	**66.93**	*197.80*
from others (Refer note d and e)	**89.50**	*63.80*
	156.43	*7,761.60*
Unsecured		
Deferred payment liabilities		
i. Sales Tax Deferral Scheme (Refer note f)	**766.87**	*627.68*
ii. Council of Scientific & Industrial Research Loan (Refer note f)	**150.26**	*168.75*
	917.13	*796.43*
Total	**1,073.56**	*8,558.03*

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. 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.

e. 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 from 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 rate of @ 2%pa

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

Particulars	**Repayment Schedule**	**As at 31st March, 2013**	*As at 31st March, 2012*
Sales Tax Deferral Scheme - Akola	Varied Annual Installments from 2013-14 to 2015-16	**218.97**	*331.84*
Sales Tax Deferral Scheme - Lote*	Varied Annual Installments from 2018-19 to 2026-27	**616.24**	*497.46*
Council of Scientific & Industrial Research loan	Varied Annual Installments from 2013-14 to 2023-24	**169.09**	*190.97*

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

g. Term loan from Kotak Mahindra Bank – The loan is secured by first pari passu charge on movable assets funded by the bank and hypothecation of plant and machinery of the cob drying unit at Hyderabad. The loan is further secured by corporate guarantee and equitable mortgage of the land and building of Metahelix Life Sciences Limited. The balance outstanding as at March 31, 2013 is ₹ 57.77 Lakhs repayable in 25 equated monthly installments of ₹ 4.44 Lakhs starting April 2013 at an interest of 11.5% or as mutually agreed.

h. Term loan from Axis Bank - the loan is secured by first charge on entire movable fixed assets funded by the bank and second charge on the assets funded by Kotak Mahindra bank. The loan is further secured by corporate guarantee and equitable mortgage of the land and building of Metahelix Life Sciences Limited. The balance outstanding as at March 31, 2013 is ₹ 9.15 Lakhs repayable in 15 equated monthly installments of ₹ 6.67 Lakhs starting April 2013 (with respect to amount oustanding) at an interest of 10.75% or as mutually agreed.

5 OTHER LONG TERM LIABILITIES:

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
Advances from customers	588.21	383.00
Interest accrued but not due on borrowings	7.55	6.46
Total	**595.76**	389.46

6 LONG-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits		
Gratuity	16.77	21.02
Compensated Absences	430.39	397.02
Supplemental Payments on Retirement	1,426.60	1,349.23
Others		
Fringe Benefit Tax	12.96	12.96
Provision for Income Tax (net of advance tax)	1,160.53	1,160.53
Total	**3,047.25**	2,940.76

7 SHORT-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
Secured		
Loans repayable on demand from banks*	2,826.81	6,498.24
Unsecured		
Loans repayable on demand from banks	1,500.00	-
Total	**4,326.81**	6,498.24

* 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, 2013	As at 31st March, 2012
Other Liabilities		
i. Current maturity of long term debt		
Secured		
Term loans		
from banks (Refer Notes g and h in Note 4)	**133.37**	*126.43*
from others (Refer Notes d and e in Note 4)	**17.63**	*3.36*
Debentures (Refer Notes a,b & c in Note 4)	**7,500.00**	-
Unsecured		
Sales Tax Deferral Scheme (Refer Note f in Note 4)	**68.34**	*201.62*
Council of Scientific & Industrial Reseach Loan (Refer Note f in Note 4)	**18.83**	*22.22*
ii. Interest accrued but not due on borrowings	**36.25**	*43.42*
iii. Unpaid dividends	**96.18**	*78.50*
iv. Other Payables		
Provident Fund and other employee deductions	**130.87**	*125.74*
Customer Advances and Deposits	**6,836.93**	*6,998.33*
Creditors for capital purchases	**551.08**	*1,045.06*
Central Excise, Customs duty, VAT and Service Tax payable	**284.91**	*310.17*
Provision for contingency	**50.00**	*50.00*
Tax deducted at source	**90.77**	*57.33*
Total	**15,815.16**	*9,062.18*

9 SHORT-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
a. Provision for employee benefits		
Gratuity	**133.39**	*248.74*
Compensated Absences	**67.59**	*102.37*
Supplemental Payments on retirement	**150.86**	*145.43*
b. Others		
Provision for Income Tax (net of advance tax)	**414.15**	*23.61*
Proposed Equity Dividend	**2,528.10**	*2,333.63*
Distribution Tax on Proposed Equity Dividend	**429.65**	*378.57*
Total	**3,723.74**	*3,232.35*

10 FIXED ASSETS:

₹ lacs

	Gross Block (At Cost)					Accumulated Depreciation/Amortisation					Net Block	
	As at 1st April, 2012	**Acquisition during year**	**Additions**	**Disposals/ Adjustments cation**	**As at 31st March, 2013**	**As at 1st April, 2012**	**Acquisition during the year**	**Depreciation charge for the year**	**On disposals/ Adjustements**	**As at 31st March, 2013**	**As at 31st March, 2013**	*As at 31st March, 2012*
a Tangible Assets												
Freehold Land	**457.24**	**-**	**-**	**-**	**457.24**	**-**	**-**	**-**	**-**	**-**	**457.24**	*457.24*
Leasehold Land (Refer footnote 3)	**4,609.41**	**-**	**36.57**	**-**	**4,645.98**	**203.11**	**-**	**46.26**	**-**	**249.37**	**4,396.61**	*4,406.30*
Buildings (Refer footnotes 1 & 2)	**15,295.51**	**-**	**576.82**	**536.65**	**15,335.68**	**2,570.14**	**-**	**441.57**	**251.29**	**2,760.42**	**12,575.26**	*12,725.38*
Plant and Equipment	**31,044.30**	**85.98**	**4,344.65**	**2,672.39**	**32,802.54**	**13,472.69**	**6.52**	**2,297.14**	**1,981.72**	**13,794.63**	**19,007.91**	*17,571.61*
Furniture and Fixtures	**596.53**	**1.05**	**193.31**	**9.47**	**781.42**	**347.38**	**-**	**37.37**	**8.78**	**375.97**	**405.45**	*249.15*
Vehicles	**1,068.59**		**-**	**435.50**	**633.09**	**523.33**	**-**	**93.08**	**290.04**	**326.37**	**306.72**	*545.26*
Office Equipment	**300.47**		**169.91**	**6.21**	**464.17**	**133.72**	**-**	**30.50**	**4.15**	**160.07**	**304.10**	*166.75*
Total	**53,372.05**	**87.03**	**5,321.26**	**3,660.22**	**55,120.12**	**17,250.37**	**6.52**	**2,945.92**	**2,535.98**	**17,666.83**	**37,453.29**	*36,121.69*
b Intangible Assets												
Goodwill	**163.63**	**-**	**-**	**-**	**163.63**	**163.63**	**-**	**-**	**-**	**163.63**	**-**	*-*
Computer software	**1,003.25**	**-**	**60.26**	**-**	**1,063.51**	**950.83**	**-**	**50.95**	**-**	**1,001.78**	**61.73**	*52.42*
Product Registrations	**493.25**	**-**	**727.40**	**-**	**1,220.65**	**493.25**	**-**	**16.93**	**-**	**510.18**	**710.47**	*-*
Technical knowhow	**247.72**	**-**	**490.70**	**-**	**738.42**	**49.22**	**-**	**139.51**	**-**	**188.73**	**549.69**	*198.50*
Total	**1,907.85**		**1,278.36**	**-**	**3,186.21**	**1,656.93**		**207.39**	**-**	**1,864.32**	**1,321.89**	*250.92*
Total Fixed Assets	**55,279.90**	**87.03**	**6,599.62**	**3,660.23**	**58,306.33**	**18,907.30**	**6.52**	**3,153.31**	**2,535.98**	**19,531.15**	**38,775.18**	
Previous Year	*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*

Footnotes:

1 Cost of buildings includes cost of 45 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 6 *(Previous Year 7)* Co-operative Societies.

2 Buildings include an asset having gross block of ₹ 156.96 lacs *(Previous Year ₹ 169.29 lacs)* and net block of ₹ 105.42 lacs *(Previous Year ₹ 116.06 lacs)* where the conveyance in favour of the Company is not completed.

3 Leasehold land include ₹ 1,708 lacs, for which the Company has made representation with Government Agency regarding fulfilment of pre-conditions *of lease upon expiry of timeline.*

4 Fixed assets includes ₹ 425.42 lacs *(Previous Year ₹ 434.98 lacs)* representing the book value of assets held for disposal. The Management expects to recover amounts higher than the carrying value of these assets.

Rallis India Limited

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	**Nil**	*Nil*
	Patancheru Enviro-Tech Ltd.	10	10,822	**1.08**	*1.08*
	Advinus Therapeutics 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*
			A	**1,869.30**	*1,869.30*
B	**Other Investments (Valued at cost less provision for diminution)**				
	a. Investment in equity instruments - Fully paid up (Quoted)				
	Spartek Ceramics India Ltd.	10	7,226	**Nil**	*Nil*
	Nagarjuna Finance Ltd.	10	400	**Nil**	*Nil*
	Pharmaceuticals Products of India Limited	10	10,000	**Nil**	*Nil*
	Ballasore Alloys Ltd. (Previously known as Ispat Alloys Ltd.)	10	504	**Nil**	*Nil*
	J.K.Cement Ltd.	10	44	**Nil**	*Nil*
	Uniscans & Sonics Ltd.	10	96	**Nil**	*Nil*
			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	**Nil**	*Nil*
	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*
			C	**-**	*-*
			D=B+C	**-**	*-*
	c. Investments in Debentures or Bonds				
	i. Unquoted-Fully Paid				
	4.25% Advinus Therapeutics Ltd. - Non Convertible Debentures (Refer Note No. 40)	1,000	10,384	**-**	*103.84*
	ii. Quoted-Fully Paid		**E**	**-**	*103.84*
	14% Spartek Ceramics India Limited-Debentures - Redeemable Partly Convertible (₹ 1)	60	560	**Nil**	*Nil*
			F	**-**	*-*
			G=E+F	**-**	*103.84*
	TOTAL		**H=A+D+G**	**1,869.30**	*1,973.14*
	Aggregate Book Value of Investments:				
	Unquoted - At cost less Provision for diminution in value			**1,869.30**	*1,973.14*
	Quoted - At cost less Provision for diminution in value			**-**	*-*
				1,869.30	*1,973.14*

Footnote:
Market value of quoted investments ₹ 0.59 lacs *(Previous Year ₹ 0.57 lacs).*

12 LONG-TERM LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

₹ lacs

		As at 31st March, 2013	*As at 31st March, 2012*
a.	Capital Advances	**229.75**	*213.90*
b.	Security Deposits	**837.37**	*812.86*
c.	Other Loans and Advances	**363.41**	*467.30*
d.	Advance Income Tax (net of provision)	**7,688.08**	*7,576.08*
e.	MAT Credit Entitlement	**58.57**	*23.61*
	Total	**9,177.18**	*9,093.75*

13 OTHER NON-CURRENT ASSETS:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Interest accrued on long term investments	**-**	*20.90*
Total	**-**	*20.90*

14 CURRENT INVESTMENTS:

(Refer Note No. 40)

₹ lacs

	Nominal value (in ₹)	Numbers	As at 31st March, 2013	*As at 31st March, 2012*
Investments in Debentures (Unquoted Fully Paid)				
Current portion of 4.25% Advinus Therapeutics Ltd. - Non Convertible Debentures	1,000	10,384	**103.84**	*296.14*
Total			**103.84**	*296.14*

15 INVENTORIES:

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

₹ lacs

		As at 31st March, 2013	*As at 31st March, 2012*
a.	Raw Materials and components (Including goods-in transit of ₹ 965.96 lacs ; *Previous year ₹ 3,209.95 lacs*)	**7,635.98**	*9,493.96*
b.	Work-in-progress	**732.96**	*953.84*
c.	Finished goods (excluding finished goods traded in)	**15,101.91**	*13,371.59*
d.	Stock in trade (in respect of goods acquired for trading)	**1,899.98**	*2,316.77*
e.	Stores and spares	**109.12**	*74.46*
f.	Packing Material	**1,237.99**	*961.57*
	Total	**26,717.94**	*27,172.19*

16 TRADE RECEIVABLES:

₹ lacs

	As at 31st March, 2013	*As at 31st March, 2012*
Trade receivables outstanding for a period less than six months		
Secured, considered good	**772.23**	*309.58*
Unsecured, considered good	**15,436.60**	*9,853.41*
	16,208.83	*10,162.99*
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	**4.55**	*11.00*
Unsecured, considered good	**264.03**	*176.75*
Doubtful	**816.12**	*997.57*
Less: Provision for doubtful debts	**(816.12)**	*(997.57)*
	268.58	*187.75*
Total	**16,477.41**	*10,350.74*

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

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
Cash and Cash equivalents		
a. Balances with banks in current accounts	1,554.92	836.57
b. Cash on hand	7.47	4.24
c. Deposits with less than 3 months maturity	778.19	9.84
	2,340.58	850.65
Other Bank Balances		
a. Balances held for unpaid dividends	96.18	78.50
b. Bank deposits as margin money against Bank Guarantees	146.80	191.54
	242.98	270.04
Total	2,583.56	1,120.69

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

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
Advances Recoverable in Cash or in Kind	1,253.69	2,657.70
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)
Balances with Government Authorities	1,509.72	1,469.26
Gratuity	6.97	-
Total	2,770.38	4,126.96

19 OTHER CURRENT ASSETS:

₹ lacs

	As at 31st March, 2013	As at 31st March, 2012
Interest on current maturity of Debentures	26.60	54.51
Interest on current maturity of Fixed deposit	6.43	5.09
Grants	9.37	-
Export benefits receivable	231.81	232.31
Total	274.21	291.91

20 REVENUE FROM OPERATIONS:

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of products		
Own Manufactured Goods	135,770.57	122,730.51
Traded Goods	17,718.05	10,062.98
Sale of services	81.76	27.78
Other operating revenues		
Scrap and Sundry Sales	995.70	1,008.86
Export Incentives	415.87	742.27
Discounts Earned	119.07	120.89
Royalty Income	149.74	202.69
Grants for projects	41.52	31.64
Others	5.67	442.05
	155,297.95	135,369.65
Less: Excise duty	9,479.75	7,882.19
Total	145,818.20	127,487.46

21 OTHER INCOME:

₹ lacs

	For the year ended 31st March, 2013	*For the year ended 31st March, 2012*
Interest Income on term and fixed deposits	**20.20**	*20.91*
Interest on loans and advances	**33.33**	*19.04*
Income from Investments		
On current investments	**40.21**	*38.38*
On long term investments	**12.42**	*8.51*
Dividend income		
On current investments	**85.71**	*21.48*
On long term investments	**1.90**	*1.72*
Surplus on Liquidation of Subsidiary	**-**	*12.99*
Profit on sale of Fixed Assets (net)	**689.21**	*224.73*
Sundry Income	**290.56**	*339.45*
Total	**1,173.54**	*687.21*

22 COST OF MATERIALS CONSUMED:

₹ lacs

	For the year ended 31st March, 2013	*For the year ended 31st March, 2012*
Raw Materials Consumed		
Opening Stock	**9,493.96**	*6,809.14*
Add : Purchases	**69,977.88**	*65,017.20*
Less : Closing Stock	**7,635.98**	*9,493.96*
	71,835.86	*62,332.38*
Packing Materials Consumed	**5,493.04**	*4,441.76*
Total	**77,328.90**	*66,774.14*

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

₹ lacs

	For the year ended 31st March, 2013	*For the year ended 31st March, 2012*
Opening 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*
Closing Stock		
Finished Goods - Own Manufacured	**15,101.91**	*13,371.59*
Finished Goods - Traded	**1,899.98**	*2,316.77*
Work in Progress	**732.96**	*953.84*
	17,734.85	*16,642.20*
Net Increase	**(1,092.65)**	*(1,577.48)*

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

₹ lacs

		For the year ended 31st March, 2013	For the year ended 31st March, 2012
a.	Salaries and Wages	7,947.64	7,603.70
b.	Contribution to Provident and Other Funds	488.78	473.49
c.	Gratuity	128.56	308.82
d.	Staff welfare	874.45	859.98
	Total	9,439.43	9,245.99

25 OTHER EXPENSES

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Freight, Handling and Packing	3,754.75	3,013.52
Processing	1,408.21	1,152.04
Changes in Excise Duty on Inventory of Finished Goods	(138.74)	199.05
Travelling	1,348.87	1,034.22
Power and Fuel	4,856.76	4,341.23
Brand Equity Contribution	180.41	156.60
Repairs :		
to Machinery	689.71	560.20
to Buildings	99.69	113.92
Others	305.40	443.26
Stores and Spares Consumed	514.12	487.88
Rates and Taxes	277.71	316.26
Bad Debts	303.45	320.45
Cash Discount	3,476.47	3,025.84
Commission	66.60	53.30
Insurance	226.24	206.49
Rent	1,196.23	807.75
Bank Charges	220.54	262.87
Directors' Fees & Commission	335.75	288.85
Provision for Doubtful Debts/Advances	121.99	25.43
Less : Provision for doubtful debts written back	(303.45)	(320.45)
Selling Expenses	3,227.94	2,544.91
Legal and Professional	678.42	584.52
Net Loss on Foreign currency transactions and translation (other than considered as finance cost)	429.72	995.94
Pre-operative Expenses Capitalised	-	(150.62)
Other Expenses	4,257.04	3,552.95
Total	27,533.83	24,016.41

26 FINANCE COSTS

₹ lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest expense on:		
Borrowings	1,131.40	926.81
Other interest	650.53	480.45
Net (gain)/Loss on Foreign Currency transactions and translation	66.77	52.01
Total	1,848.70	1,459.27

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

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

Particulars	2012-13	*2011-12*
a. Demands contested by the Group:		
- Sales Tax	2,000.40	*2,158.63*
- Excise Duty	360.84	*360.84*
- Customs Duty	144.10	*149.50*
- Income Tax	6,953.30	*6,655.04*
- Service Tax	65.21	*42.14*
- Property Cases	47.36	*47.36*
- Labour Cases	243.55	*109.00*
- Other cases	109.56	*472.01*
- Number of cases where amount is not quantifiable 41 Nos. *(Previous Year 41 Nos.)*		
b. Guarantees #	-	*3.10*
c. Other money for which the Group is contingently liable:		
- Bills Discounted (fully covered by buyer's letters of credit)	1,547.36	*104.10*
	11,471.68	***10,101.72***

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) to devolve in respect of its exposure and therefore no provision has been made in respect thereof.

(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 for an amount aggregating ₹ 506.77 lacs. *(previous year 2,591 equity shares held by them for an amount aggregating ₹ 506.77 lacs.)*

(b) to allow the founder shareholders, a put option exercisable over a period of 3 years *(Previous Year: 4 years)*, 8,433 shares held by them for an amount aggregating ₹ 1,649.11 lacs *(Previous Year: 11,244 shares for an amount aggregating ₹ 2,199.21 lacs)*.

At the end of 3 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. During the financial year 2012-13, the Company has acquired 12,956 equity shares of Zero Waste Agro Organics Private Limited (ZWAOPL) for an amount aggregating to ₹ 1,000.07 lacs. Besides, the shares already acquired, it has made the following commitments:

(a) Investment of ₹ 1,900.03 lacs in respect to ZWAOPL effectively taking the shareholding of Rallis to 50.06%.

C. Estimated amount of contract with minimum commitment for plant activity ₹ 2,250.50 lacs *(Previous Year ₹ 383 lacs)*.

D. Estimated amount of contracts remaining to be executed on capital account of tangible assets is ₹ 1,043.03 lacs *(Previous Year ₹ 1,881.26 lacs)* against which advances paid aggregate ₹ 229.74 Lacs *(Previous Year ₹ 213.90 lacs)* and Intangible assets is ₹ 12.80 lacs *(Previous Year ₹ 95.79 lacs)*.

E. For derivatives and lease commitments, refer note no 35 and 28 respectively.

28 The Group has procured motor vehicles under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹ 427.84 lacs *(Previous Year ₹ 203.53 lacs)* net of amount recovered from employees ₹ 3.59 lacs *(Previous Year ₹ 2.34 lacs)*. Disclosures in respect of non-cancellable leases are given below:

₹ lacs

Particulars	**2012-13**	*2011-12*
a) Total of minimum lease payments	1,225.75	*1,236.64*
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	470.00	*372.26*
Later than one year and not later than five years	755.75	*864.38*
c) Lease payments recognised in the statement of profit and loss for the year	427.84	*203.53*

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	**2012-13**	*2011-12*
Audit Fees	64.81	*55.97*
Tax Audit	12.40	*12.21*
Fees for other services	57.08	*52.51*
Reimbursement of out-of-pocket expenses	2.35	*0.82*

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	**2012-13**	*2011-12*
On tangible fixed assets	1,463.94	*5.30*
On items which have been expensed during the year	1,376.20	*1,032.81*
Total	**2,840.14**	***1,038.11***

During the year the Group has also incurred ₹1,248.86 lacs *(Previous Year ₹992.84 lacs)* towards 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 ₹ 1,094.17 Lacs *(Previous Year ₹2,589.61 Lacs)*.

Included in the foregoing is an amount of ₹ 422.69 lacs *(Previous Year ₹ 618.10 lacs)* paid to an external agency.

31 DEFERRED TAX ASSETS AND LIABILITIES:

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

₹ lacs

Particulars	2012-13	2011-12	2012-13	2011-12
	Net Deferred tax liabilities		Net Deferred tax assets	
Deferred Tax Assets				
On Provision against debts and advances	1,629.93	*1,646.01*	-	
On other items	639.56	*772.63*	51.84	-
Total	**2,269.49**	***2,418.64***	**51.84**	-
Deferred Tax Liabilities				
On fiscal allowance on fixed assets	4,888.74	*3,422.25*	-	
On other items	244.88	*304.85*	-	
Total	**5,133.62**	***3,727.10***	**-**	-
Net Deferred Tax	**(2,864.13)**	**(1,308.46)**	**51.84**	-

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	141,932.94	2,075.93	144,008.87
	123,986.15	*925.14*	*124,911.29*
Total Inter-Segment Revenue	-	-	-
Segment Revenue	141,932.94	2,075.93	144,008.87
	123,986.15	*925.14*	*124,911.29*
Total Revenue (A)			144,008.87
			124,911.30
RESULTS			
Segment Results (B)	18,798.61	683.19	19,481.80
	17,071.58	*234.25*	*17,305.83*
Unallocable Income (Net of unallocable expenses)			(404.41)
			(907.58)
Operating Profit			19,077.39
			16,398.25
Finance costs			1,848.70
			1,459.27
Profit before taxation			17,228.69
			14,938.98
Tax Expense			(5,349.01)
			(4,869.78)
Profit for the year before Minority Interest			11,879.68
			10,069.20

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₹ lacs

Particulars	Business Segments		Total
	Agri - Inputs	Others (non-reportable)	
OTHER INFORMATION			
ASSETS			
Segment Assets (C)	107,111.41	1,176.41	108,287.82
	100,500.58	*1,489.69*	*101,990.27*
Unallocated assets			10,729.65
			10,150.85
Total Assets			119,017.47
			112,141.12
LIABILITIES			
Segment Liabilities (D)	34,092.67	73.93	34,166.60
	34,204.74	*195.50*	*34,400.24*
Unallocated Liabilities			22,307.95
			22,294.24
Total Liabilities (excluding Minority Interest)			56,474.55
			56,694.48
CAPITAL EXPENDITURE			
Total cost incurred during the year to acquire segment assets (E)	4,063.82	-	4,063.82
	7,052.95	*-*	*7,052.95*
Total cost incurred during the year to acquire assets			4,063.82
			7,052.95
DEPRECIATION			
Segment Depreciation (F)	3,078.10	75.21	3,153.31
	2,768.44	*97.49*	*2,865.93*
Unallocated Depreciation			-
			-
Total Depreciation			3,153.31
			2,865.93
NON CASH EXPENSES			
Segment Non-cash expenses other than Depreciation & Amortisation (G)	4.93	-	4.93
	(264.13)	*-*	*(264.13)*
Total Non-cash Expenses			4.93
			(264.13)

Figures in italics relate to the previous year.

a. **Secondary Segment Information:**

₹ lacs

	2012-13	*2011-12*
1. Segment Revenue		
a. India	102,029.12	*86,160.13*
b. Outside India	41,979.75	*38,751.17*
Total	**144,008.87**	***124,911.30***
2. Segment Assets		
a. India	102,030.58	*97,451.65*
b. Outside India	6,257.24	*4,538.62*
Total	**108,287.82**	***101,990.27***

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	**2012-13**	*2011-12*
Opening Balance as at 1st April	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	185.21	*185.21*

(b) Provision for Contingencies for claims in business operation amounting to ₹ Nil (Previous Year: ₹ Nil) was provided for the year ended 31st March, 2013.

₹ lacs

Particulars	**2012-13**	*2011-12*
Opening Balance as at 1st April	50.00	*50.00*
Additional provisions made during the year	-	-
Total	**50.00**	***50.00***
Payments made adjusted against above sum	-	-
Closing Balance as at 31st March	**50.00**	***50.00***

34 EARNINGS PER SHARE:

₹ lacs

Particulars	2012-13	2011-12
Profit for the year (after adjustment of minority interest)	11,901.22	9,918.19
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 ₹)	6.12	5.10

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 31.03.2013			As at 31.03.2012		
	Number of Contracts	₹ lacs	Amount in Lacs	Number of Contracts	₹ lacs	Amount in lacs
Receivables	6	1,711.34	USD 31.52	11	3,179.91	USD 62.44
	2	434.88	AUD 7.68	1	172.49	AUD 3.30
Payables	2	1,583.75	USD 29.17	26	4,869.91	USD 95.7
	5	1,698.23	JPY 2,944.10	6	1,878.44	JPY 3,031.60

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 31.03.2013			As at 31.03.2012		
	Number of Contracts	Notional amount of currency option contracts	Fair Value Gain/ (Loss) ₹ lacs	Number of Contracts	Notional amount of currency option contracts	Fair Value Gain/ (Loss) ₹ lacs
USD	Nil	Nil	Nil	1	29.50 lacs	(96.74)

USD = U.S. Dollar

The net loss on the derivative instrument of ₹ 63.40 lacs (net of Deferred Tax Asset of ₹ 30.45 lacs) recognised in 2011-2012 in the Hedging Reserve Account has been recycled in the Statement of Profit and Loss in 2012-2013.

(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 31.03.2013		*As at 31.03.2012*	
	₹ lacs	**Amount in lacs**	*₹ lacs*	**Amount in lacs**
Exports of goods and services	*4,107.09*	*USD 79.09*	*1,625.85*	*USD 26.10*
		AUD 5.35		*AUD 5.50*
		EUR 0.47		*EUR 0.10*

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

Particulars	As at 31.03.2013		*As at 31.03.2012*	
	₹ lacs	**Amount in lacs**	*₹ lacs*	**Amount in lacs**
Imports of goods and services	*5,744.58*	*USD 99.98*	*7,049.38*	*USD 136.50*
		JPY 317.37		*JPY 93.40*
		EUR 0.02		*EUR 0.70*
Customer Advances	*175.04*	*USD 3.22*	*2.10*	*USD 0.05*

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	126.77	-	126.77
	200.95	-	*200.95*
Sales of Goods	3,661.06	-	3,661.06
	2,924.12	-	*2,924.12*
Services Received	32.42	-	32.42
	69.91	-	*69.91*
Services Given	44.43	-	44.43
	28.01	-	*28.01*
Other Expenses	12.63	-	12.63
	0.03	-	*0.03*
Dividend Paid (Equity)	2,141.52	-	2,141.52
	2,044.17	-	*2,044.17*
Debit Balance outstanding as at year end - Other Receivables	99.47	-	99.47
	73.03	-	*73.03*
Credit Balance outstanding as at year end - Other Payables	685.59	-	685.59
	346.26	-	*346.26*
Remuneration Paid	-	241.73	241.73
	-	*216.73*	*216.73*

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*
	2012-13			***2011-12***		
Present Value of Commitments	1,683.19	1,577.46	3,260.65	*1,508.11*	*1,494.66*	*3,002.77*
Fair Value of Plans	1,540.00	-	1,540.00	*1,238.35*	*-*	*1,238.35*
Net liability in the balance sheet	143.19	1,577.46	1,720.65	*269.76*	*1,494.66*	*1,764.42*

Defined Benefit Obligation :

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2012-13			*2011-12*		
Opening balance as at 1st April	1,508.11	1,494.66	3,002.77	*1,541.82*	*1,562.49*	*3,104.31*
Past Service Cost	-	-	-	*-*	*-*	*-*
Current Service Cost	158.90	124.96	283.86	*131.15*	*10.31*	*141.46*
Interest expenses	124.79	123.31	248.10	*130.68*	*127.56*	*258.24*
Paid benefits	(102.12)	(230.33)	(332.45)	*(388.51)*	*(144.18)*	*(532.69)*
Actuarial (gain)/loss	(6.49)	64.86	58.37	*92.98*	*(61.52)*	*31.46*
Closing balance as at 31st March	1,683.19	1,577.46	3,260.65	*1,508.11*	*1,494.66*	*3,002.77*

Plan assets: Gratuity :

₹ lacs

Particulars	**2012-13**	***2011-12***
Opening balance as at 1st April	1,238.35	*1,469.68*
Expected return on scheme assets	106.45	*118.64*
Contributions by the Group	255.13	*111.18*
Paid funds	(102.12)	*(388.51)*
Actuarial gain / (loss)	42.19	*(72.64)*
Balance with the Trust as at 31st March	1,540.00	*1,238.35*
Closing balance as at 31st March	1,540.00	*1,238.35*

Investment Details:

₹ lacs

Particulars	2012-13	*2011-12*
Debentures	772.33	*397.36*
Equity	-	*258.57*
Government Securities	350.53	*305.33*
Deposits, Money market Securities & Other Assets	95.12	*47.74*
Other – Fund managed by other insurer whose pattern of investment is not available with the Company	247.69	*154.97*
Others	74.33	*74.38*
Total Asset	1,540.00	*1,238.35*

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	2012-13	*2011-12*
Expected return on plan assets	106.45	*118.64*
Actuarial gain / (loss)	42.19	*(72.64)*
Actual return on plan assets	148.64	*46.00*

Expenses on defined benefit plan:

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	2012-13			*2011-12*		
Current service costs	158.90	124.96	283.86	*131.15*	*10.31*	*141.46*
Past service cost		-	-	-	-	
Interest expense	124.79	123.31	248.10	*130.68*	*127.56*	*258.24*
Expected return on investment	(106.45)		(106.45)	*(118.64)*	-	*(118.64)*
Net actuarial (gain) / loss	(48.68)	64.86	16.18	*165.63*	*(61.52)*	*104.11*
Expenses charged to the statement of profit and loss	128.56	313.13	441.69	*308.82*	*76.35*	*385.17*

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	2012-13	*2011-12*
Rate for discounting liabilities	7.90% to 8.60% p.a.	*8.25% to 8.60% p.a.*
Expected salary increase rate	8.00% p.a.	*8.00% p.a.*
Expected return on scheme assets	8.70% to 9 % p.a.	*8.60% to 9 % p.a.*
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	*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	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	1,683.19	*1,508.11*	*1,541.81*	*1,501.24*	*1,238.59*
Plan asset	1,540.00	*1,238.35*	*1,469.69*	*1,341.60*	*605.77*
Surplus/(Deficit)	(143.19)	*(269.76)*	*(72.13)*	*(159.64)*	*(632.82)*
Experience adjustment on plan assets gain /(loss)	42.19	*(72.64)*	*(3.79)*	*(34.54)*	*(146.09)*
Experience adjustment on plan liabilities (gain)/ loss	(6.49)	*92.98*	*(78.81)*	*(19.50)*	*25.81*

The contributions expected to be made by the Group during the financial year 2012-13 amount to ₹129.20 lacs.

(b) Supplemental Pay:

₹ lacs

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	1,577.46	*1,494.66*	*1,562.49*	*1,572.68*	*1,567.17*
Plan asset	-	-	-	-	-
Surplus/(Deficit)	(1,577.46)	*(1,494.66)*	*(1,562.49)*	*(1,572.68)*	*(1,567.17)*
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	64.86	*(61.52)*	*21.19*	*63.94*	*(79.49)*

Defined-Contribution Plans:

Amount recognised as expense and included in Note No.24 - "Contribution to Provident and Other Funds" - ₹ 488.78 lacs *(Previous year ₹ 473.49 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. @	Zero Waste Agro Organics Private Limited #
Country	India	India	India	Australia
Year	2012-13	2012-13	2012-13	2012-13
Capital	5.00	10.57	257.25	5.68
	5.00	*10.57*	*257.25*	-
Reserves	(15.85)	6,010.41	119.80	388.31
	(11.75)	*5,893.23*	*(171.97)*	-
Total Assets	7.94	6,420.01	12,279.51	594.20
	12.02	*6,260.29*	*9,292.90*	-
Total Liabilities	7.94	6,420.01	12,279.51	594.20
	12.02	*6,260.29*	*9,292.90*	-
Turnover	-	1,249.77	14,118.86	250.33
	-	*1,029.56*	*9,779.72*	-
Profit/(loss) before taxation	(4.08)	115.59	266.77	(151.54)
	(4.02)	*322.87*	*119.61*	-
Provision for taxation	-	-	-	48.32
	-	-	-	-
Profit/(loss) after taxation	(4.08)	115.59	266.77	(103.22)
	(4.02)	*322.87*	*119.61*	-

\# Turnover, Profit/(Loss) before taxation, Provision for Taxation and Profit/(Loss) after Tax shown above is for the period 01/04/2012 to 31/03/2013. 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 Zero Waste Agro Organics Private Limited.

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

39 Acquisitions made during the year:-

During the year, the Company has acquired / subscribed to shares comprising 22.81% of the equity shares of Zero Waste Agro Organics Private Limited (ZWAOPL). Rallis India Limited has certain rights under the Shareholder Agreement which requires ZWAOPL to be treated as a subsidiary of the Company and hence it is consolidated.

The financial position and result of the above acquired entity which is included (Before Elimination) in the consolidated financial statement is given below:

₹ lacs

Particulars	**Zero Waste Agro Organics Private Limited**
	As at 31st March, 2013
LIABILITIES	
Trade payables	80.07
Other current liabilities	120.14
ASSETS	
Tangible assets	80.29
Deferred tax assets (Net)	51.84
Long-term loans and advances	87.65
Inventories	331.23
Cash and cash equivalents	15.80
Short-term loans and advances	27.39
INCOME	
Revenue from operations	250.33
Other income	0.06
EXPENSES	
Manufacturing and other expenses	391.86
Finance costs	0.08
Depreciation and amortization expenses	9.99
Provision for Tax	(48.32)

40 The Group has invested ₹ 880.00 lacs in Non-Convertible Debentures ("NCDs") of Advinus Therapeutics 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 ₹ 28.49 lacs *(Previous Year ₹ 22.72 lacs)* in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹ 296.15 lacs *(Previous Year ₹ 290.40 lacs)* were redeemed at a 25% premium which aggregated ₹ 74.04 lacs *(Previous Year ₹ 72.60 lacs)*.

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

R. GOPALAKRISHNAN *Chairman*

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

V. SHANKAR *Managing Director & CEO*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 25th April, 2013

NOTES

C M Y K

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-FIFTH ANNUAL GENERAL MEETING of the Company at Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021, on Monday, the 24th June, 2013 at 4.00 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-fifth Annual General Meeting of the Company, to be held on Monday, the 24th June, 2013 at 4.00 p.m. or at any adjournment thereof.

Signed this .... day of 2013

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.

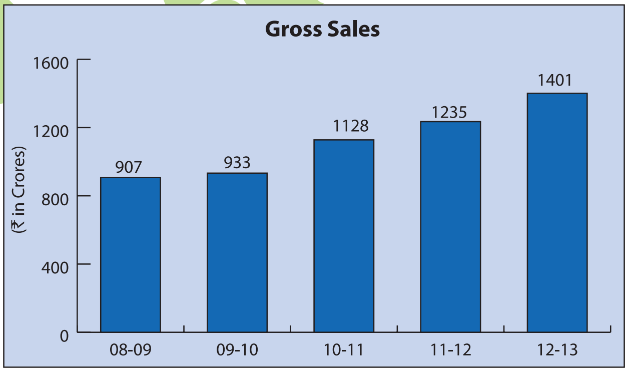
NOTE: The Proxy must be returned so as to reach the Registered Office of the Company, at 156/157, 15th Floor, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid Meeting.

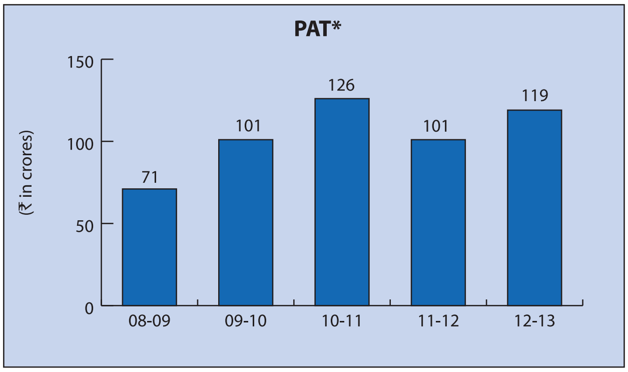
FINANCIAL STATISTICS

Year-end Financial Position ₹ lacs

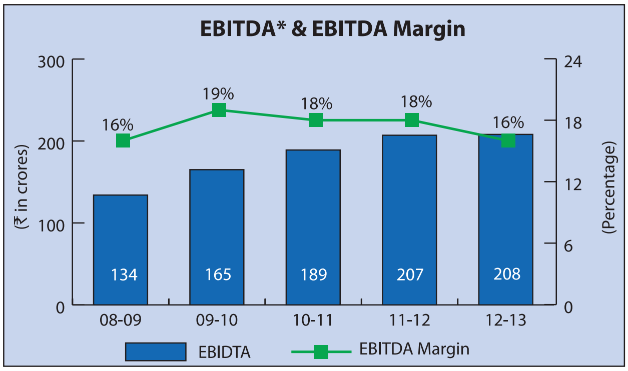
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net Fixed Assets	**40,011**	40,394	38,445	26,478	18,766	14,787	14,411	16,528	18,186	17,665
Deferred Tax Asset/(Liability)	**(2,864)**	(1,308)	(323)	535	1,016	1,323	1,222	336	-	-
Investments	**19,348**	18,094	15,193	14,028	13,615	5,551	3,173	4,948	46	309
Total	**56,495**	**57,180**	**53,315**	**41,040**	**33,397**	**21,661**	**18,806**	**21,812**	**18,231**	**17,973**
Current Assets	**47,232**	44,416	42,453	32,450	34,727	33,431	31,551	30,420	26,979	38,055
Current Liabilities	**33,149**	34,672	36,197	30,400	25,914	20,022	25,914	23,650	17,747	20,374
Net Current Assets	**14,083**	**9,744**	**6,257**	**2,050**	**8,813**	**13,409**	**5,637**	**6,770**	**9,232**	**17,681**
TOTAL CAPITAL EMPLOYED	**70,578**	**66,924**	**59,572**	**43,090**	**42,210**	**35,070**	**24,443**	**28,582**	**27,463**	**35,654**
Capital										
- Preference	**-**	-	-	-	8,800	8,800	8,800	8,800	8,800	8,800
- Equity	**1,945**	1,945	1,945	1,296	1,198	1,198	1,198	1,198	1,198	1,198
Total	**1,945**	**1,945**	**1,945**	**1,296**	**9,998**	**9,998**	**9,998**	**9,998**	**9,998**	**9,998**
Reserves	**60,204**	53,420	48,391	40,983	24,869	20,755	11,179	7,563	4,618	7,255
Less: Debit Balance in Profit & Loss A/c.	**-**	-	-	-	-	-	-	-	-	4,969
Less: Miscellaneous Expenditure	**-**	-	-	-	713	73	214	544	1,006	1,551
Net Worth	**62,149**	**55,365**	**50,336**	**42,279**	**34,155**	**30,681**	**20,963**	**17,017**	**13,610**	**10,733**
Borrowings										
- Short term	**-**	3,122	972	161	2,455	3,604	2,541	2,901	5,607	16,236
- Long term	**8,429**	8,437	8,265	650	5,600	786	938	8,664	8,246	8,686
Total	**8,429**	**11,559**	**9,236**	**811**	**8,055**	**4,389**	**3,479**	**11,565**	**13,853**	**24,921**
TOTAL SOURCES	**70,578**	**66,924**	**59,572**	**43,090**	**42,210**	**35,070**	**24,443**	**28,582**	**27,463**	**35,654**
Summary of Operations										
Sales (including Excise)	**140,114**	123,494	112,764	93,349	90,683	73,966	67,680	65,275	60,350	54,587
Other Income (Including Operating Income)	**2,889**	3,263	3,436	2,882	2,262	11,163	8,378	3,900	5,332	11,753
Total Income	**143,003**	**126,757**	**116,199**	**96,231**	**92,946**	**85,129**	**76,058**	**69,175**	**65,682**	**66,339**
Expenses										
Materials consumed	**83,419**	70,893	62,824	50,339	50,557	40,844	40,339	37,025	33,420	30,202
Personnel cost	**7,784**	8,033	6,958	7,498	7,274	6,135	5,520	5,165	5,281	5,631
Excise duty	**9,480**	7,882	8,230	6,000	7,291	6,847	5,475	6,140	6,241	5,667
Finance Cost	**1,251**	1,037	332	267	326	409	1,089	841	1,449	3,956
Depreciation	**2,881**	2,711	1,716	1,831	2,295	2,007	3,100	1,675	1,611	1,703
Other expenses	**20,853**	19,473	17,782	15,076	14,603	14,270	15,034	13,874	14,264	16,562
Total	**125,668**	**110,029**	**97,842**	**81,011**	**82,345**	**70,512**	**70,556**	**64,721**	**62,266**	**63,721**
Profit before tax and prior year adjustment and exceptional item	**17,335**	**16,728**	**18,357**	**15,219**	**10,601**	**14,617**	**5,502**	**4,454**	**3,416**	**2,619**
Excpetional item:Cessation Cost	**-**	1,719	-	-	-	-	-	-	-	-
Profit before tax	**17,335**	**15,009**	**18,357**	**15,219**	**10,601**	**14,617**	**5,502**	**4,454**	**3,416**	**2,619**
Tax	**5,397**	4,870	5,736	5,116	3,472	2,098	(309)	201	67	64
Profit after tax	**11,938**	**10,139**	**12,621**	**10,104**	**7,129**	**12,519**	**5,811**	**4,253**	**3,349**	**2,555**
IMPORTANT RATIOS										
Current Assets : Liabilities	**1.4**	1.3	1.2	1.1	1.3	1.7	1.2	1.3	1.5	1.9
Debt : Equity	**0.1**	0.2	0.2	0.0	0.2	0.1	0.2	0.7	1.0	2.3
PBT/Turnover %	**12.4**	13.5	16.3	16.3	11.7	19.8	8.1	6.8	5.6	4.8
Return (PBIT) on Capital Employed %	**26.3**	26.5	31.4	35.9	25.9	42.8	27.0	18.5	17.7	18.4
Dividend (per share)	**2.3**	2.2	20.0	18.0	16.0	10.0	8.0	4.0	1.0	-
Earnings (per share)*	**6**	5	65	52	53	22	42	29	22	20
Net Worth (per share)*	**32**	28	259	326	212	183	101	69	40	16

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

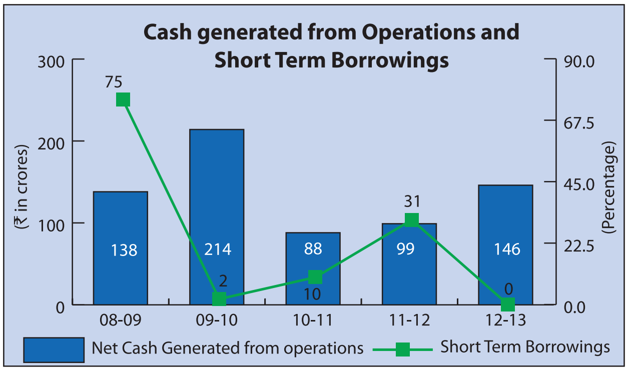


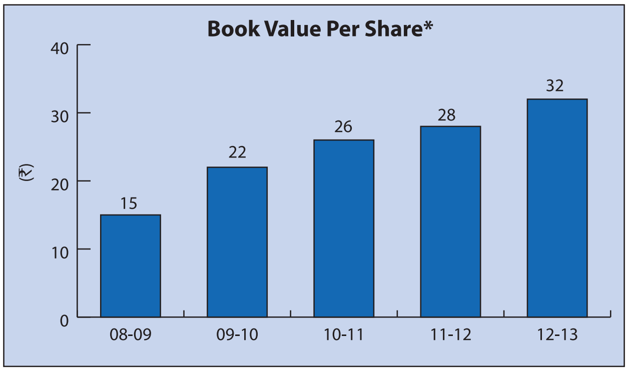


*PAT is after exceptional items.

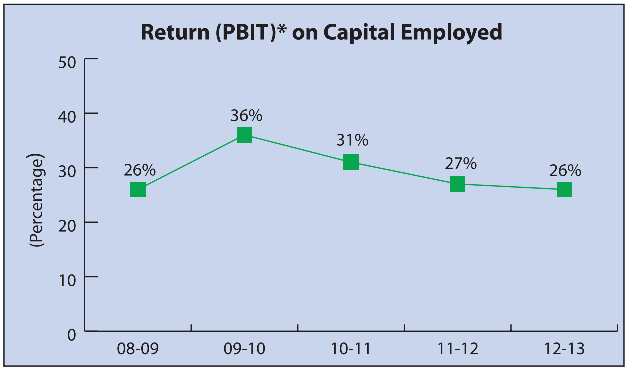


*EBITDA excludes extra-ordinary gains and losses such as other income, cessation costs & forex losses/gains.

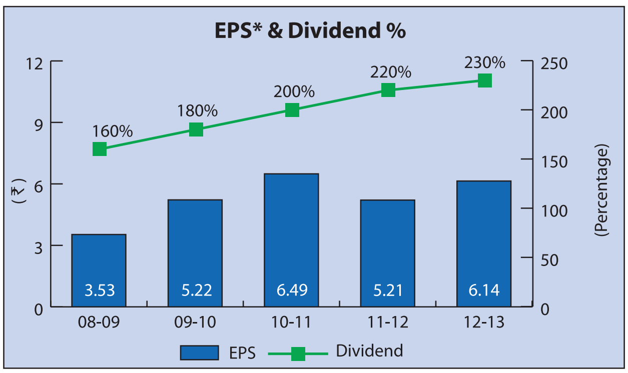




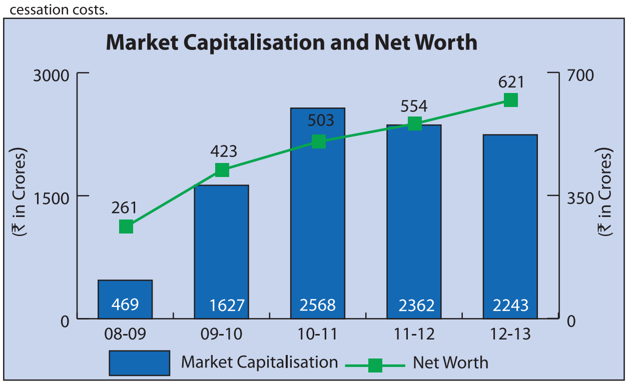
*Figures considering stock split and bonus issue for all years.



*PBIT excludes extra-ordinary gains and losses such as cessation costs.



*Figures considering stock split and bonus issue for all years



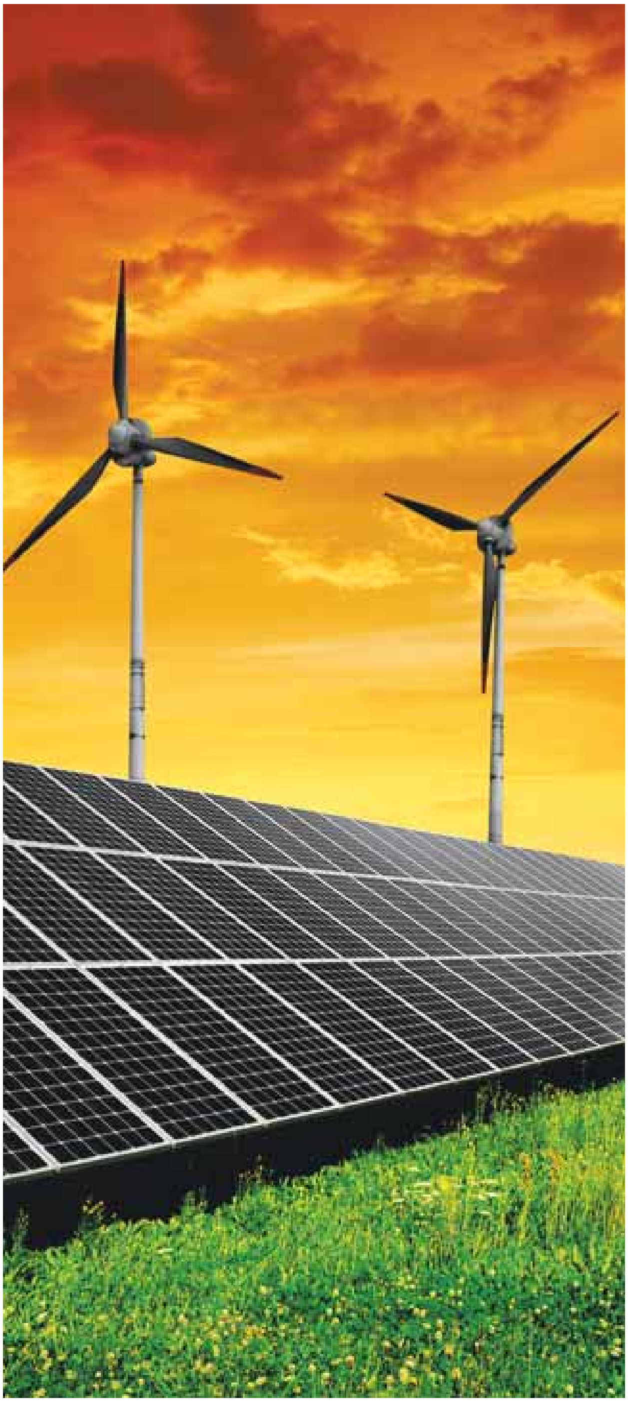
Note: Previous years figures have been regrouped, wherever necessary.

Sustainability

Rallis 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 key focus area in sustainability are water management (recycling, reusing and conservation), water shed projects for community, carbon foot printing and reduction of specific CO2 generation, enhanced safety for all employees and associates. The Company is also planning to use renewable source of energy in steam and power generations in different Units.

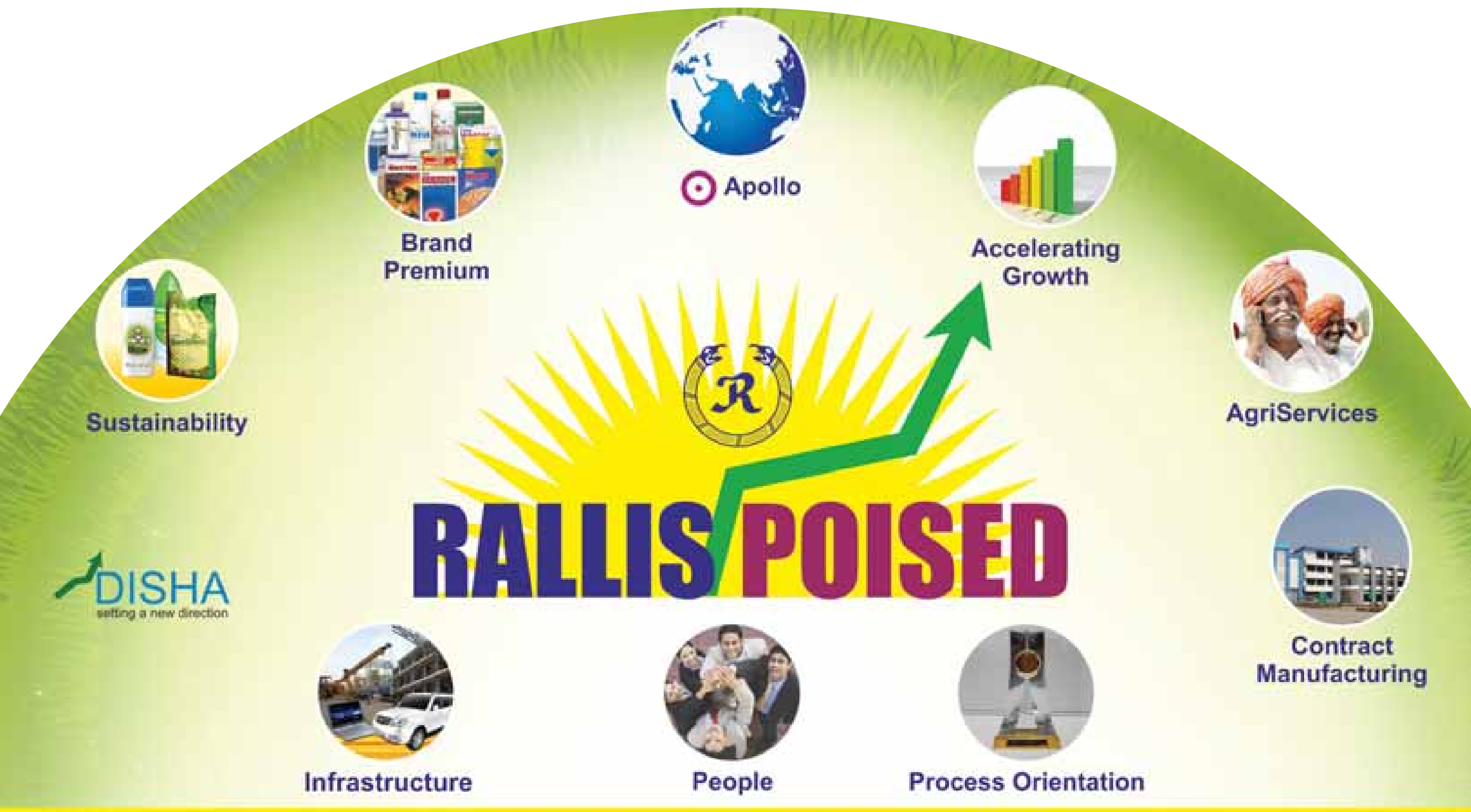
Being a signatory to Global Compact Principles, the Company files a Communication on Progress (COP) to the Global Compact Society every year on the Company's efforts in protecting human rights and promoting the conservation of environment.

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 already 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.



RALLIS INDIA LIMITED
A TATA Enterprise

Registered Office 156/157 15th Floor Nariman Bhavan
227 Nariman Point Mumbai 400021



RALLIS INDIA LIMITED
A TATA Enterprise

RALLIS INDIA LIMITED

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Rallis India Limited
2.	Annual standalone financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable
5.	To be signed by: • CEO/Managing Director	**Mr. V. Shankar** **(Managing Director & CEO)**
	• CFO	**Mr. Ashish Mehta** **(Financial Controller)**
	• Audit Committee Chairman	**Mr. E. A. Kshirsagar**
	• Auditor of the Company	Refer our Audit Report dated **April 25, 2013** on the standalone financial statements of the Company **For DELOITTE HASKINS & SELLS** Chartered Accountants (Firm Registration No. 117366W) B. P. Shroff B. P. Shroff (Partner) (Membership No. 34382) Mumbai, 25th April, 2013

RALLIS INDIA LIMITED

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Rallis India Limited
2.	Annual consolidated financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable
5.	To be signed by: • CEO/Managing Director • CFO • Audit Committee Chairman • Auditor of the Company	**Mr. V. Shankar** **(Managing Director & CEO)** **Mr. Ashish Mehta** **(Financial Controller)** **Mr. E. A. Kshirsagar** Refer our Audit Report dated **April 25, 2013** on the consolidated financial statements of the Company **For DELOITTE HASKINS & SELLS** Chartered Accountants (Firm Registration No. 117366W) B. P. Shroff B. P. Shroff (Partner) (Membership No. 34382) Mumbai, 25th April, 2013