RALLIS INDIA LIMITED

Corporate Identity No. L36992MH1948PLC014083

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, 2014
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** **(Chief Financial Officer)** **Mr. E. A. Kshirsagar** **(Chairman - Audit Committee)** Refer our Audit Report dated **April 22, 2014** on the standalone financial statements of the Company **For DELOITTE HASKINS & SELLS LLP** Chartered Accountants (Firm's Registration No. 117366W/ W-100018) Sanjiv V. Pilgaonkar Partner (Membership No. 39826) Mumbai, April 22, 2014

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4.	Frequency of observation	Not applicable
5.	To be signed by:	
	• CEO/Managing Director	**Mr. V. Shankar** **(Managing Director & CEO)**
	• CFO	**Mr. Ashish Mehta** **(Chief Financial Officer)**
	• Audit Committee Chairman	**Mr. E. A. Kshirsagar** **(Chairman - Audit Committee)**
	• Auditor of the Company	Refer our Audit Report dated **April 22, 2014** on the consolidated financial statements of the Company **For DELOITTE HASKINS & SELLS LLP** Chartered Accountants (Firm's Registration No. 117366W/ W-100018) Sanjiv V. Pilgaonkar Partner (Membership No. 39826) Mumbai, April 22, 2014

RALLIS INDIA LIMITED

A TATA Enterprise

66th Annual Report | 2013-14

CUSTOMERS
- RKK
- APOLLO
- NSDI
- FGD
- CSS
- HELPLINES

CHANNEL PARTNERS
- BHAGIDAARI SABHA
- e-BANDHAN
- ANUBANDH
- MD Elite

PPP PROGRAMMES
- MOPU
- TRAITS
- SRI

EMPLOYEES
- SHUKRIYA
- LISTEN
- TARANG
- CEO ONLINE
- KKHD
- KDJ

NURTURING
RELATIONSHIPS

Partnering for growth

Farmers and Channel Partners:

Building and sustaining relationship has been the key strength of Rallis. Rallis has been the fore runner in initiating various engagement platforms for its stakeholders such as RKK (For Farmers), Bhagidaari Sabha and Anubandh (For Channel Partners).

Innovative and scientific approach of creating Package of Practices (PoP) for key crops was stepped up during the current year to demonstrate the power of using Rallis products in increasing the productivity.

Several innovative dealer motivation platforms under Channel Partner Engagement program have contributed in increasing the sales of selected key products in all the geographies. Innovative programs like – Anubandh, Achievers Incentive and MD's Elite have played important role in strengthening the channel support. Online integrated dealer portal for the channel: e-Bandhan was started during the year.

Employees:

Customized training was provided in various areas, including Functional, Behavioral, Business Excellence, Customer orientation, Safety, Code of Ethics, Product Training and competency Assessment.

This year, the Company introduced a unique employee engagement initiative called "Karishma Dikhla Jaa", an in-house show for showcasing the latent talent and creativity of Ralliites. Employees from across all locations presented their performances depicting various messages and values with themes such as Safety, Sustainability, Green Environment, Value Systems, etc. There were three regional rounds at common locations and a final round was held at Mumbai which was attended by employees and their families. 'Karishma Dikhla Jaa' created lot of excitement, fun, bonding and camaraderie amongst Ralliites.

Productivity enhancement programs:

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 include educating farmers on right usage of crop protection products, seeds, PGN and propagating good agricultural practices. Initiatives such as the Samrudh Krishi services started by the Company at Nasik for grape farmers and at Andhra Pradesh for Chilli farmers have received an encouraging response from the farmers. Grow More Pulses (MoPu) program 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.

Samrudh Krishi:

The farmers have started reporting 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.

MoPu:

Pulses Productivity program of Rallis has received acclaim from Maharashtra Government, during a recent world economic forum organized meeting. This initiative was recognized for its shared customer value creation and was awarded the prestigious 'Porter Prize'. The MoPu (More Pulses) initiative has now been extended to Madhya Pradesh, Karnataka and Tamil Nadu and over 3.5 lakh farmers have been covered.

SRI :

Rallis is facilitating adoption of SRI (System of Rice Intensification) practice by the farmers using rice transplanters which has resulted in up to 15% higher paddy yields, besides reducing the use of irrigation water.

TRAITS:

An initiative for employability of non-graduate, rural youths from farming background by imparting them training in agri-marketing and crop advising field to enable them to take up a career in agri-marketing and crop advising. It facilitates nation competence building and helps in creating a competent team for Rallis. Two new centers for TRAITS have been opened at Bhubaneswar in Odisha and Nalanda in Bihar during the year.

Business Excellence : Celebrating our most recent accolades

Rallis won awards for Highest Registration on Tata Engage and Highest Contribution to Experience Hub as a result of the passionate participation and valuable contribution of employees during Tata Volunteering Week.

Having done well in implementing and adhering to Process Safety Management, Rallis took home the ICC Award for Best Compliant Company for Process Safety Code under Responsible Care.

Rallis emerged as a winner for the best organization for 'Creating Shared Value' and was awarded the prestigious Porter Prize.

Focusing on energy conservation not only led to ISO certification for Energy ISO-50001 but also won Rallis the National Energy Conservation Award 2013.

In recognition of good safety performance with no lost time injury for a long period, Rallis received the NSC Maharashtra Chapter-Safety Award for Meritorious performance in Industrial Safety during 2012.

RALLIS

A TATA Enterprise Sixty-sixth annual report 2013-2014

Contents

Annual General Meeting	:	Monday, 30th June, 2014
Time	:	3.00 p.m.
Venue	:	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.

BOOK CLOSURE DATES
17TH JUNE, 2014 TO 30TH JUNE, 2014

Rallis India Limited

Rallis India Limited

Board of Directors

R. Gopalakrishnan *(Chairman)*
B. D. Banerjee
E. A. Kshirsagar
Prakash R. Rastogi
Bharat Vasani
R. Mukundan
Y. S. P. Thorat
Punita Kumar-Sinha
V. Shankar *(Managing Director & CEO)*

Company Secretary

P. S. Meherhomji

Corporate Identity Number (CIN)

L36992MH1948PLC014083

Senior Leadership

V. Shankar	*Managing Director & CEO*
K. R. Venkatadri	*Chief Operating Officer*
Ashish Mehta	*Chief Financial Officer*
M. M. Tripathy	*Vice President - Human Resources & Business Excellence*
Ravindra R. Joshi	*Vice President - Manufacturing*
Subhash R. Kadam	*Vice President - Research & Development*
C. M. Singh	*Vice President - Domestic Sales*
D. G. Shetty	*Vice President - International Business*
P. V. Reddy	*Vice President - Marketing & CRM Services*
N. K. Uppal	*Vice President - Agri Services*
Malik Shah	*Vice President - Planning & Procurement*
Coomie N. Kapadia	*Head - Internal Audit*
Alok Chandra	*Head - Corporate Sustainability*

Registered Office

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

Share Registrars and Transfer Agents

TSR Darashaw 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

Auditors

Deloitte Haskins & Sells LLP

Solicitors & Advocates

Crawford Bayley & Company

Bankers

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

Chairman's Statement

Dear Shareholders,

Through the Chairman's statement over the last few years I have advocated a bold and balanced approach by our country with regard to adopting new agricultural technologies. There are strong indicators that suggest that additional food production is a crisis of some urgency. Alternate views urge caution in adopting emergent technologies without detailed validation. Sustainable technologies will undoubtedly play a key role in producing more food in the future. However, finding the balance between boldness in adopting new technologies and ensuring that they are sustainable is proving to be difficult - as it was in 1960s when the three S's took some imaginative risks (C. Subramaniam, M. S. Swaminathan and B. Shivaram).

Technology in Agriculture

Robert Malthus had made a dire prediction in the late 1880s, "The power of population is indefinitely greater than the power in the earth to produce subsistence for man". The simple message was that eventually mankind will be short of food. World population was less than a billion when this prediction was made. The growth in population since then has been phenomenal and the world now has 7 billion people. Yet we don't think of food as being scarce.

What has made this growth possible while mitigating the Malthus prediction? The obvious answer is that advances in agricultural technology drove significant productivity enhancements. The burgeoning population has thus been fed even while per capita land availability has reduced dramatically. Some of the noteworthy interventions have been -

- The path-breaking ammonia - urea process by Fritz Haber and Carl Bosch in 1909 to increase crop nutrition
- The development of synthetic organic chemistry and compounds to improve crop protection
- Innovative water and irrigation management to rationalize water consumption
- Farm mechanization to reduce labour intensity and drudgery
- Hybrid seeds and GMO to enhance productivity and quality
- Adoption of integrated nutrient and soil management techniques

India has adopted these technological advancements, though the speed of adoption is arguable. India has revolutionized cotton farming by adopting Bt. Cotton. There needs to be an urgency and openness towards adopting new technologies. Consider that India accounts for only about 2.4%[1] of the world's geographical area and 4%[1] of its water resources, but has to support about 17%[1] of the world's population. Further worth noting is the fact that about half of the population still relies on agriculture as its principal source of income. Consider also the key relevance of agriculture which consumes 80%[1] of our water resources, 70%[3] of our government subsidies and 21%[2] of our electricity. Yet the per capita income of the farm population is significantly less than the national per capita income.

Though there is place for healthy scepticism towards new technologies, such scepticism must be matched by a genuine openness to new ideas. Very few factors are more important to our country than food security.

Government has launched various interventions to create awareness, educate farmers on best practices and cultivation techniques. However in the public sector, commercialisation of technology depends on extension systems, which is the weakest link in the chain.

RALLIS Response

Your Company has traditionally been strong in crop protection marketing and will continue to grow by providing value added solutions for farmers in this space. The branded Domestic Formulation Business registered a good growth during the year, despite cyclone Phailin and incessant rains and hail storm affecting crops during the latter half of the year. The International Business also showed a significant growth over last year and continues to be above 30% of the overall revenue of the Company for the past two years.

Your Company is also focusing on growing an equally compelling portfolio for non-pesticides products like Plant Growth Nutrients, Seeds, micro-nutrients, contract manufacturing, etc. and has been actively involved in promoting judicious use of technology. NPP share in the business for the year 2013-14 was 31%. I want to give you a brief overview of the work that is attempted by your Company in these areas -

A. Improving Seeds

Quality Seeds are one of the key agricultural inputs, which determine the productivity of the crops and the efficacy of other agricultural inputs like fertilizers and pesticides. Acquisition of Metahelix Life Sciences has enabled your Company to acquire the capability to develop high yielding hybrid seed varieties while improving other desirable attributes using both, conventional breeding and biotechnological approaches. Biotechnological programs include the use of Marker Aided Selection (MAS) and Genetic Modification (GM) for the development of traits like tolerance to pests and pathogens, tolerance to herbicides and tolerance to stresses like soil salinity.

The Proprietary Research Seed Category like Selection wheat, Selection paddy and Selection mustard opens up a huge opportunity and your Company has an advantage of emerging as a leader in this space, with its brand equity in the rural area, along with its strengths of reach and penetration.

B. Accelerating Plant Growth

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.

Your Company has been proactively working towards improving the quality of farm inputs (other than crop protection). We have introduced a range of Specialty Nutrient products addressing the deficiencies of secondary and micronutrients in the soil with emphasis on sustainable agriculture and greener and cleaner products such as -

- **GeoGreen™** a scientifically prepared organic compost, derived out of wastes from sugar industry, vastly improves soil structure, is rich source of 'organic carbon' capable of supporting and enhancing biological activities in soil, increases water holding capacity, increases uptake of soil nutrients, helps fight diseases and reduces stress factors. It has been very well received by farmers who are able to see crop productivity improvement by its usage.
- **TATA BAHAAR** A Green Organic Amino acid product from vegetable source with Gluconates and Lactates fortified with micronutrients which was launched to replace Aminos, a chemically synthesized amino acid product.
- Revolutionary New Delivery Mechanism in Plant Growth Nutrient (PGN) segment in India **TATA UPHAAR –RDS** in convenient soluble pouch.
- **Gluco Beta**, a unique blend of carbon, proteins, primary nutrients, secondary nutrients and micro nutrients in organic form is a move in a sustainable growth direction.

C. Adopting Improved PoP (Package of Practices)

Our comprehensive range of Agri products and services are spread across India through an extensive distribution network of loyal and supportive dealers and retailers. Through its extensive relationship initiatives we listen to the evolving needs of farmers and come out with new and relevant products.

A large majority of farmers still struggle to get basic information on best practices, new techniques, prices, trends and forecasts in order to take an informed decision about cultivation, crop management, harvesting, selling etc.

Our farmer relationship building initiatives such as ***Rallis Kisan Kutumb (RKK)*** have been very effective extension systems with significant increases in farmer contacts (over 1 million farmers) and productivity improvement. Through these programs we endeavour to deliver up-to-date information in the form of improved agronomic practices coupled with efficient use of agro-chemicals to improve productivity and lower costs using various communication means such as regular contacts throughout the crop cycle, organizing crop seminars, product demonstrations through carefully designed Package of Practices (PoP), Farmer exchange programmes (Prerna), Focused Group Discussions (FGDs) and Advisory Services.

Your Company has added a number of value added services such as sms alerts on crop prices, weather and possible disease outbreak through ***Samrudh Krishi*** programme *(a holistic agro-advisory program wherein customized recommendations are provided by crop-advisors who visit each farmer's plot)*. 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

More Pulses (MoPu) initiative whose objective was to enhance the cultivation of pulses by providing farmers quality seeds, critical technology interventions to increase yield and creating a mechanism for buy-back of the produce at fair prices which is then sold under the brand name ***"i-Shakti Dals"*** by Tata Chemicals Ltd. has been a pretty success with over 3.5 lakh farmers covered and around 15,000 MT of pulses procured from farmers till date.

Even though farm mechanization is increasing in India, it is mostly region specific. Affordability of agricultural machines is a big challenge.

It might interest you to know that your Company has initiated a **System of Rice Intensification** (SRI) project on paddy in Bargarh District, Odisha using transplanters and automatic seedling machine. This has resulted in up to 15% higher paddy yields, and saving in irrigation water. Usage of hybrid paddy seeds increased the capability of the crop to withstand weather pressures.

Rallis is not the only institution in TATA that is focussing on agriculture. Tata Chemicals and the Tata Trusts also have been actively involved in improving the agriculture scene in India.

TATA Group is well placed to play a positive role in India's march towards increasing food production and productivity; by leveraging its current product portfolio and extending into other agro-inputs and services to emerge as a complete service provider to the Indian farmer.

ACKNOWLEDGEMENT

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

Chairman

Mumbai
May 19, 2014

Sources

1 State of Indian agriculture 2012-13, Govt of India, Ministry of Agriculture
2 Agricultural Statistics 2013, Ministry of Agriculture
3 Subsidies in form of Food & Fertilizers – Planning Commission data

RALLIS INDIA LIMITED

(CIN: L36992MH1948PLC014083)

NOTICE OF MEETING

NOTICE is hereby given that the 66th Annual General Meeting of Rallis India Limited will be held at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Monday, the 30th June, 2014 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2014 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 2013-14 and to declare a Final Dividend for the year 2013-14 on Equity Shares.
3. To appoint a Director in place of Mr. R. Gopalakrishnan who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. **Appointment of Mr. B. D. Banerjee as Independent Director**

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. B. D. Banerjee (DIN No. 00064354), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 30th June, 2014 up to 31st October, 2016.

6. **Appointment of Mr. E. A. Kshirsagar as Independent Director**

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. E. A. Kshirsagar (DIN No. 00121824), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 30th June, 2014 up to 30th September, 2016.

7. **Appointment of Mr. Prakash R. Rastogi as Independent Director**

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Prakash R. Rastogi (DIN No. 00110862), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 30th June, 2014 up to 29th June, 2019.

8. **Appointment of Dr. Y. S. P. Thorat as Independent Director**

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Dr. Y. S. P. Thorat (DIN No.02652734), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 30th June, 2014 up to 29th June, 2019.

9. **Appointment of Dr. Punita Kumar-Sinha as Independent Director**

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

RESOLVED THAT Dr. Punita Kumar-Sinha (DIN No. 05229262) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th March, 2014 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 ('the Act') and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and has consented to act as Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the the Act and the Rules made there under, as amended from time to time, Dr. Punita Kumar-Sinha, a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 30th June, 2014 up to 29th June, 2019.

10. **To approve revision in Managing Director's salary**

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

RESOLVED THAT in partial modification of the Resolution No.8 passed at the Annual General Meeting of the Company held on 27th June, 2012 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the Company hereby approves the revision in the terms of remuneration of Mr. V. Shankar as the Managing Director of the Company, by way of an increase in the maximum amount of his salary (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board or a Committee thereof to fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary with effect from 1st April, 2014, for the remainder of his term up to 12th March, 2017, as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

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

11. **Ratification of Cost Auditors' remuneration**

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

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of ₹3.50 lakhs plus service tax and out-of-pocket expenses payable to M/s. N. I. Mehta & Co., who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to Insecticides, Fertilizers and Seeds of the Company for the year ending 31st March, 2015.

12. **To approve borrowing limits of the Company**

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

RESOLVED THAT in supersession of the Resolution No.8 passed at the Annual General Meeting of the Company held on 29th August, 2000 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board') to borrow any sum or sums of money, from time to time, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed ₹400 Crores (Rupees four hundred crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.

13. **Creation of Charge on the assets of the Company**

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

RESOLVED THAT in supersession of the Resolution No.10 passed at the Annual General Meeting of the Company held on 15th June, 2010 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company ('the Board') to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹600 Crores (Rupees six hundred crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.

Notes:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos.5 to 13 above is annexed hereto. The relevant details of Directors seeking re-appointment/ appointment under Item Nos. 3 and 5 to 9, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges is 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. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. **Process and manner for members opting for e-voting are as under**:

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 66th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Ltd. (NSDL).

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL (for Members whose email IDs are registered with the Company/ Depository Participants):

(i) Open the email and open pdf file "Rallis India e-voting.pdf" with your Client ID or Folio No. as password. The pdf file contains your user ID and password/PIN for e-voting. Please note that this password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

(iii) Click on Shareholder - Login

(iv) Put User ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) You will now reach Password Change Menu, wherein you are required to mandatorily change your password/ PIN with new password of your choice. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). On first login, the system will prompt you to change your password and update your contact details like mobile number, email ID, etc. in the user profile details of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note your new password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials. Home page of e-voting will open. Click on e-voting: Active Voting Cycles.

(vii) Select the "EVEN" i.e Rallis India Limited. Now you are ready for e-voting as Cast Vote page will open.

(viii) The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on 16th May, 2014 ("Cut-Off Date").

(ix) On the voting page, you may cast your vote by selecting an appropriate option "For" or "Against" and click "**SUBMIT**". A confirmation box will be displayed. Click "**OK**" to confirm or "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message "Vote Cast Successfully" will be displayed.

(x) You can similarly vote in respect of all other resolutions forming part of the Notice of the Annual General Meeting. During the voting period, Members can login any number of times till they have voted on all the Resolutions.

(xi) If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "**RESET**" for those resolutions for which you have not yet cast the vote.

(xii) Corporate/ Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at the email ID: navnitlb1234@gmail.com with a copy marked to evoting@nsdl.co.in. The scanned image of the above mentioned documents should be in the naming format: Corporate Name_EVEN NO.

B. In case of Members whose email IDs are not registered with the Company/ Depository Participants, their User ID and initial password/PIN is provided on the Ballot Form sent with the Annual General Meeting Notice.

Please follow all steps from Sr. No. (ii) to (xii) as mentioned in (A) above, to cast your vote.

C. Members who are already registered with NSDL for e-voting can use their existing User ID and password/ PIN for casting their votes.

D. The e-voting period commences on 22nd June, 2014 (9.00 a.m) and ends on 24th June, 2014 (6.00 p.m). During this period, Members holding shares in either physical or dematerialized form as on the Cut-Off Date of 16th May, 2014, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

E. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of https://www.evoting.nsdl.com.

F. Mr. N. L. Bhatia, Practicing Company Secretary has been appointed as Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner.

G. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

H. The Results shall be declared on or after the AGM of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.rallis.co.in and on the website of NSDL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.

4. (a) For the benefit of Members who do not have access to e-voting facility, a Ballot Form is being sent along with the Notice of the Annual General Meeting, to enable them to send their assent or dissent by post. Detailed instructions on voting through post are given on the reverse of the Ballot Form.

   (b) The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.

   (c) A Member can opt for only one mode of voting, i.e. either by post or through e-voting. In case of Member(s) who cast their votes by both modes, then voting done through a valid physical ballot form shall prevail and e-voting of that Member shall be treated as invalid.

5. 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.

6. 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.

7. **Book Closure and Dividend:**

   (a) **The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 17th June, 2014 to Monday, 30th June, 2014 (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 2nd July, 2014 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 17th June, 2014.

      (ii) To all Members in respect of shares held in physical form, whose names are on the Company's Register of Members on 17th June, 2014.

8. **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.

9. 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.

10. 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.

11. **Nomination Facility:**

    As per the provisions of the Companies Act, 2013 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.

12. **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, 2006 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 dividend for the financial year 2006-07, declared on 25th May, 2007, can be claimed by the shareholders by 24th May, 2014.

13. 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.

14. Members holding shares in physical form and who have not registered their email IDs are requested to register their email IDs with the Company's Share Registrars and Transfer Agents.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 22nd April, 2014

Registered Office:

Rallis India Limited
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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 13 of the accompanying Notice dated 22nd April, 2014.

Item No. 5:

Mr. B. D. Banerjee has been a Non-Executive Director of the Company since 15th June, 2004, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Banerjee is a Post Graduate with Honours in Philosophy from Presidency College, Calcutta University and an Associate of the Insurance Institute of India. In a career spanning over 37 years in the Insurance Industry, Mr. Banerjee played an important role in the establishment, growth and consolidation of the non-life Insurance sector in India. He has served as the Chairman-cum-Managing Director of Oriental Insurance Co. Ltd. and the National Insurance Co. Ltd. and as the Managing Director of General Insurance Corporation of India. He was also the Administrator of the Pune Stock Exchange and has also been the Insurance Ombudsman for Maharashtra and Goa.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. B. D. Banerjee has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Banerjee fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Baneerjee as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director up to 31st October, 2016, i.e. up to him completing 75 years of age.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Banerjee as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. B. D. Banerjee, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. B. D. Banerjee is interested and concerned in the Resolution mentioned at Item No.5 of the Notice. Other than Mr. Banerjee, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.5 of the Notice.

Item No. 6:

Mr. E. A. Kshirsagar is a Non-Executive Director of the Company since 24th February, 2006, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Kshirsagar is a Fellow Member of The Institute of Chartered Accountants, England and Wales. He was with the Management Consultancy Division of A. F. Ferguson from 1973 and was its Director-in-Charge from 1988 to 2004. His areas of specialization are Corporate Strategy & Structure, Valuation, Feasibility Studies, Disinvestments and Mergers & Acquisitions, and he has conducted several assignments in the above areas with Indian companies and multinationals and also for various Government bodies.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. E. A. Kshirsagar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Kshirsagar fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Kshirsagar as Independent Director was placed before the Nomination &

Remuneration Committee, which commends his appointment as Independent Director up to 30th September, 2016, i.e. up to him completing 75 years of age.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kshirsagar as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. E. A. Kshirsagar, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. E. A. Kshirsagar is interested and concerned in the Resolution mentioned at Item No.6 of the Notice. Other than Mr. Kshirsagar, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

Item No. 7:

Mr. Prakash R. Rastogi is a Non-Executive Director of the Company since 13th March, 2007, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Rastogi holds a degree of Master of Science in Technology from Bombay University and a Post Graduate Diploma in Business Management. Mr. Rastogi worked with Sandoz India from 1974 till 1994, when he was Vice President and Head of the Chemicals Division before it was de-merged to become Clariant India Ltd. He was then appointed the Vice Chairman and Managing Director of Clariant, which position he held till his retirement from the Company.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Prakash R. Rastogi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Rastogi fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Rastogi as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director for a period of five years from the date of the Annual General Meeting, i.e. up to 29th June, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Rastogi as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. Prakash R. Rastogi, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. Prakash R. Rastogi is interested and concerned in the Resolution mentioned at Item No.7 of the Notice. Other than Mr. Rastogi, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

Item No. 8:

Dr. Y. S. P. Thorat is a Non-Executive Director of the Company since 1st July, 2011, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Dr. Thorat holds a Doctorate in Economics and degrees in Political Science and Law. Dr. Thorat served RBI from 1972 to 2003 in various capacities, including as Executive Director. He has also served NABARD as Managing Director from 2004 and was appointed as its Chairman in 2006 and served the Institution in that capacity until November 2007. He was also associated at the policy level with Vaidyanathan Committees on the Short Term and Long Term Cooperative Credit Structure as Member Secretary and as Chairman of the Expert Groups on Credit Deposit Ratio and Investment Credit appointed by Government of India (GOI) and RBI respectively. He was also appointed Chairman, Expert Group on Sugar Policy constituted by the GOI in 2008. Presently, Dr. Thorat is on the Boards of several companies, including IDBI Asset Management Co. Ltd. and Tata Chemicals Ltd. He is also Chief Executive Officer of Rajiv Gandhi Charitable Trust.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Dr. Y. S. P. Thorat has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Dr. Thorat fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Dr. Thorat as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director for a period of five years from the date of the Annual General Meeting, i.e. up to 29th June, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. Thorat as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Dr. Y. S. P. Thorat, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Dr. Y. S. P. Thorat is interested and concerned in the Resolution mentioned at Item No.8 of the Notice. Other than Dr. Thorat, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

Item No.9:

Dr. Punita Kumar-Sinha was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th March, 2014 pursuant to Section 161 of the Act and Article 116 of the Articles of Association of the Company. As such, Dr. Kumar-Sinha holds office as Director up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member indicating her intention to propose Dr. Punita Kumar-Sinha for the office of Director at the forthcoming Annual General Meeting.

Dr. Punita Kumar-Sinha holds B. Tech. in Chemical Engineering with distinction from IIT, Delhi, a Master of Business Administration from Drexel University, Philadelphia and a Doctorate and Masters in Finance from The Wharton School, University of Pennsylvania.

Dr. Kumar-Sinha has more than 25 years of experience in investment management in international and emerging markets, being one of the first foreign investors into India. Dr. Kumar-Sinha served as a Senior Managing Director, The Blackstone Group LP and Chief Investment Officer of Blackstone Asia Advisors L.L.C. She was also the CIO and Senior Portfolio Manager of the NYSE listed India Fund Inc. and Asia Tigers Fund Inc. Prior to joining Blackstone, she served as a Managing Director and Senior Portfolio Manager at Oppenheimer & Company and CIBC World Markets. She has also worked at several other leading Institutions such as Batterymarch Financial Management Inc. (a Legg Mason Company), Standish Ayer (now a part of Bank of NY Mellon) and IFC/ World Bank. She is the Founder and Managing Partner of Pacific Paradigm Advisors L.L.C.

Dr. Kumar-Sinha is also a Member of the US Council on Foreign Relations, a Chartered Financial Analyst and a Member of CFA Institute and was on the Board of TiE Boston and its Charter Member. She has been awarded the “Distinguished Alumni Award” from IIT Delhi.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Dr. Punita Kumar-Sinha has consented to act as Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Dr. Kumar-Sinha fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management.

The matter regarding the appointment of Dr. Kumar-Sinha as Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as Independent Director for a period of five years from the date of the Annual General Meeting, i.e. up to 29th June, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. Kumar-Sinha as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Dr. Punita Kumar-Sinha, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Dr. Punita Kumar-Sinha is interested and concerned in the Resolution mentioned at Item No.9 of the Notice. Other than Dr. Kumar-Sinha, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.9 of the Notice.

Item No. 10:

At the Annual General Meeting of the Company held on 27th June, 2012, the Members had approved the re-appointment of Mr. V. Shankar as the Managing Director of the Company with effect from 13th March, 2012 up to 12th March, 2017, at remuneration, consisting of salary up to a maximum of ₹5,00,000 per month, with annual increments effective 1st April every year, as may be decided by the Board, based on merit and taking into account the Company's performance; benefits, perquisites and allowances as determined by the Board from time to time; and incentive remuneration, if any, and/ or commission based on certain performance criteria to be prescribed by the Board.

Mr. Shankar's current salary, effective 1st April, 2014, as approved by the Board of Directors ('the Board') is ₹4,50,000 per month. The Board of your Company, at its meeting held on 22nd April, 2014, has approved the revision in the maximum salary payable to Mr. Shankar, from ₹5,00,000 per month to ₹8,00,000 per month, with effect from 1st April, 2014, for the remainder of his term up to 12th March, 2017, with proportionate increase in the benefits related to his salary, subject to the approval of the Shareholders of the Company. The Board of Directors or a Committee thereof would fix the salary of Mr. Shankar within the above maximum amount. The aggregate of the remuneration as aforesaid shall be within the maximum limits laid down under Section 197, Schedule V and all other applicable provisions of the Act, as amended from time to time. All other terms and conditions of appointment of Mr. Shankar as Managing Director of the Company, as approved by the Members at the Annual General Meeting of the Company held on 27th June, 2012, remain unchanged.

Considering the performance of Mr. V. Shankar as Managing Director of your Company, in leading the Company to consistently improved performance over the years, your Board considers the revision in the salary payable to Mr. Shankar as appropriate and commends the same for approval by the Members.

Pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Act, the approval of the Members in General Meeting is required to be obtained for the revision in the terms of the remuneration of Mr. Shankar as set out in Item No.10 of the Notice.

Mr. V. Shankar is interested and concerned in the Resolution mentioned at Item No.10 of the Notice. Other than Mr. Shankar, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

Item No. 11:

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. N. I. Mehta & Co. as the Cost Auditors of the Company to conduct Cost Audits relating to Insecticides, Fertilizers and Seeds of the Company for the year ending 31st March, 2015, at a remuneration of ₹3.50 lakhs plus service tax and out-of-pocket expenses.

M/s. N. I. Mehta & Co. have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. M/s. N. I. Mehta & Co. have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

The Board commends the remuneration of ₹3.50 lakhs plus service tax and out-of-pocket expenses to M/s. N. I. Mehta & Co. as the Cost Auditors and the approval of the shareholders is sought for the same by an Ordinary Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.11 of the Notice.

Item No.12:

Under the erstwhile Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180 (1) (c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of ₹400 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 29th August, 2000 remains unchanged.

The Board commends the Resolution at Item No.12 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.12 of the Notice.

Item No. 13:

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of ₹600 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 15th June, 2010 remains unchanged.

The Board commends the Resolution at Item No.13 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.13 of the Notice.

By Order of the Board of Directors

P. S. MEHERHOMJI
Company Secretary

Dated: 22nd April, 2014

Registered Office:
Rallis India Limited
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

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

Name of Director	Mr. R. Gopalakrishnan	Mr. B. D. Banerjee	Mr. E. A. Kshirsagar
Date of Birth	25.12.1945	14.10.1941	10.09.1941
Date of Appointment	28.06.1999	15.06.2004	24.02.2006
Expertise in specific functional areas	Mr. R. Gopalakrishnan was appointed as Executive Director - Exports in Hindustan Lever Ltd., after 20 years' experience with the Company. In 1991, he became Chairman, Unilever Arabia, based in Jeddah. He was later appointed as Managing Director of Brooke Bond Lipton and after its merger with Hindustan Lever, he was appointed Vice Chairman of Hindustan Lever Ltd. He joined Tata Sons in September 1998 and was, till recently, Executive Director of Tata Sons Ltd. He is a Director on Board of several Tata Companies.	In a career spanning over 37 years in the Insurance Industry, Mr. B. D. Banerjee played an important role in the establishment, growth and consolidation of the non-life Insurance sector in India. He has served as the Chairman-cum-Managing Director of Oriental Insurance Co. Ltd. and the National Insurance Co. Ltd. and as the Managing Director of General Insurance Corporation of India. He was also the Administrator of the Pune Stock Exchange and has also been the Insurance Ombudsman for Maharashtra and Goa.	Mr. Kshirsagar has wide experience in Corporate Strategy & Structure, Valuation, Feasibility Studies, Disinvestments/ Mergers & Acquisitions.
Qualifications	- B. Sc. in Physics from Calcutta University - Engineering from IIT, Kharagpur - Advanced Management Programme, Harvard Business School	Post Graduate with Honours in Philosophy from Presidency College, Calcutta University and Associate of the Insurance Institute of India	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 31.03.2014	**PUBLIC COMPANIES** 1. Rallis India Ltd. (Chairman) 2. Tata AutoComp Systems Ltd. (Chairman) 3. Tata Chemicals Ltd. (Vice Chairman) 4. Tata Sons Ltd. 5. Tata Power Co. Ltd. 6. Tata Technologies Ltd. 7. Castrol India Ltd. 8. Akzo Nobel India Ltd. 9. Advinus Therapeutics Ltd. (Chairman) 10. Metahelix Life Sciences Ltd. (Chairman) **PRIVATE COMPANIES** 1. ABP Pvt. Ltd. **OVERSEAS COMPANIES** 1. Trust Energy Resources Pte Ltd. (Chairman) 2. IMACID S. A. (Chairman) 3. Hemas Holdings PLC	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata AIG General Insurance Co. Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata Chemicals Ltd. 3. Batliboi Ltd. 4. JM Financial Ltd. 5. Manappuram Finance Ltd. 6. Merck Ltd. 7. 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
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he/ she is a Director as on 31.03.2014	1. Tata Chemicals Ltd. - Audit Committee 2. Akzo Nobel India Ltd. - Audit Committee 3. Castrol India Ltd. - Audit Committee	1. Rallis India Ltd. - Shareholders'/ Investors' Grievance Committee (Chairman) - Audit Committee 2. Tata AIG General Insurance Co. Ltd. - Audit Committee	1. Rallis India Ltd. - Audit Committee (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. Merck Ltd. - Audit Committee 6. JM Financial Products Ltd. - Audit Committee (Chairman) 7. Manappuram Finance Ltd. - Audit Committee

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

Name of Director	Mr. Prakash R. Rastogi	Dr. Y. S. P. Thorat	Dr. Punita Kumar-Sinha
Date of Birth	31.07.1944	11.11.1947	13.05.1962
Date of Appointment	13.03.2007	01.07.2011	26.03.2014
Expertise in specific functional areas	Mr. Rastogi worked with Sandoz India from 1974 till 1994, when he was Vice President and Head of the Chemicals Division before it was de-merged to become Clariant India Ltd. He was then appointed the Vice Chairman and Managing Director of Clariant, which position he held till his retirement from the Company.	Dr. Thorat served RBI from 1972 to 2003 in various capacities, including as Executive Director. He has also served NABARD as Managing Director from 2004 and was appointed as its Chairman in 2006 and served the Institution in that capacity until November 2007. He was also associated at the policy level with Vaidyanathan Committees on the Short Term and Long Term Cooperative Credit Structure as Member Secretary and as Chairman of the Expert Groups on Credit Deposit Ratio and Investment Credit appointed by GOI and RBI respectively. He was also appointed Chairman, Expert Group on Sugar Policy constituted by the GOI in 2008. Presently, he is on the Boards of several companies and is also Chief Executive Officer of Rajiv Gandhi Charitable Trust.	In a career spanning over 25 years, Dr. Kumar-Sinha has deep expertise in Indian as well as global financial markets and economics. She served as Senior Managing Director of The Blackstone Group LP and Chief Investment Officer of Blackstone Asia Advisors L.L.C. She was also the CIO and Senior Portfolio Manager of the NYSE listed India Fund Inc. and Asia Tigers Fund Inc. Prior to joining Blackstone, she served as Managing Director and Senior Portfolio Manager at Oppenheimer & Co. and CIBC World Markets. She was also a Portfolio Manager on the emerging markets team at Batterymarch Financial Management Inc. and an international equity management team member at Standish Ayer. She is the Founder and Managing Partner of Pacific Paradigm Advisors, LLC. She is also a Member of the US Council on Foreign Relations, a Chartered Financial Analyst and a Member of CFA Institute.
Qualifications	M. Sc. Tech from Bombay University and PG Diploma in Business Management	Doctorate in Economics and degrees in Political Science and Law	- Ph. D. in Finance, The Wharton School, University of Pennsylvania - Master of Business Administration, Drexel University, Philadelphia - Bachelor of Technology, IIT, Delhi
No. of shares held in the Company	NIL	NIL	NIL
List of companies in which Directorship held as on 31.03.2014	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Ishita Drugs & Industries Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. Tata Chemicals Ltd. 3. Sahayog Microfinance Ltd. (Chairman) 4. Khed Developers Ltd. 5. Star Agri Warehousing and Collateral Management Ltd. 6. IDBI Asset Management Co. Ltd. 7. Gokaldas Exports Ltd. **PRIVATE COMPANIES** 1. Ambit Holdings Pvt. Ltd. 2. Prabhat Dairy Pvt. Ltd. 3. Aagrium Farm Products Pvt. Ltd.	**PUBLIC COMPANIES** 1. Rallis India Ltd. 2. JSW Steel Ltd. 3. SREI Infrastructure Finance Ltd. **PRIVATE COMPANIES** 1. Freedom Advisors Pvt. Ltd. **OVERSEAS COMPANIES** 1. The Asia Opportunities Offshore Fund Ltd. 2. The Asia Opportunities Offshore Master Fund Ltd.
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he/ she is a Director as on 31.03.2014	1. Rallis India Ltd. -Audit Committee	1. Rallis India Ltd. – AuditCommittee 2. Tata Chemicals Ltd. - Shareholders'/Investors' Grievance Committee (Chairman) - Audit Committee 3. Sahayog Microfinance Ltd. – Audit Committee (Chairman) 4. Star Agri Warehousing and Collateral Management Ltd. – Audit Committee (Chairman) 5. Gokaldas Exports Ltd. – Audit Committee	1. JSW Steel Ltd. - Shareholders'/ Investors'Grievance Committe

DIRECTORS' REPORT

TO THE MEMBERS OF RALLIS INDIA LIMITED

The Directors hereby present their Sixty-sixth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

₹ Crores

	Standalone		Consolidated	
	2013-14	*2012-13*	**2013-14**	*2012-13*
Revenue from operations (Gross)	**1633.57**	*1418.58*	**1849.28**	*1552.98*
Excise Duty	**(102.72)**	*(94.80)*	**(102.72)**	*(94.80)*
Revenue from operations (Net)	**1530.85**	*1323.78*	**1746.56**	*1458.18*
Other Income	**5.76**	*11.45*	**6.38**	*11.74*
	1536.61	*1335.23*	**1752.94**	*1469.92*
Profit/ (-) Loss before Finance cost, Depreciation and Tax	**253.06**	*214.68*	**267.66**	*222.31*
Finance Costs	**(8.05)**	*(12.52)*	**(12.60)**	*(18.49)*
Depreciation	**(35.97)**	*(28.81)*	**(40.66)**	*(31.53)*
Profit before Tax	**209.04**	*173.35*	**214.40**	*172.29*
Provision for Tax	**(58.31)**	*(38.72)*	**(58.31)**	*(38.72)*
Deferred Tax	**(4.37)**	*(15.25)*	**(3.42)**	*(14.77)*
Profit for the year before minority interest	**146.36**	*119.38*	**152.67**	*118.80*
Minority Interest	**-**	*-*	**0.80**	*0.21*
Profit for the year	**146.36**	*119.38*	**151.87**	*119.01*
Balance of Profit brought forward from previous year	**284.80**	*242.03*	**283.80**	*241.40*
	431.16	*361.41*	**435.67**	*360.41*
Appropriations				
Debenture Redemption Reserve	**-**	*(12.50)*	**-**	*(12.50)*
Transfer from/ (to) General Reserve	**(14.64)**	*(11.93)*	**(14.64)**	*(11.93)*
Interim Dividend	**(19.45)**	*(19.45)*	**(19.45)**	*(19.45)*
Income Tax on Interim Dividend	**(3.30)**	*(3.15)*	**(3.30)**	*(3.15)*
Proposed Equity Dividend	**(27.23)**	*(25.28)*	**(27.23)**	*(25.28)*
Income tax on Equity Dividend	**(4.62)**	*(4.30)*	**(4.62)**	*(4.30)*
Balance Profit/(-) Loss carried forward to Balance Sheet	**361.92**	*284.80*	**366.43**	*283.80*

DIVIDEND

The Board of Directors had declared an interim dividend of ₹1/- per share (100%) on the Equity Shares of the Company, in October 2013. The Directors are pleased to recommend a final dividend of ₹1.40 per share (140%) on the Equity Shares. This will take the total dividend for the year to ₹ 2.40 per share (240%) (*Previous year ₹2.30 per share, i.e. 230%)*. 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 ₹ 54.60 Crores (including dividend tax) *(Previous Year ₹52.18 Crores)*.

COMPANY PERFORMANCE

The Company achieved a new landmark in revenues, crossing the ₹ 1,800 Crores milestone. The Company's profit before tax on a consolidated basis, is ₹ 214.40 Crores during the year, as compared to ₹172.29 Crores in the previous year, an increase of 24% over the last year. The Company earned a net profit of ₹ 151.87 Crores, as against a net profit of ₹119.01 Crores in the previous year on a consolidated basis.

OPERATIONS

(1) CROP PROTECTION

The financial year 2013-14 started on a positive note, with predictions of a good monsoon. The industry performance was good in the first half of the year; your Company also registered a good growth and sales as well as collections were highest ever during the first half of the year. However, the third quarter did not prove to be conducive for the crop protection industry. The quarter started with Cyclone Phailin hitting the key coastal States in the very first fortnight. The cyclone badly damaged the Kharif crops like paddy, cotton, chili and Bengal gram in the States of Andhra Pradesh, West Bengal, Odisha and Bihar. This was further aggravated by the continuous rains that followed the cyclone. Overall, the rainfall also helped in improving reservoir levels.

Aided by a favorable monsoon and a supportive input supply environment, Indian agricultural production bounced back in the current year, after a year of low growth in the previous year when the monsoons delivered uneven and deficient rainfall. The advance estimates (as per NCAER) suggest that the growth rate of agriculture and allied sectors would be 4.6% in 2013-14 as against 1.4% in 2012-13. Although excess rainfall towards the end of the monsoon period in some parts of Eastern and Central India led to crop damage, the late rains helped improve prospects of the rabi crops with reported increases in sown area of the rabi crops. The first assessment of the overall production of crop output for the full year 2013-14 shows that food grain production for the year is expected to achieve a new record exceeding 263 million tonnes, as against 257 million tonnes in 2012-13. The overall contribution of agriculture and allied sectors to the Indian GDP is estimated to be 13.9% in 2013-14.

Among the commercial crops, the production of oilseeds is estimated to grow by 6% during the Kharif season of 2013-14, while the production of sugarcane and cotton is estimated to have grown by 1.4% and 4% respectively, during the agriculture year 2013-14. Among the horticulture crops, production of fruits and vegetables is expected to increase by 4.1% during the year 2013-14 over the previous agriculture year. Government rice stocks (including rice equivalent of un-milled paddy rice) on January 1, 2014, stood at 30.2 million tonnes compared to 29.7 million tonnes a year ago. In contrast, following a steep decline in Government wheat procurement this marketing year, Government wheat stocks have declined, with January 1, 2014 stocks at 31 million tonnes compared to 34.4 million tonnes a year ago.

Your Company has registered an overall double digit growth during the financial year 2013-14. This growth is driven by an all-round performance and in particular, rise in sales of megabrands.

The branded **Domestic Formulation Business** registered a good growth during the year over the previous year.

New sales Units including regional and area sales offices and teritories were created to cater to the needs of customers more effectively and increasing reach and penetration. The sales team has optimally utilized available resources during the year, in achieving growth targets. The initiatives introduced by the Company during previous years, such as EAGLE (**E**xpansion and **A**ggressive **G**rowth through **L**eadership and **E**xcellence), RKK (**R**allis **K**isan **K**utumb) and SAMPARK have now become a way of life for the sales and marketing team and are being interlinked for more effective results. The RKK data is being utilized in a major way in establishing farmer connect. Channel finance and channel partner study have been introduced during the year for channel optimization.

New growth business segments of the Company, such as Samruddh Krishi, MoPu (Grow More Pulses) and sprayer business have taken further roots and have integrated very well into our main crop protection business.

The **International Business Division** showed a significant growth over 2012-13 and continues to be above 30% of the overall revenue of the Company for the past two years. Brands launched in overseas markets during the year received encouraging response. International Business received new registrations and has further applied for a host of new registrations, which are expected to be received over the next 3 to 5 years. Order for one new contract manufacturing product was received and trials were conducted for more than five new contract manufacturing projects in the pilot plant at Dahej.

During the year, the **Domestic Institutional Business** focused on the sales of seed treatment chemicals and household pesticide products, which registered satisfactory growth during the year. The Company focused on the quality of sales, which was achieved by significant reduction of credit days and changing product mix.

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

Your Company's efforts in building a robust Non-Pesticide Portfolio of businesses, to cater to the changing needs of the farmers and agriculture, gained momentum during the year. The share of NPP sales was 31% of total revenue. The Non-Pesticide Portfolio gives an opportunity to the Company to serve the emerging needs of the farming community, by leveraging its traditional connection with the farmers. This enables the farmers to look at the Company as a solution for all their agriculture related needs.

During the year, the Company has taken several steps to strengthen the non pesticide portfolio business; one of them is appointing dedicated Managers to focus on this business.

Seeds and Plant Growth Nutrients: The Company's acquisition of a majority stake in Metahelix Life Sciences (Metahelix), a research-led Seeds Company in December 2010, has started yielding results. In three years, the revenue of Metahelix has grown significantly, to reach ₹180 crores during 2013-14, one of the highest growth rates among seed companies in the country. The Company plans to introduce new hybrids during 2014-15, including own Bt cotton hybrids, which will help in sustainable and profitable growth in the future.

In Plant Growth Nutrient (PGN) business, the Company's strategy is to identify, create, establish and scale up brands quickly, for achieving profitable and sustainable growth. The Company offers several products across all the sub categories of PGN. Ralligold, Tata Bahaar, Tata Upahaar RDS, Solubor, Tracel and Gluco Beta have become prominent brands in the Indian PGN segment. During 2013-14, the Company successfully established and scaled up the sales of its new organic product Gluco Beta. This was possible through use of innovative marketing approach.

Agri Services: MoPu, the pulses productivity initiative of Rallis, under a Public Private Partnership (PPP) project with the Maharashtra Government, was evaluated by FICCI and improvement in pulses productivity recorded by target farmer groups was validated. This initiative was extended to Madhya Pradesh, Karnataka and Tamilnadu to cover over 3.5 lakh farmers. The farmer advisory service, **Samrudh Krishi** was expanded to cover more geographies. The Samrudh Krishi APEDA - GAP certified grapes were introduced for the first time to Indian consumers through the Tata Star Bazaar outlets in Mumbai and Pune, which has received a very positive response from both farmers and consumers. **Farm mechanization**: To address the issue of severe labour shortage faced by rice farmers, the Company deployed some rice transplanters in Odisha State, resulting in upto 15% higher paddy yields, and saving in the use of irrigation water.

Soil Conditioner: During the year, the Company has acquired additional stake of equity shares in Zero Waste Agro Organics Limited (ZWAOL), taking its shareholding in ZWAOL to 51.02%. ZWAOL is a Company manufacturing scientifically prepared organic compost, a soil conditioner. ZWAOL has recorded a four-fold growth in its sales volumes, as its high quality organic compost "GeoGreen" gained market acceptance.

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 has helped in providing employment to and improving employability of rural unemployed youth with Agri background. This year, your Company extended TRAITS to Bhubaneswar in Odisha and Nalanda in Bihar.

RESEARCH & DEVELOPMENT

The Company's Research and Development (R&D) Centre (Rallis Innovation Chemistry Hub - **RICH**) provides a unique opportunity for interaction and synergy to all sections of the R&D Department, resulting in greater efficiencies. Many multinational companies have visited the RICH facility for potential contract manufacturing and alliance opportunities.

A state-of-the-art Pilot Plant has been set up at Dahej to scale up the processes, which is the backbone of commercialization, developed by RICH.

RICH also worked jointly with Tata Chemicals' Innovation Centre at Pune for developing nano based granules and slow release formulations to offer new solutions as innovative products to the farmer.

For the first time in India, the Company obtained the registration of a combination of an insecticide and a fungicide to offer a superior solution to the farmer.

INDUSTRIAL RELATIONS

The Ankleshwar Unit of the Company has 76 non management employees. The overall relations with these bargainable employees at Ankleshwar were cordial and harmonious during the year 2013-14. The number of employees on the rolls of the Company increased from 843 to 881 during the year.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, to provide protection to employees at the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2013-14.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

During the year, the Company has acquired additional stake of equity shares in Zero Waste Agro Organics Limited (ZWAOL), pursuant to the Share Subscription and Share Purchase Agreement dated 23rd April, 2012. Consequently, the shareholding of the Company in ZWAOL has increased from 22.81% to 51.02%. During the year, the Company has also acquired additional stake of equity shares in Metahelix Life Sciences Ltd. (Metahelix), pursuant to the Share Purchase Agreement dated 9th December, 2010. Consequently, the shareholding of the Company in Metahelix has increased from 77.02% to 80.5%.

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, 2014.

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.37 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. (Metahelix), Zero Waste Agro Organics Ltd. and Rallis Chemistry Exports Ltd. Dhaanya Seeds Ltd., the wholly owned subsidiary of Metahelix has been amalgamated with Metahelix with effect from 1st April, 2013.

DIRECTORS

During the year, Dr. K. P. Prabhakaran Nair, Mr. H. R. Khusrokhan and Dr. Yoginder K. Alagh have retired as Directors of the Company, on reaching the retirement age under the guidelines for the retirement age of Directors adopted by the Company. The Directors wish to place on record their appreciation of the valuable services rendered by these Directors during their tenure as Directors of your Company.

Dr. Punita Kumar-Sinha has been appointed as Additional Director of the Company with effect from 26th March, 2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act') and Article 116 of the Articles of Association of the Company, Dr. Kumar-Sinha vacates office and is eligible for appointment.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. B. D. Banerjee, Mr. E. A. Kshirsagar, Mr. Prakash R. Rastogi, Dr. Y. S. P. Thorat and Dr. Punita Kumar-Sinha as Independent Directors is being placed before the Members in General Meeting for their approval. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and are independent of the management. Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for details of the qualifications and experience of the Directors and the period of their appointment. The Board commends the passing of the Resolutions at Item Nos. 5 to 9 of the Annual General Meeting Notice.

In accordance with Article 112(2) of the Articles of Association of the Company, Mr. R. Gopalakrishnan retires and is 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 encompass a larger coverage of existing areas as well to tap new audit areas. This enhanced coverage has resulted in providing adequate assurance on compliances and sustenance of internal controls.

The processes of Enterprise Risk Management framework, as well as control mapping and testing over financial reporting controls under CEO/ CFO certification framework 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 LLP, the existing Auditors have furnished a certificate, confirming that if re-appointed for the financial year 2014-15, their re-appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. 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

M/s. N. I. Mehta and Co., Cost Accountants have been appointed to conduct Cost Audits relating to Insecticides (Technical Grade and Formulations), Fertilizers and Seeds of the Company for the year ending 31st March, 2015. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under, Members are requested to consider the ratification of the remuneration payable to M/s. N. I. Mehta & Co.

The due date for filing of the Cost Audit and Compliance Reports for the financial year 2012-13 was 30th September, 2013. The Company has filed the Reports with the Ministry of Corporate Affairs on 23rd September, 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, 22nd April, 2014

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, optimization of motor capacity, agitators, etc. helped in maintaining the power cost. Reuse of condensate in boiler has reduced energy and water consumption. To reduce power consumption, focus was given to renewable source of energy by installing solar street lights and solar hot water system. CFL and LED were also installed at most of the locations. Few reciprocating chilled water system and air compressors were replaced with screw technology to save power. In Lote plant, briquette fired boiler was installed, which will reduce use of fossil fuel (furnace oil) and enhance use of cleaner fuel.

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, cost of captive power produced by 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.

At Dahej, energy conservation initiatives resulted in getting 'IGBC GOLD' Rating for the Administration Building. This Leadership in Energy and Environmental Design (LEED) Rating System is driven by Indian Green Building Council.

(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 in Ankleshwar and Dahej Units, thermic fluid heater with briquette fuel, various energy Audit recommendation projects, VFD controllers for compressors, LED based lighting and solar lighting fixtures in the plant, upgradation of HT yard and PCC infrastructure. 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 optimization of power usage through internal and external resources. New initiatives like connection with DGVCL Grid Express feeder has enhanced the reliability of external power 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**

			2013-14	*2012-13*
1.	Electricity			
	(a) Purchased			
	Unit	In Lacs of kwh	**2,26.53**	*2,09.56*
	Total amount	₹ Lacs	**15,38.76**	*14,02.62*
	Rate/ Unit	₹/ kwh	**6.79**	*6.69*
	(b) Own Generation through Diesel generator			
	Unit	In Lacs of kwh	**4.84**	*5.54*
	Unit per litre of Diesel oil	Kwh/ Litre	**2.89**	*2.96*
	Total amount	₹ Lacs	**1,15.82**	*93.93*
	Cost/ Unit	₹/ kwh	**23.92**	*16.94*
	(c) Own Generation through CPP			
	Unit	In Lacs of kwh	**99.58**	*1,02.75*
	Unit per M^3 of Gas	Kwh/ M^3	**3.54**	*3.55*
	Total amount	₹ Lacs	**11,35.70**	*9,70.92*
	Cost/ Unit	₹/ kwh	**11.40**	*9.45*
2.	Other Consumption			
	(a) High Speed Diesel			
	Quantity	Kl	**15.97**	*20.84*
	Total Cost	₹ Lacs	**10.11**	*9.96*
	Rate/ Unit	₹/ Litre	**63.29**	*47.79*
	(b) Furnace Oil			
	Quantity	Kl	**1,749.91**	*1,510.31*
	Total Amount	₹ Lacs	**7,33.90**	*597.44*
	Rate/ Unit	₹/ Litre	**41.94**	*39.56*
	(c) Bio Fuel - Briquettes			
	Quantity	MT	**9,92.00**	-
	Total Cost	₹ Lacs	**60.87**	-
	Rate/ Unit	₹/ MT	**6,134.00**	-
	(d) Gas			
	Quantity	M^3	**60,43,086.00**	*50,53,570.00*
	Total Cost	₹ Lacs	**21,19.05**	*14,59.65*
	Rate/ M^3	₹	**35.07**	*28.88*

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

Focused drives at all Units contributed to sustained energy consumption per unit of production. 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 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 is focused on developing cost effective processes for molecules that are off patent/ to be off patent soon, in the areas of crop protection and having relevant market potential. Five international patents and an Indian patent were filed. Process improvement projects as well as backward integration of existing products were undertaken for improving product quality, yields and productivity of manufacturing processes. Process development for many contract manufacturing opportunities was also taken up as a major activity. One of the major achievements was acceptance of a molecule by a MNC for its registration globally.

Environment, Health and Safety (EHS) considerations were given special emphasis.

Product Development of new formulations in areas of Crop Protection, Plant Growth Promoters (PGPs) and Plant Growth Nutrients (PGNs) was also undertaken with help of field trials in different areas, so as to assess their bio efficacy and ensuring that these formulations are safe to use.

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

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

(ii) A total of six products were registered in India for the domestic/ export market.

(iii) A number of applications for label expansion of our leading molecules have been filed.

(iv) One new product namely Plato was commercialized during 2013-14. It is a pre-mixture post emergent herbicide for the management of all type of weeds in soyabean crop. This product was well received by the soyabean farmers in Madhya Pradesh and Maharashtra States.

3. **Future Plan of Action:**

The Company's initiative of New Solution Development and Introduction (NSDI) process has identified several new products to be developed over the next five 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 and some of these are being scaled up with a view to commercialization in the near future.

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

₹ Crores

	2013-14	*2012-13*
Capital expenditure	**8.89**	*14.64*
Revenue expenditure *	**16.63**	*8.92*
	25.52	*23.56*
Total R&D expenditure as a percentage of net sales	**1.69%**	*1.80%*

* includes an amount of ₹ 2.86 Crores (Previous Year ₹4.23 Crores) paid to external agencies.

During the year, the Company has also incurred an expenditure of ₹ 5.24 Crores (Previous year ₹9.20 Crores) towards product development and registration, which is included under Capital Work In Progress (CWIP). Total amount included in CWIP is ₹ 7.29 Crores (Previous Year ₹10.94 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) Special focus has been given to develop safer formulations like controlled release, solvent to non-solvent based like WG, SC, Granules, SE, CS, SR, nano based particle formulation etc.

   (c) 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.

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

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

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activity relating to exports, initiatives taken to increase exports and development of new export markets for products and services:

The Company has launched block buster brands in the overseas markets. Contaf plus was launched successfully in Asia; and for the first time in the history of International Business, the Company leveraged the presence of Tata Africa and launched brands such as Contaf Plus and Tata Panida in Nigeria.

During the year, International Business received 11 new registrations and applied for a host of new registrations, which are expected to be received over the next 3 to 5 years. The Company received an order for one new product for contract manufacturing and trials were conducted for more than five new contract manufacturing projects at the pilot plant in Dahej.

Export plans:

The main focus of the International Business during 2014-15 will be its alliance partnership with key customers in the European Union and Latin America. Besides, growth in Asian and African markets will be supported by the Company's direct presence and opening of new offices abroad. This will help the Company in scaling up its exports.

Total Foreign Exchange used and earned:

₹ Crores

	2013-14	*2012-13*
1. Foreign Exchange Earned	**488.57**	*416.74*
2. Outgo of Foreign Exchange	**435.48**	*409.07*

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY SCENARIO AND RALLIS' GROWTH STRATEGY

Industry Structure:

Agriculture provides much more than food. It offers essential commodities, environmental services and social goods that facilitate economic development, industrialization and diversification. From its inception, the purpose of agriculture has been to feed and fuel human activity. And now, it is more important than ever.

More than 3 billion people – almost half of the world's population - live in rural areas. Roughly 2.5 billion of these rural people derive their livelihoods from agriculture. For many economies, especially those of developing countries, agriculture can be an important engine of economic growth. Approximately three-quarters of the world's agricultural value added is generated in developing countries, and in many of these, the agriculture sector contributes as much as 30 percent to gross domestic product (GDP).

Although the global population growth rate is projected to decline to just over 1% p.a. in the next decade, this will still result in an additional 752 million people being added to the planet by 2022, and placing additional demands on the global food system. Additional production will also be necessary to provide feed stocks for expanding biofuel production which has become an important source of additional demand. The scope for area expansion remains limited and geographically concentrated in a few regions. In these circumstances, most of the additional agricultural production will need to come from increased productivity, as has been the case in the past. It is estimated that by 2050, agricultural production needs to increase by 60% to meet the rising demand.

Experts believe that developing countries and emerging economies will play an increasingly important role in agricultural markets in near future. Developing countries are expected to be the leading source of demand growth for agricultural products, with the projections indicating that consumption in these countries will increase for all products. Higher consumption of agricultural products is being driven by growing populations and their increasing concentration in large urban centers and mega cities, rising per capita incomes, expanding middle classes, and with the growing affluence of the large emerging economies and developing countries contributing to dietary changes. These developments are expected to sustain strong demand for agricultural products of food, feed and fibre to 2022 and be reinforced eventually by a return to stable economic growth and demand in the developed countries. The developing countries with their higher income propensities to consume are projected to continue to diversify their diets with a movement away from basic staples and grains to higher protein foods, including meats and dairy products as their incomes and general affluence increase.

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.

India ranks first in the world in production of milk, pulses, jute; second in rice, wheat, sugarcane, groundnut, vegetables, fruits and cotton. In addition, it is a leading producer of spices and plantation crops as well as livestock, fisheries and poultry. With the contribution of about 10 percent of total export earnings, agriculture also occupies an important place in the country's trade.

India has the latent potential to become a predominant player in global agriculture production as well as trade. Given the hardworking nature and entrepreneurial zeal of Indian farmers, need of the hour is to provide them exposure to the global best practices and farm technologies.

Agriculture, with its allied sectors, is unquestionably the largest livelihood provider in India. Most of the industries also depend upon the sector for their raw materials. Steady investments in technology development, irrigation infrastructure, emphasis on modern agricultural practices and provision of agricultural credit and subsidies are the major factors that contribute to agriculture growth.

Indian agriculture has undergone rapid transformation in the past two decades. The policy of globalisation and liberalisation has opened up new avenues for agricultural modernisation. This has not only lead to commercialisation and diversification, but also triggered various technological and institutional innovations owing to investments from corporate entities.

From a net importing country, India is today consistently producing 250 million tonnes (MT) of food grains, 100 MT of rice, 90 MT of wheat, 35 million bales of cotton, and more than 18 MT of pulses.

World Agrochemical Market:

The value of the global conventional chemical crop protection market in 2013 is estimated to have increased by 9.4% in comparison with 2012, to reach $54,208 million. The global planted areas also grew uniformly in 2013, with an exception of cotton. There was an increase in planted areas and in the production of wheat, maize, rice, soyabean and sunflower. Although there was a marginal increase in global planted area, it cascaded into higher productivity.

Overall consumption of agrochemicals increased across the globe; however, exceptional growth came from Latin America, primarily Brazil, and Asia. Value growth of the Asian sector was, however, depressed due to currency depreciation. Overall, Europe performed well, with double digit local currency growth experienced in a number of east and central European countries.

Indian Crop Protection Market:

India accounts for approx. 4% of the global agrochemicals market estimated at USD 1.8 Billion. With the introduction of newer molecules and increasing awareness among farmer community, the industry is witnessing higher 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.

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. This presents an immense opportunity for the crop protection industry to grow in India.

Rallis Response:

Building and sustaining relationship has been one of the key strengths of your Company. Your Company has been the fore runner in initiating various engagement platforms for its stakeholders such as RKK (For Farmers), Bhagidaari Sabha and Anubandh (For Channel Partners).

Having reached the milestone of *1 Million farmer data base* last year, during the current year RKK has focused on the contact plan of the farmers for generating the demand for Megabrands. IT enablement programs like SAMPARK for increasing the effectiveness of Crop Advisors and Toll free helpline have helped in enhancing the farmer relationships. Innovative and scientific approach of creating Package of Practices (PoP) for key crops was stepped up during the current year to demonstrate the power of using your Company products in increasing the productivity of Rice, Cotton and Chilli crops. These PoPs have helped in showcasing the positive results to RKK farmers and spreading the word of mouth to other fellow farmers. Expansion of our skill development initiative Tata Rallis Agri Input Training Scheme (TRAITS) in new States like Odisha and Bihar, apart from continuing the same in West Bengal, Maharashtra and Karnataka, has also helped in creating competent crop advisors to carry on the activities of RKK.

Various new growth business initiatives under Non Pesticide Portfolio (NPP) like Seeds, Plant Growth Nutrients (PGN) and Agriservices initiatives: MoPu and *Samrudh Krishi* and Soil Conditioner business – Geo Green: have all helped in increasing the products and services portfolio in core crop protection markets and created good synergy in enhancing the domestic formulation business. NPP business activities increased the farmer connect and visibility in the markets and boosted the crop protection business in key crop segments.

Several innovative dealer motivation platforms under Channel Partner Engagement program initiated 3 years back have contributed in increasing the sales of selected key products in all the geographies. Innovative programs like – Anubandh, Achievers Incentive and MD's Elite have played important role in making the channel support sales of our key brands. Online integrated dealer portal for the channel: e-Bandhan which was started during the year, is well appreciated and steadily increasing the online order placing and stock reporting.

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 more recent initiatives, including the acquisition of a stake in Zero Waste Agro Organics and investment at new R&D facility RICH at Bengaluru during the previous year, have 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 2013-14:

The global crop protection market for the year 2013 was up 9.4% over 2012. 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, soyabean and sugarcane.

In India, the Year 2013-14 started on a positive note with a good monsoon covering almost the whole country during the Kharif season. The crop protection industry overall had a good year. The first half of the fiscal bore well for agriculture, translating into good gains for the agri inputs industry. Excess rains followed at the beginning of Rabi, thereby helping increased acreage of crops particularly Paddy, Pulses and Wheat. For the country as a whole, the rainfall for the crucial period of June - September was 106% of its long period average (LPA). Gujarat, Maharashtra, Madhya Pradesh, Kerala and Karnataka received excess rainfall; the States of Tamil Nadu, Coastal Andhra Pradesh, Odisha, Chhattisgarh, Uttar Pradesh, West Bengal and Himachal Pradesh got normal Monsoon, while only in North East, Bihar, Jharkhand and Haryana rainfall was deficient. South west Monsoon was better in the first quarter compared to the second quarter.

Minimum support prices (MSP) of the crops were increased and cotton fetched high prices in the market. So did the superfine varieties of Paddy - the prices of Basmati and other fine varieties soared to all-time highs. MSPs of sugarcane, soyabean and groundnut were also raised in FY14. Cluster beans produce prices dipped though, in comparison to the previous year.

Sufficient rainfall coupled with good expectation of produce prices resulted in a favourable environment for the industry during the first half. The third quarter however did not shape up as well. It started with Cyclone Phailin hitting the key coastal States in the very first fortnight. This damaged the Kharif crops such as paddy, cotton, chilli and Bengal gram badly in the States of Andhra Pradesh, West Bengal, Odisha and Bihar. This situation was aggravated by the incessant rains that followed the cyclone. It is estimated that the Phailin cyclone affected around 47 lakh acres of these crops as also seriously affecting the usage of crop protection solutions during the period. As a consequence, yields fell coupled with a deterioration in the quality of produce leading to a cash crunch in the market. In November another Cyclone 'Helen' hit Andhra Pradesh which has a high usage of crop protection solutions and further damaged the Paddy, Cotton and Banana crops.

As a result, industry market conditions were muted in the second half of the year and were also affected by stock returns due to lower consumption. Though the acreage of pulses and wheat rose, the crop condition subsequently was healthy and did not require normal usage of crop protection products. Therefore inventories, particularly of some high value products went up at an industry level. Overall therefore, the industry grew largely led by the performance in the earlier part of the year.

RALLIS' OVERALL PERFORMANCE

Consolidated Results:

Your Company's gross sales for the year 2013-14 crossed the key milestone of ₹1,800 Crores, reflecting a growth of 19% over the previous year. The Company's profit before tax during the year at ₹214 Crores, grew by 24%. Net profit after minority interest rose 28% to ₹152 Crores.

Standalone Results:

The gross sales for the year 2013-14 were ₹1,613 Crores, a 15% rise over the previous year. Profit before tax was higher by 21% at ₹209 Crores while net profit for the year stood at ₹146 Crores, recording a growth of 23% over the previous year.

REVIEW OF OPERATIONS

(1) **Crop Protection:**

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

Domestic Formulations branded business performed well registering a healthy growth over the previous year. This was driven by a sustained thrust on Mega brands, successful implementation of various activities under

Rallis Kisan Kutumb, integration of new business segments (MoPu, Samrudh Krishi, synergy from the Non Pesticide Portfolio), innovative Channel Partner Engagement initiatives, expansion in growing markets and operational excellence/agility. The good monsoon during the Kharif season also facilitated in creating a positive agriculture environment for growth.

Megabrands initiative was started 3 years ago to build a portfolio of big brands through focused actions and specific deployment of resources. This has given fruitful results during the current year in increasing the sales of potential Megabrands such as Contaf/Contaf Plus, Applaud, Takumi, Taqat, Ralligold and GeoGreen and sustaining the growth of the Megabrand Asataf. Your Company has stepped up the branding activities for the identified Mega brands, leveraging the well poised customer relationship program – Rallis Kisan Kutumb – RKK.

Expansion activities in terms of opening new regional offices, Area offices and sales territories in important and potential states like Punjab, Tamilnadu, Maharashtra and Eastern markets during last year has increased the market presence and helped in pacing up the sales growth.

With good monsoon during the Kharif season, Cotton, Paddy, Soyabean, Groundnut and Pulses crop acreages were normal. To capitalize on the buoyant season, your Company has taken several steps to increase the operational efficiency for timely servicing of the market and increasing the effectiveness of the critical activities. During the year, the domestic team has displayed a well-orchestrated performance in reaping the benefits from all the strategic initiatives and also bringing sharp focus on operational efficiency.

(b) **International Business:**

The International Business showed a significant growth over 2012-13 and continues to be above 30% of the overall revenue of the Company for the past two years. Growth came from all regions, particularly from Asia and Latin America on account of higher demand.

The key highlights for International Business during 2013-14 were the launch of block buster brands in overseas markets. Progress in launch of brands was recorded, with one being launched successfully in Asia and your Company also leveraged the presence of Tata Africa through which brands were introduced in Nigeria.

International Business received 11 new registrations and has applied for many more new registrations, which are expected to be received over the next 3 to 5 years.

Order for a new contract manufacturing product was received and trials were conducted for more than five new contract manufacturing projects in the pilot plant at Dahej.

The main focus in 2014-15 will be the Company's alliance partnership with key customers in the European Union and Latin America, growth in Asian and African markets, supported by the Company's direct presence and opening of new offices abroad.

(2) **Non-Pesticide Portfolio**

(a) **Seeds:**

Indian maize production rose from 11.15 million tonnes in 2002-03 to 22.5 million tonnes in 2012-13. Majority of it is used as animal feed, followed by industrial consumption for starch and other industrial products. The rising demand for corn as animal feed and food is the key contributor for maize hybrid penetration. India's maize yields are very low compared to global standards; dependence on hybrid seeds to increase productivity will, therefore, increase. India's hybrid maize seed sector could more than double in the next three years to two lakh tonnes a year, from 100,000 tonnes now, driven by demand from poultry and industrial sectors.

The penetration of hybrid cotton seed crops in India has almost saturated at around 96 percent. Further growth will be propelled by usage of more seeds per acre, with compact architecture plant type replacing open plant type along with mechanisation.

Indian Hybrid paddy segment is highly underpenetrated, with less than 5% area under hybrid paddy as compared to over 55% area under hybrid paddy in China. Government subsidy programs are the main driver of this segment.

With higher disposable income and changing lifestyle, vegetable segment is also poised to grow.

The Proprietary Research Seed Category like Selection wheat, Selection paddy and Selection mustard opens up a huge opportunity, as the seed replacement rate is very low. This category is mainly dominated by regional players. This segment is a profitable, low risk segment. Your Company has an advantage of emerging as a leader in this space, with its brand equity in the rural area, along with its strengths of reach and penetration. Rallis has several offerings in this new segment in wheat, mustard and paddy.

The Company's acquisition of a majority stake in Metahelix Life Sciences (Metahelix), a research-led Seeds Company in December 2010, has started yielding results. In three years, the revenue of Metahelix has grown significantly. The Company continues to focus on building a strong pipeline of new hybrids.

(b) **Plant Growth Nutrients:**

The Company has built its portfolio with differentiated products, unique technology, eco friendly products or with unique delivery mechanism. New products launched during the past 3 years, like Tata Bahaar, Glucobeta, Tata Uphaar, have helped the Company achieve a CAGR of over 35% in this segment and has added to its profitability. The focus is to develop and market eco friendly, environmentally safe and differentiated products.

During the year, the Company was successful in establishing and scaling up the sales of its new organic product Gluco Beta, which was possible through the use of innovative marketing approach. New geographies and crops have been identified for establishing Gluco Beta.

(c) **Agri Services**

The Company's efforts in expanding the reach of its agri services have received an encouraging response from the farmers. They aim to increase the productivity of the farmers, help them in marketing their produce, while embracing the entire value chain of products and services to serve the emerging needs of the agri sector.

MoPu:

The Pulses Productivity programme of Rallis has received acclaim from Maharashtra Government. The Public Private Partnership Project (PPP) between Maharashtra Government and Rallis, for Pulses, was evaluated by FICCI and improvement in pulses productivity recorded by target farmer groups was validated. This initiative was recognized for its shared customer value creation and was awarded the prestigious "Porter Prize". The MoPu (**Mo**re **Pu**lses) initiative has now been extended to Madhya Pradesh, Karnataka and Tamilnadu and over 3.5 lakh farmers have been covered. As a part of the project, 15,000 MT of pulses were procured from farmers till date, under the I–Shakti branded pulses programme, in collaboration with Tata Chemicals Ltd.

Samrudh Krishi:

The farmer advisory services initiative, Samrudh Krishi was expanded to cover more geographies. The paid farmer base is showing an increasing trend as more farmers appreciate the value of our services. During the current year, for the first time, the Samrudh Krishi APEDA - GAP certified grapes were introduced to Indian consumers through the Star Bazaar (A TATA Enterprise) outlets in Mumbai and Pune. As on date, the Maharashtra Government has approved three Public- Private Partnership (PPP) projects under this initiative, including grapes.

Farm mechanization:

The sprayers offered to farmers have gained acceptance. Furthermore, in order to address the acute problem of labour shortage faced by farmers, your Company has deployed on a pilot scale rice transplanters in Odisha State. We are facilitating adoption of SRI (System of Rice Intensification) practice by the farmers using rice transplanters, which has resulted in up to 15% higher paddy yields, besides reducing the use of irrigation water.

Tata Rallis Agri Inputs Training Scheme (TRAITS):

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

ZWAOL: Soil Conditioner : organic compost business:

During the current year, the Company has acquired additional stake of equity shares in Zero Waste Agro Organics Limited (ZWAOL), increasing its shareholding in ZWAOL from 22.81% to 51.02%. ZWAOL is a subsidiary Company of Rallis, making high quality organic compost under the brand "GeoGreen". Its sales have picked up well during the year, with its product "GeoGreen" gaining market acceptance. This business is aligned with the national priority of restoring soil health and the need to boost agricultural productivity. The initial focus is on commercial crops. Going forward, the thrust will be on building new production sites to support business plans.

TOTAL SHAREHOLDER RETURN

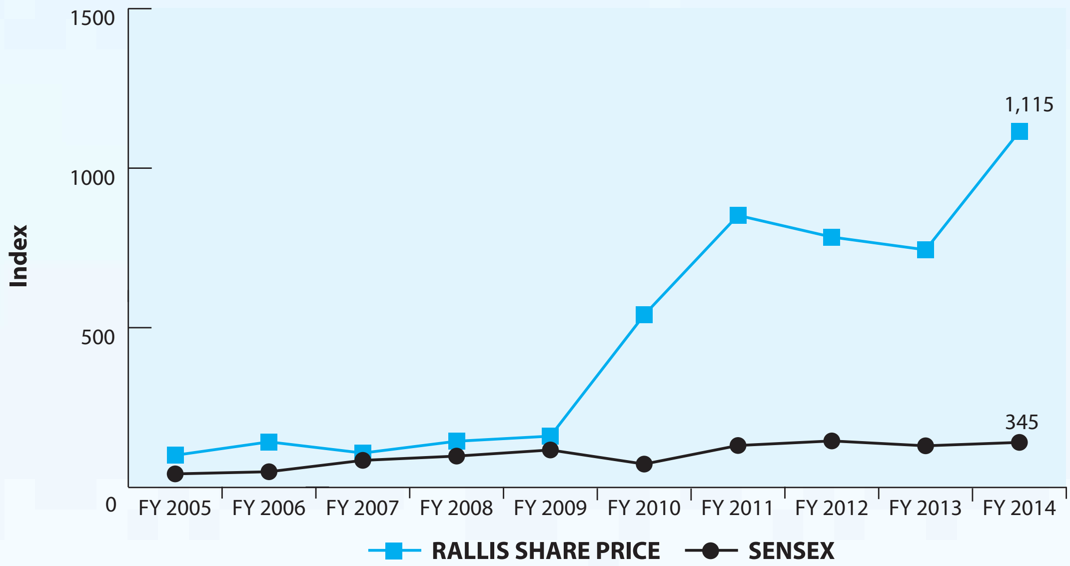
Your Company firmly believes that its shareholders are a major part of its stakeholder family. Enhancing shareholder value and increase in investor returns is a major focus area and your Company measures the value created for its investors through the Total Shareholder Return (TSR).

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 2005 kept till the last trading day of March 2014 works out to be an attractive 33% per annum. This means that if one had invested ₹100 in Rallis' stock in March 2005, the total value that the investment would have earned would be ₹1,090, if one had sold the stock on the last trading day of March 2014.

The dividend payout of the Company has improved over the years, from ₹1/- per share in 2005 (on Equity Shares of ₹10/- each) to ₹2.30 per share in 2013 (on Equity Shares of ₹1/- each). Along with the recommended final dividend of ₹1.40 per share, the dividend payout of the Company in 2014 will be ₹2.40 per share. The EVA (Economic Value Added) of the Company has also improved from ₹4,573 lakhs during 2012-13 to ₹5,688 lakhs during 2013-14.

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 2005, the y-o-y performance of the Rallis stock and Sensex till FY 2014 is shown in the chart.

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



	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Rallis Share Price	233	330	248	335	392	1,255	1,321	121	115	173
Sensex	6,493	11,280	13,072	15,644	9,709	17,528	19,445	17,404	18,836	22,386

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 2014-15.

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)

The Company's Research and Development Centre (Rallis Innovation Chemistry Hub - **RICH**) provides a unique opportunity to all sections of the R&D Department to interact. As a result, synergy is created, resulting in greater efficiencies in the work.

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 is focused on developing cost effective processes for molecules that are off patent/ to be off patent soon in the areas of crop protection and having relevant market potential. Five International patents and an Indian patent were filed during the year. Process improvement projects as well as backward integration of existing products were undertaken for improving product quality, yields and productivity of manufacturing processes. Process development for many contract manufacturing opportunities was also taken up as a major activity.

A state-of-the-art Pilot Plant has been set up at Dahej to help in scaling up of the processes, which is the backbone of commercialization, developed by RICH.

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

The Company's research efforts has resulted in obtaining, for the first time in India, the registration of a combination of an insecticide and a fungicide, to offer a superior solution to the farmer against stem borer and leaf folder insects and sheath blight and sheath rot diseases on rice crop in India.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Environment Health and Safety is deeply entrenched into your Company's value system and it is gaining strength with every passing year. Last year, the Company received permission to use Responsible Care Logo from ICC (Indian Chemical Council) and this year, the Company received Certificate of Merit for Best Compliant Company for the Process Safety Code under Responsible Care. This is a testimony to the strong Environment, Health and Safety system in the Company, going beyond statutory norms. This is also a result of the constant focus on Process Safety across all the manufacturing Units.

During 2013-14, the Company continued to focus on its long term strategic goal "Zero lost time accident at the workplace" i.e. "Operations with No injury and harm". There were no reportable incidents and accidents during the year and there were no occupational health illness cases or major emergencies across the Organization. This has been achieved through renewed focus and high commitment from the top management, supported by all levels of workforce across the Organization.

During the year, three areas were selected for special focus and the year was named as "Year of Lead by Example" with the theme "Excellence in Behavior Based Safety (BBS), Process Safety Management (PSM) and Road Safety". Annual plans were developed after taking feedback and involving shop floor/ ground level employees, right up to the top management. Various interventions were planned and executed, including BBS training, BBS observations, BBS survey, Identification of PSM Critical, implementation and monitoring of PSM critical, review of risk assessment (Hazop study and other techniques), SIL (Safety Integrity Level) and LOPA (Layer of Protection Analysis) study for Lote Unit. Under Road Safety, we have engaged an NGO "Road Safety Foundation" to provide Road Safety training to all our employees. We have carried out more than 12 programmes covering more than 1,300 people (employees and other stakeholders).

In addition to the above, Emergency Response training, Responsible Care Management system, Quantitative Risk Assessment, near miss identification, analysis and reporting to top management and contractor safety were few other key focus areas during the year.

As a part of continual improvement in Environment management, various initiatives were taken to further strengthen the pollution abatement measures. Ankleshwar Unit has successfully commissioned Multi Effect Evaporator and Membrane Bio Reactor in effluent treatment to strengthen its journey towards zero discharge. The new facility at Dahej is equipped with segregation of effluent, biological treatment followed by MEE (Multi Effect Evaporator) and ATFD (Aqueous Thin Film Dryer) to achieve effective treatment of effluent water. During the year, odour reduction initiatives at Lote, Ankleshwar and Dahej plants have helped us in furthering the healthier environment in and around our plants. The Company is in the process of strengthening the Pollution Abatement Plan by installing additional Multi effect evaporator, Aqueous thin film evaporator and Aqueous thin film dryer at Dahej and Lote plants.

Utility management and energy conservation initiatives continued to be the 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, OHASA-18001 and ISO-14001 and are maintaining the standards with regular review at various levels and aligning the system with the Company's Enterprise Process Management. Members will be happy to know that our new plant at Dahej is recommended for IMS certification by DNV (Det Norske Veritas), which includes ISO-9001, ISO-14001, OHSAS-18001 and ISO-50001 (Energy Management system). At Dahej, energy conservation initiatives resulted in getting 'IGBC GOLD' Rating for the Administration Building. This Leadership in Energy and Environmental Design (LEED) Rating System is driven by Indian Green Building Council.

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:

- Best Compliant Company for the Process Safety Code under Responsible Care NSC Maharashtra Chapter Award for Akola and Lote Units.
- National Energy Conservation Award 2013 for Dahej Unit.
- Golden Peacock Award for Eco Innovation (winner) for Dahej Unit.
- Two Awards for Dahej Unit in Green Environment Contest by Baroda Productivity Council:
  - Category: Food, Agro and 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 commensurate to the size and needs of business, with the objective of efficient conduct of operations through adherence to the Company's policies and identifying areas of improvement. Added objectives include evaluating the reliability of financial and operational information, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorised use.

The risk based annual internal audit plan prepared at the commencement of the audit period and approved by the Audit Committee focuses on the key risks as well as the other risks and is linked to the Company's objectives and strategies. The focus is on process checks and controls and regular monitoring and upgrade along with identification and suggestions for value creation.

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 a multi-disciplinary internal audit team which reviews and reports to management and the Audit Committee. Audit observations focus on compliances, improvement of internal controls and management of key risks and the efficiency and effectiveness of operations. In the current year, the Company had also engaged the services of an external firm for conducting review of specialised areas.

As part of the audit reporting process, significant observations are reported to the Audit Committee. These are reviewed and monitored through the Action taken reports.

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 focus on development and extended use of the e-platform will continue in the current year, with the objective of covering a larger universe, to provide meaningful assurance and thus raise the bar of control effectiveness.

RISK MANAGEMENT

Risk management includes implementing systems to identify risks, report them and take measures to manage them. Through an enterprise risk management program, each function unit addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee of the Board of Directors about risk assessment and management procedures.

This risk management process, which is facilitated by internal audit, covers risk identification, assessment, analysis and mitigation. The risk structure comprises the risk owners, who identify the key risks, define the mitigation plans with relevant responsibilities and timelines for actions. Status on key risk management and residual risks are presented and discussed with the senior management and necessary updates are provided to the Audit Committee and to the Board of Directors.

Currently, there is a repository of 11 key risks identified as strategic, external and operational. 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. Thus, risk and audit are complementary to each other.

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. Evidence of employee centric approach can be seen in the recently introduced 'Maternity & Infant Care Leave Policy' which allows the female employees who have delivered babies, to work from home and simultaneously do justice to their responsibilities as mothers. Another example of focus on employee welfare can be seen in the newly added 'cash-less' and 'top-up' features of mediclaim policy. The employees can now avail cash-less treatment in the empanelled hospitals and can avail of higher Mediclaim coverage by paying additional premium which is less than the market rates.

On the basis of a comprehensive review of compensation based on compensation benchmarking survey conducted through Aon Hewitt, the survey findings were addressed by increasing the monthly take home component of salary for employees in the manager, officer and supervisory grades and salary corrections in appropriate cases.

The Company recently carried out an Internal Customer Satisfaction Survey to look for opportunities to enhance the satisfaction of internal customers. With improving scores, further actions to register better internal satisfaction will be a continuous journey.

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

Customized training was provided in various areas, including functional, behavioral, Business Excellence, Customer orientation, Safety, Code of Ethics, Product Training, competency assessment. REGALE (Rallis Employees Growth Acceleration Leading to Excellence), a Company specific programme to create pipeline of future leaders, was conceptualized and rolled out. Some of the other capability building initiatives undertaken this year are TGELS (Tata Group Executive Leadership Seminar), TGSLS (Tata Group Senior Leadership Seminar), MDP (Management Development Programme), DWM (Daily Works Management), Mentoring, CFTs (Cross Functional Teams) and Gyansarovar – online access to TMTC library.

As a continuous endeavor of building functional competencies, the CAD (Competency Assessment & Development) initiative has been taken to a higher level.

During the year, the Company continued with its actions related to driving Affirmative Action and also underwent its first assessment under the Tata Group's external assessment called TAAP (Tata Affirmative Action Programme) Assessment.

This year, the Company introduced a unique employee engagement initiative called "Karishma Dikhla Jaa", an in-house show for showcasing the latent talent and creativity of Ralli*ites*. Under this initiative, employees from across all locations presented their performances depicting various messages and values with themes such as Safety, Sustainability, Green Environment, Value systems, etc. There were three regional rounds at common locations and a final round was held at Mumbai which was attended by employees and their families. 'Karishma Dikhla Jaa' created lot of excitement, fun, bonding and camaraderie amongst Ralli*ites*.

As on 31st March, 2014, the employee strength was 881, as compared to 843 as on 31st March, 2013 (excluding trainees).

BUSINESS EXCELLENCE

The year 2013-14 witnessed several key events and firm initiatives at Rallis. Your Company continued the journey of excellence and sustained the high score band, with incremental width in the absolute score, in the Tata Business Excellence Model (TBEM) assessment during the year. The Company was also part of the Tata Chemicals Enterprise Assessment, which saw a substantial increase in the score band.

Rallis won the JRD QV Award in 2011 and subsequent to that, was awarded the CII-EXIM Bank Prize of CII (Confederation of Indian Industry) in 2012. These honours are given to Organizations that exhibit highest standards of excellence based on the TBEM (adapted from Malcolm Baldrige National Quality Award of USA) and CII-EXIM Bank Business Excellence Model (adapted from European Foundation for Quality Management model). To celebrate and bolster the journey of excellence, the Company celebrated the "Decade of Excellence (2003 - 2012)", where the Senior Leadership Team once again reiterated their commitment towards journey of excellence with renewed vigour.

These coveted Awards acknowledge the sustained efforts and strong commitment of all employees of the Company to excel, sustain and grow together. Your Company leadership acknowledged the contribution of Rallis' employees for their focused approach to continuous improvement and value creating initiatives in the Organization.

Continuing on the journey of excellence, the Company acknowledges the learning from the Business Excellence assessments, which essentially consist of strengths as well as areas for improvement. Your Company will continue to focus to further improve in its journey of excellence including some focus areas such as customer centricity and sustainability.

INFORMATION TECHNOLOGY

In line with its overall growth objective, your Company continues to drive improvements in various business processes with investments in Information Technology (IT). During the current year your Company invested in Cloud and mobile computing, improving the agility of the execution team.

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. Further, to handle e-waste in a proper manner, your Company has chosen Government approved vendors who specialize in disposal of e-waste in an environment friendly manner.

'Tarang' – The intranet for Company employees is a strong medium for knowledge sharing and employee self-service. New functionalities have been added to enrich the knowledge sharing experience.

'eBandhan' a portal for online interaction with dealers has been implemented and resulted in better services to 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 AND AFFIRMATIVE ACTION

Your Company believes that sustainable business is founded on Corporate Governance (business principles), with triple bottom line i.e. economic, environmental and social performance together creating sustainable value for all stakeholders through business processes and continued growth. Business risk assessment with appropriate risk mitigation plans in full compliance ensures protection from internal and external business hazards. The Company has developed an integrated model on Sustainability focusing on Environment, Corporate Social Responsibility (CSR) and Affirmative Action (AA) initiatives. Under Environment, key focus areas are Industrial Waste Management and Energy and Greening. Under CSR and AA, key focus areas are Natural Resource Management and Employability. The Company has developed detailed long term and short term plans on all key focus areas. To ensure proper implementation of sustainability initiatives, we have developed and trained Sustainability Champions across all locations. These Champions are responsible for driving various sustainability initiatives at their respective locations.

During the year, some of the key areas on which the Company focused were water foot printing and recycling of water, reduction of energy consumption, reduction of carbon footprint and use of renewable source of energy. All our Technical manufacturing units underwent water foot printing through Tata Quality Management Services (TQMS). Lote Unit has installed briquette fired boiler to minimize use of furnace oil boilers. This will be installed at other Units also.

Being a signatory to Global Compact Principles, your 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, the Company has started monitoring a "Greening Index" consisting of carbon footprint, greening the premises, reduction in hazardous waste and 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 (less 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 (CD) 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 CSR initiative's efforts have resulted in expanding the community base to over 394 events and benefitting over 21,000 people.

The Key Themes inspiring CSR initiatives as per CD Policy are Leveraging Competence in the field of Agriculture, Improving Quality of Life through Water Conservation, Empowering Women and Children. The foundation of these key themes is Volunteering by enthusiastic employees of Rallis.

The focused initiatives under these key themes are:

Improve Quality of Life through watershed Projects:

The Company's Lote Unit is in the Konkan region. This region witnesses very good rainfall, but most of the water runs off to the sea, thereby creating water shortage for the villagers. To address this issue, we have decided to harvest rain water at Songaon village situated near our Lote Unit. This has helped in increasing the availability of surface water as well as ground water level since the last year. During the current year, total three Vanarai bandhara/ Diversion dams and two loose boulder structures were created to harvest rain water and more than 3000 trees were planted keeping in mind the dual purpose of increasing ground water level and soil conservation. We have also coordinated with the Agriculture Department, who came forward and constructed a check dam at Songaon. This has helped in enhancing availability of water to the villagers for irrigation and supported their livelihood, as the farmers could opt for second crop of vegetable and pulses cultivation, thus increasing their household income.

Women empowerment (TARA initiative):

SHG (SELF Help Group) (TARA initiative): Four SHGs was mentored during the year at Songaon (Lote). Exposure was given to these SHGs in various areas, to encourage them to start their own HBB (Home based business).

The members of SHGs were given exposure and skill training in various areas such as food processing, candle making and tie and dye. Five days' basic business planning skill was imparted, which helped the SHG members to plan their dream business and initiate their dream business into reality.

Based on above, the women are initiating home based business. The Company encourages and supports these women by providing them a platform for exhibition cum sale of the products produced by the SHG groups. The women have received an overwhelming response from Lote MIDC and each group was able to earn a good profit. This has encouraged the women to put up such exhibitions every quarter.

Greening projects:

Major initiatives in this area included:

- Afforestation project: 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: More than 550 trees were planted across various locations.

Educational interventions:

Under educational intervention your Company's focus is to cover majority of students belonging to Affirmative Action group. Under this initiative, the Company undertook the following:

- A kitchen garden project was initiated during the year by the Bengaluru Zone. Three schools were selected for the project. Demonstration plots were made in the school premises to train students to develop kitchen garden in the backyard of their house.

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

- Career guidance was imparted to 10th and 12th standard students at Lote, Shenva in Thane District and Dahej.

- Self defense training for girls and women were conducted at Mumbai, Lote, Bengaluru and Ahmedabad. Train the Trainer Programme was conducted for women at Ratnagiri in collaboration with Sakaal newspaper.
- Spoorthi initiative – Through this initiative, focus was on creating awareness on importance of educating the girl child, health awareness for women and importance of safe drinking water at Secunderabad and Guntur.
- Training programmes on road safety, home safety and fire safety were organised for students and villagers at Lote, Akola, Dahej and Shenva.
- First Aid training was conducted for Students at Shenva.
- 2,000 notebooks, 100 crayons and 100 instrument boxes were distributed to needy and poor students at Lote.
- Green Rakshabandhan concept was introduced for college students at Dahej.

Volunteering:

Rallis' volunteers are involved in various initiatives across all locations. Our philosophy for Volunteering is - Encourage collective giving of time and skills by creating an enabling environment for employees to volunteer, demonstrating group ethos of 'giving back to society'. The Company encourages volunteering under its SAATHI programme.

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

Following are glimpses of some of the volunteering programmes and their benefits:

- Safety awareness programmes for community like home safety, fire safety, LPG safety, road safety, etc.
- Health awareness and check-up programmes like AIDS awareness, de-addiction, blood donation drives, pulse polio campaign, dental check-up, run for cause, blood group check-up for students, etc.
- Flood relief for villagers of Lakhigam near Dahej.
- Women day celebration by organising various competitions for women.
- Awareness sessions on water conservation: Various locations conducted several awareness programmes for the community. Programmes like Save Water Campaign and rally to create awareness for water conservation; Session on Soil and Water conservation for students, villagers and farmers; awareness through various means like showing documentaries, slogan competition, poster making, demonstrations etc at Dahej, Ahmedabad, Akola, Lote and Bengaluru R&D.
- Safe use of pesticide program for farmers' family members at Ahmedabad.
- 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.
- Creating awareness about various career options available to students.
- Women started their own businesses and are financially independent.

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

The above efforts have resulted in planting more than 8,700 trees during the year 2013-14 and 49% of Saathis volunteered for more than 2,800 hours for achieving the above results.

Affirmative Action:

Your Company is also focusing on working towards upliftment of SC/ ST communities through its Affirmative Action (AA) initiatives. Under AA initiatives, four themes to work upon are: Employment, Employability, Entrepreneurship and Education.

Rallis is focusing on Employability under AA initiatives along with working in the other three areas. Your Company's flagship programmes are TRAITS (TATA Rallis Agri Input Training Scheme) and FTT (Fixed Term Trainee). The Company has been able to generate direct employment to 3% of its workforce belonging to AA community and 23% through contract workforce.

8% of the participants under the TRAITS programme are from AA communities. TRAITS has helped in providing employment/ employability to rural unemployed youth with Agri background at Baramati, Hubli, Birbhum, Bhubaneswar, Patna and Bhopal.

Way forward:

Your Company, in its endeavor to add more and more value to the society, with special focus on rural India, has decided to focus on "Natural Resource Management" and "Employability", with Water and Skill Development respectively as key focus areas.

The Companies Act, 2013 ('the Act') has introduced the concept of undertaking Corporate Social Responsibility ("CSR") activities as part of a company's operations. Your Company is committed and fully geared to meet all the requirements under the Act.

Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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. Corporate 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. Above all, it is a way of life, rather than merely a legal compulsion. 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. This has been further strengthened by the adoption of the Tata Code of Conduct for its employees, including the Managing Director and adoption of 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, Code of Corporate Disclosure Practices 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 31.03.2014, comprised 9 Directors, of which 8 were Non-Executive Directors. The Company has a non-executive Chairman and the 5 Independent Directors as on 31.03.2014 comprised more than one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as 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/ she 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 2013-14	Attendance at AGM held on 24th June, 2013	No. of Directorships* (As on 31.03.2014)			No. of committee positions in Mandatory Committees* (As on 31.03.2014)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. R. Gopalakrishnan (Chairman)	Non-Independent Non-Executive	8	Yes	4	6	10	-	3	3
Mr. Homi R. Khusrokhan (upto 31.12.2013)	Non-Independent Non-Executive	4	No	-	7	7	1	6	7
Mr. B. D. Banerjee	Independent Non-Executive	8	Yes	-	2	2	1	2	3
Mr. E. A. Kshirsagar	Independent Non-Executive	8	Yes	-	7	7	4	4	8
Mr. Prakash R. Rastogi	Independent Non-Executive	8	Yes	-	2	2	-	1	1

Director	Category	No. of Board Meetings attended during 2013-14	Attendance at AGM held on 24th June, 2013	No. of Directorships* (As on 31.03.2014)			No. of committee positions in Mandatory Committees* (As on 31.03.2014)		
				Chairman	Member	Total	Chairman	Member	Total
Mr. Bharat Vasani	Non-Independent Non-Executive	8	Yes	-	3	3	-	-	-
Dr. K. P. Prabhakaran Nair (upto 24.06.2013)	Independent Non-Executive	2	Yes	-	1	1	-	2	2
Mr. R. Mukundan	Non-Independent Non-Executive	7	Yes	-	4	4	-	1	1
Dr. Yoginder K. Alagh (upto 28.02.2014)	Independent Non-Executive	6	Yes	-	5	5	1	6	7
Dr. Y. S. P Thorat	Independent Non-Executive	7	No	1	6	7	3	3	6
Dr. Punita Kumar-Sinha (w.e.f. 26.03.2014)	Independent Non-Executive	1	NA	-	3	3	-	1	1
Mr. V. Shankar (Managing Director & CEO)	Non-Independent Executive	8	Yes	2	2	4	1	1	2

* 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 8 Board Meetings during 2013-14 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were: 25th April, 2013; 24th June, 2013; 18th July, 2013; 21st October, 2013; 27th November, 2013; 13th December, 2013; 16th January, 2014 and 26th March, 2014.

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 approved 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.

Apart from receiving remuneration that they are entitled to under the Companies Act, 1956 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates. None of the Directors are inter-se related to each other.

The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

3. **AUDIT COMMITTEE**

Terms of reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee are as follows:

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

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

Composition and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the provisions of the Companies Act. All members of the Committee are financially literate, with Mr. E. A. Kshirsagar, Chairman of the Committee, 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 2013-14
Mr. E. A. Kshirsagar, Chairman	Independent, Non-Executive	8
Mr. Homi R. Khusrokhan, Member (upto 31.12.2013)	Non-Independent, Non-Executive	3
Mr. B. D. Banerjee, Member	Independent, Non-Executive	8
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	8
Dr. K. P. Prabhakaran Nair, Member (upto 24.06.2013)	Independent, Non-Executive	2
Dr. Yoginder K. Alagh, Member (upto 28.02.2014)	Independent, Non-Executive	7
Dr. Y. S. P. Thorat, Member (w.e.f. 21.10.2013)	Independent, Non-Executive	3

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: 25th April, 2013; 24th June, 2013; 18th July, 2013; 27th August, 2013; 21st October, 2013; 27th November, 2013; 16th January, 2014 and 26th March, 2014. 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 Chief Financial Officer, the Head of Internal Audit, the Company Secretary and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the secretary to the Committee.

The Chairman of the Audit Committee, Mr. E. A. Kshirsagar was present at the Annual General Meeting of the Company held on 24th June, 2013.

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 2013-14
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	3

The Committee met three times during the year, on 25th April, 2013; 27th August, 2013 and 22nd January, 2014.

The Chairman of the Nominations & Remuneration Committee, Mr. B. D. Banerjee was present at the Annual General Meeting of the Company held on 24th June, 2013.

Remuneration Policy

The remuneration of senior management is decided taking into consideration their experience and past and current performance, as also 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 potential of the managers to take on higher responsibilities is also considered.

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 24th June, 2013, commission is paid at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Companies Act, 1956. The distribution of commission among the Non-Executive Directors is recommended by the Nominations & Remuneration Committee and approved by the Board. The commission is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as guidance provided to senior management other than at meetings.

The Company paid sitting fees of ₹20,000/- per meeting to the Non-Executive Directors for attending meetings of the Board, Executive Committee of the Board, the Audit Committee and the Nominations & Remuneration Committee, ₹10,000/- per meeting for attending the meetings of the Property Committee and ₹5,000/- per meeting for attending meetings of the Shareholders'/ Investors' Grievance Committee.

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

Retirement Policy for Directors

The Company has adopted guidelines for the retirement age of Directors, wherein the Managing and Executive Directors retire at the age of 65 years, Executive Directors who have been retained on the Company's Board beyond the age of 65 years as Non-Executive Directors for special reasons may continue as Directors at the discretion of the Board, but in no case beyond the age of 70 years, Non-Independent Non-Executive Directors who have completed the age of 70 years prior to the Effective Date of April 1, 2011, may continue as Directors at the discretion of the Board, but in no case beyond the age of 75 years and the retirement age for independent directors would be 75 years.

Details of remuneration for 2013-14

The aggregate value of salary, perquisites and commission paid to Mr. V. Shankar, Managing Director & CEO, during the year 2013-14 is ₹2,84,50,017/-, comprising:

Salary	:	₹ 49,20,000/-
Perquisites and allowances	:	₹ 80,30,017/-
Commission for the financial year 2012-13, paid during 2013-14	:	₹1,55,00,000/-
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 2013-14 to the Non-Executive Directors for attending the Board and Committee Meetings for the year 2013-14 and the commission paid to them during 2013-14 for the year 2012-13, are as follows:

Name of Director	Fees paid (₹)	Commission for the financial year 2012-13, paid during 2013-14 (₹)
Mr. R. Gopalakrishnan	2,80,000	20,00,000
Mr. Homi R. Khusrokhan (upto 31.12.2013)	1,60,000	15,15,000
Mr. B. D. Banerjee	4,10,000	17,65,000
Mr. E. A. Kshirsagar	4,70,000	23,75,000
Mr. Prakash R. Rastogi	4,30,000	15,15,000
Mr. Bharat Vasani	1,80,000	9,15,000
Dr. Venkatrao S. Sohoni (upto 28.05.2012)	NA	4,05,000
Dr. K. P. Prabhakaran Nair (upto 24.06.2013)	85,000	18,70,000
Dr. Yoginder K. Alagh (upto 28.02.2014)	2,60,000	17,60,000
Dr. Y. S. P. Thorat	2,00,000	13,80,000
Dr. Punita Kumar-Sinha (w.e.f. 26.03.2014)	20,000	NA

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

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

Terms of reference

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

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company. Mr. Ashish Mehta, Chief Financial Officer has been appointed as the Compliance Officer for the implementation of and overseeing compliance with the Regulations and the Code across the Company.

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

Composition and Attendance during the year

The Shareholders'/ Investors' Grievance Committee met twice during the year, on 25th April, 2013 and 21st October, 2013.

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 2013-14
Mr. B. D. Banerjee, Chairman	Independent, Non-Executive	2
Mr. E. A. Kshirsagar, Member	Independent, Non-Executive	2
Dr. K. P. Prabhakaran Nair, Member (upto 24.06.2013)	Independent, Non-Executive	1
Mr. V. Shankar, Member	Non-Independent, Executive	2

Name, designation and address of Compliance Officer

P. S. Meherhomji
Company Secretary
2nd Floor Sharda Terraces
Plot No. 65 Sector 11
CBD Belapur
Navi Mumbai 400 614

Tel No.: 022 - 6776 1657
Fax No.: 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 915 correspondences were received from investors during 2013-14, of which 2 cases were reported as complaints. 17 correspondences remained pending as on 31st March, 2014. These were received during the last week of March 2014 and hence were pending on 31st March, 2014, but have been subsequently replied to, as certified by TSR Darashaw Pvt. Ltd. (Registrars).

No request for transfer or dematerialization of shares was pending as on 31st March, 2014.

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 2013-14
Mr. R. Gopalakrishnan, Chairman	Non-Independent, Non-Executive	3
Mr. Homi R. Khusrokhan, Member (upto 31.12.2013)	Non-Independent, Non-Executive	1
Mr. E. A. Kshirsagar, Member	Independent, Non-Executive	3
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	2
Mr. R. Mukundan, Member	Non-Independent, Non-Executive	0
Mr. V. Shankar, Member	Non-Independent, Executive	3

The Executive Committee of the Board met three times during the year, on 16th July, 2013; 22nd January, 2014 and 5th March, 2014.

The Chief Financial Officer 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 2013-14
Mr. B. D. Banerjee, Chairman	Independent, Non-Executive	2
Mr. E. A. Kshirsagar, Member	Independent, Non-Executive	2
Mr. Prakash R. Rastogi, Member	Independent, Non-Executive	1
Mr. Bharat Vasani, Member	Non-Independent, Non-Executive	2

The Property Committee met twice during the year, on 21st May, 2013 and 10th January, 2014.

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
Monday, 24th June, 2013	Auditorium, Yashwant Rao Chavan Pratishthan, Chavan Centre, General Jagannath Bhosale Marg, Mumbai 400 021.	4.00 p.m.	Payment of Commission to Non-Executive Directors.
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.

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, 2014.

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. They are also filed with the National Stock Exchange of India Ltd. through NSE Electronic Application Processing System (NEAPS) and with BSE Ltd. through BSE Online Portal.

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, NEAPS and BSE Online Portal.

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) and with BSE Ltd. through BSE Online Portal. 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, 30th June, 2014 at 3.00 p.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.

As required under Clause 49 IV (G) (i) of the Listing Agreement, particulars of Directors seeking appointment/ re-appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 30th June, 2014.

Financial Calendar	:	April to March
Date of book closure	:	17th June, 2014 to 30th June, 2014 (both days inclusive)
Dividend payment date	:	2nd July, 2014
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	The 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 2013-14.

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

Non Convertible Debentures:

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 were fully redeemed on 29th October, 2013. The same were listed on the Wholesale Debt Market Segment of BSE Ltd.

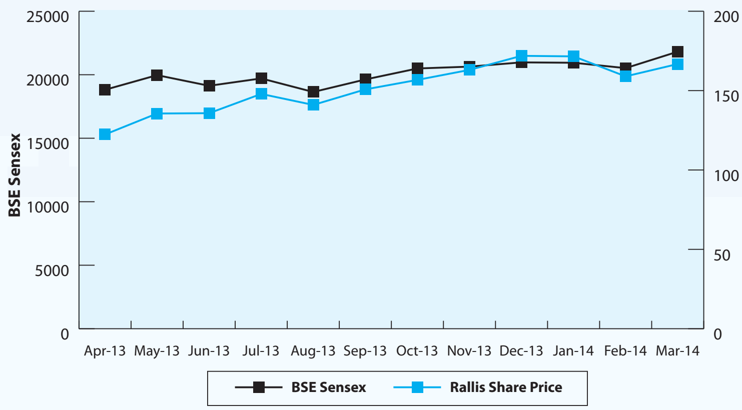
Rate of interest	:	9.05%
Date of Redemption	:	29th October, 2013
Scrip Code on BSE Ltd.	:	947111
Demat International Security Identification Number (ISIN) in NSDL and CDSL for Debt Instruments	:	INE613A07019

Market Information:

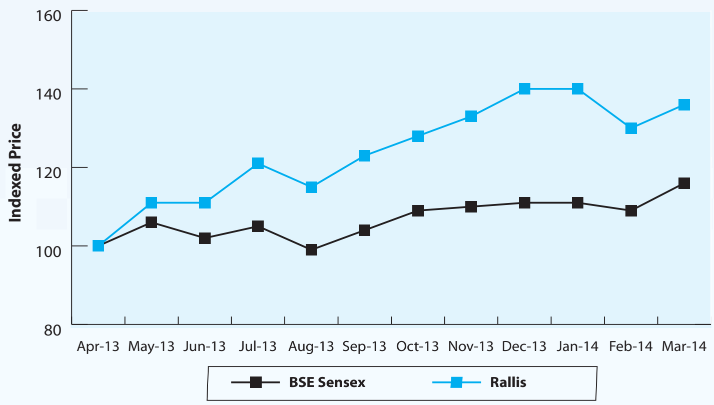
Market price data: High/ low, Number and Value of shares traded during each month in the last financial year:

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 2013	135.00	110.10	11,20,092	1,371.03	20,030	135.00	109.55	40,01,631	4,904.55	66,605
May 2013	141.80	126.50	8,79,576	1,205.21	13,368	142.00	126.25	36,46,084	4,996.36	56,081
June 2013	145.50	124.90	8,36,700	1,152.99	23,354	146.00	125.00	40,22,768	5,526.88	93,316
July 2013	161.80	135.35	20,71,957	3,141.58	50,621	162.00	135.15	67,61,558	10,161.80	1,17,513
August 2013	148.80	130.40	7,01,296	984.45	24,041	149.10	130.45	34,83,693	4,877.33	86,080
September 2013	160.00	140.10	4,37,519	660.42	17,325	159.35	140.05	28,36,382	4,283.72	62,295
October 2013	174.10	147.55	12,84,176	2,077.34	36,083	173.95	148.00	56,94,141	9,176.03	92,200
November 2013	183.55	152.20	7,29,380	1,236.25	25,002	183.90	152.45	40,05,010	6,731.41	74,078
December 2013	184.35	159.50	7,94,233	1,381.44	26,242	184.40	159.70	45,42,351	7,864.42	84,391
January 2014	184.50	154.50	6,53,639	1,134.08	23,363	184.90	154.70	45,69,032	7,979.10	63,698
February 2014	166.00	151.05	4,09,555	652.12	13,462	165.75	150.60	31,14,659	4,899.93	57,376
March 2014	178.30	157.00	8,73,337	1,471.63	23,061	178.55	157.25	53,51,401	8,924.02	61,056

Performance of Rallis Share Price in comparison with BSE Sensex



Indexed 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,
Bengaluru 560 001.
Tel.: 080-2532 0321
Fax: 080-2558 0019
Email: tsrdlbang@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.,
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.,
"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 National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (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).

- o Parikh & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2013-14. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, its Memorandum and Articles of Association, Listing Agreements with the Stock Exchanges and the applicable SEBI Regulations.

Distribution of shareholding as on 31st March, 2014:

Holding of Nominal Value: ₹1/-

Sr. No.	Range	Holding	Amount (₹)	% to Capital	No. of Holders	% to Total Holders
1	1 to 500	21,20,515	21,20,515	1.09	16,609	73.75
2	501 to 1000	18,98,164	18,98,164	0.98	2,483	11.03
3	1001 to 2000	22,42,329	22,42,329	1.15	1,495	6.64
4	2001 to 3000	15,95,519	15,95,519	0.82	604	2.68
5	3001 to 4000	8,67,309	8,67,309	0.45	240	1.07
6	4001 to 5000	9,34,905	9,34,905	0.48	201	0.89
7	5001 to 10000	30,89,505	30,89,505	1.59	419	1.86
8	Greater than 10000	18,17,20,644	18,17,20,644	93.44	469	2.08
	Total	**19,44,68,890**	**19,44,68,890**	**100.00**	**22,520**	**100.00**

Shareholding pattern as on 31st March, 2014:

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 *	29,16,281	1.50
3	Foreign Institutional Investors and Foreign Companies	2,67,44,153	13.75
4	Non Resident Individuals	11,46,218	0.59
5	Other Bodies Corporate and Trusts	1,39,42,611	7.17
6	Nationalized Banks and Mutual Funds	93,75,642	4.82
7	Foreign Banks and Other Banks	57,171	0.03
8	Individuals	4,28,70,204	22.05
	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 74,980 Equity Shares, representing 0.04% 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).

Rallis India Limited

Percentage of shares held in physical and dematerialized form as on 31st March, 2014:

Physical form	:	1.69
Electronic form with NSDL	:	94.58
Electronic form with CDSL	:	3.73

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

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 Department
2nd Floor Sharda Terraces
Plot No. 65 Sector No. 11
CBD Belapur
Navi Mumbai 400 614

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, 2014.

V. Shankar
Managing Director & CEO

Mumbai, 22nd April, 2014

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, 2014, 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.39826)

MUMBAI, 22nd April, 2014

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 , 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and 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 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, 2014;

(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 notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, 22nd April**,** 2014

ANNEXURE TO THE INDEPENDENT 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 the order 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 year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

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

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

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

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

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

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

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

(b) Where each of such transaction is in excess of ₹ 5 lac 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, therefore, 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 cost records maintained by the Company pursuant to the Companies (Cost Accounting

Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost 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, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 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, 2014 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)	2000-01, 2001-02, 2005-06 to 2010-11	483.95
		Additional Commissioner	1990-91, 2000-01, 2001-02, 2006-07 to 2008-09	253.58
		Deputy Commissioner	1983-84, 1992-93, 1994-95, 1996-97 to 2001-02, 2003-04 to 2006-07	498.32
		Assistant Commissioner	1993-94, 1998-99, 1999-00, 2001-02, 2003-04, 2007-08 to 2009-10	117.49
		Tribunal	1992-93, 1996-97 to 1999-2000, 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)	1999-2001	62.80
		Deputy Commissioner	1999-00, 2001-02	29.61
		Tribunal	1986-87, 1990-91, 1996 - 97 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. 2011-12	61.80

(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 by the Company during the year 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 LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, 22nd April 2014

Rallis India Limited

BALANCE SHEET AS AT 31ST MARCH, 2014

₹ lacs

	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**1,944.71**	*1,944.71*
Reserves and surplus	3	**69,379.50**	*60,203.89*
		71,324.21	*62,148.60*
Non-current liabilities			
Long-term borrowings	4	**2,257.30**	*842.19*
Deferred tax liabilities (Net)	31a	**3,301.01**	*2,864.13*
Other Long term liabilities	5	**-**	*588.21*
Long-term provisions	6	**1,416.81**	*1,525.79*
		6,975.12	*5,820.32*
Current liabilities			
Short-term borrowings	7	**1,641.96**	*-*
Trade payables	42	**24,140.54**	*21,313.67*
Other current liabilities	8	**3,826.61**	*12,247.40*
Short-term provisions	9	**5,745.44**	*5,100.76*
		35,354.55	*38,661.83*
Total		**113,653.88**	*106,630.75*
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10 a	**37,755.06**	*36,433.86*
Intangible assets	10 b	**1,709.76**	*768.90*
Capital work-in-progress		**616.76**	*1,572.62*
Intangible assets under development		**693.42**	*1,091.00*
Non-current investments	11	**21,878.07**	*19,243.99*
Long-term loans and advances	12	**9,014.15**	*8,675.05*
		71,667.22	*67,785.42*
Current assets			
Current investments	13	**-**	*103.84*
Inventories	14	**23,850.46**	*19,034.99*
Trade receivables	15	**13,809.80**	*14,376.06*
Cash and bank balances	16	**668.83**	*2,443.64*
Short-term loans and advances	17	**3,408.30**	*2,621.96*
Other current assets	18	**249.27**	*264.84*
		41,986.66	*38,845.33*
Total		**113,653.88**	*106,630.75*
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 LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, 22nd April, 2014

R. GOPALAKRISHNAN *Chairman*

B. D. BANERJEE
E. A. KSHIRSAGAR
PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y. S. P. THORAT
PUNITA KUMAR-SINHA
Directors

V. SHANKAR *Managing Director & CEO*

ASHISH MEHTA *Chief Financial Officer*

P. S. MEHERHOMJI *Company Secretary*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ lacs

	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CONTINUING OPERATIONS			
Revenue from operations (gross)	19	163,356.73	141,858.01
Less : Excise Duty		10,272.14	9,479.79
Revenue from Operations (net) (I)		153,084.59	132,378.22
Expenses:			
Cost of materials consumed	21	78,142.58	68,566.76
Purchases of Traded Goods	22	18,910.05	12,433.32
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(3,718.34)	2,418.86
Employee benefits expense	24	8,868.69	7,784.29
Other expenses	25	26,150.37	20,852.49
Total expenses (II)		128,353.35	112,055.72
Earnings before interest, tax, depreciation and amortization (I-II)		24,731.24	20,322.50
Finance costs	26	805.12	1,251.49
Depreciation and amortization expense	10	3,597.27	2,881.05
Other income	20	575.61	1,145.45
Profit before tax		20,904.46	17,335.41
Tax expense:			
a. Current tax		6,128.54	3,872.11
b. Excess Provision for tax relating to earlier years		(297.02)	-
c. Deferred tax - Charge (net)	31b	436.88	1,525.22
		6,268.40	5,397.33
Profit for the year		14,636.06	11,938.08
Earnings per equity share (of ₹ 1 each) :	38		
(1) Basic		7.53	6.14
(2) Diluted		7.53	6.14
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 LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, 22nd April, 2014

R. GOPALAKRISHNAN *Chairman*

B. D. BANERJEE
E. A. KSHIRSAGAR
PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y. S. P. THORAT
PUNITA KUMAR-SINHA
Directors

V. SHANKAR *Managing Director & CEO*
ASHISH MEHTA *Chief Financial Officer*
P. S. MEHERHOMJI *Company Secretary*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ lacs

		For the year ended 31st March, 2014	For the year ended 31st March, 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before tax	**20,904.46**	*17,335.41*
	Adjustments for :		
	Depreciation and amortisation expense	**3,597.27**	*2,881.05*
	Finance cost	**805.12**	*1,251.49*
	Interest income	**(127.01)**	*(91.82)*
	Dividend Income	**(160.68)**	*(87.61)*
	Credit balances written back	**(83.57)**	*(5.67)*
	Provision for Doubtful Debts/Advances	**26.13**	*26.00*
	Provision for supplemental payments on retirement	**(55.23)**	*181.99*
	Provision for gratuity	**(56.58)**	*(237.15)*
	Provision for compensated absences	**22.32**	*(12.91)*
	Unrealised foreign exchange translation loss	**(232.64)**	*56.42*
	Profit on sale of assets (net) (includes assets w/off)	**(60.84)**	*(689.21)*
	Operating Profit before Working Capital Changes	**24,578.75**	*20,607.99*
	Adjustments for :		
	Trade payables and other liabilities	**1,836.17**	*(966.80)*
	Trade receivables and other assets	**300.68**	*(6,225.06)*
	Inventories	**(4,815.47)**	*3,381.16*
	Long term loans and advances	**16.07**	*247.15*
	Short term loans and advances	**(780.30)**	*1,099.61*
	CASH GENERATED FROM OPERATIONS	**21,135.90**	*18,144.05*
	Taxes paid (Net of Refund and interest on refund received)	**(5,635.66)**	*(3,463.10)*
	NET CASH FROM OPERATING ACTIVITIES (A)	**15,500.24**	*14,680.95*
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Capital expenditure on fixed assets, including capital advances	**(4,791.38)**	*(4,091.67)*
	Proceeds from sale of fixed assets	**151.68**	*1,163.30*
	Advance received against assets to be disposed off	**25.00**	-
	Purchase of current investments	**(25,966.24)**	*(21,585.70)*
	Proceeds from redemption of debentures	**103.84**	*296.14*
	Purchase of non-current investments in subsidiaries	**(2,634.08)**	*(1,549.87)*
	Proceeds from sale of current investments	**25,966.24**	*21,585.70*
	Interest/Dividend received	**316.00**	*226.90*
	Investments in Bank Deposits (original maturity of more than 3 months but due within 12 months from the balance sheet date) (net)	**(82.15)**	*44.74*
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES (B)	**(6,911.09)**	*(3,910.46)*

₹ lacs

		For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long-term borrowings	**1,500.00**	*120.58*
	Repayment of long-term borrowings (including current maturities)	**(7,588.04)**	*(128.22)*
	Proceeds/(Repayment) of short-term borrowings(net)	**1,641.96**	*(3,122.04)*
	Dividends paid on Equity Shares (including dividend distribution tax)	**(5,212.57)**	*(4,954.69)*
	Finance costs	**(807.83)**	*(1,270.30)*
	NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(10,466.48)**	*(9,354.67)*
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(1,877.33)**	*1,415.82*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING 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*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in Hand	**2.41**	*3.02*
	Balances with Scheduled Banks on Current Account and Deposit Account	**320.92**	*2,197.64*
		323.33	*2,200.66*
	Footnotes:		
	Cash and Cash Equivalents as above	**323.33**	*2,200.66*
	Restricted Bank Balance	**116.55**	*96.18*
	Balances with scheduled banks:		
	On Fixed Deposit as Margin Money against Bank Guarantees	**228.95**	*146.80*
	CASH AND BANK BALANCES AS PER NOTE 16	**668.83**	*2,443.64*

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 LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, 22nd April, 2014

R. GOPALAKRISHNAN *Chairman*

B. D. BANERJEE
E. A. KSHIRSAGAR
PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y. S. P. THORAT
PUNITA KUMAR-SINHA
Directors

V. SHANKAR *Managing Director & CEO*
ASHISH MEHTA *Chief Financial Officer*
P. S. MEHERHOMJI *Company Secretary*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Corporate Information:

Rallis India Limited (the "Company") is an Indian public limited company, incorporated on 23rd August, 1948, which is a subsidiary of Tata Chemicals Limited. It has been engaged primarily in the business of manufacture and marketing of Agri Inputs. The Company has its manufacturing facilities in India and sells both in India and across the globe. The Company is listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange ("NSE").

1. Significant Accounting Policies: -

(a) Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956, (the "1956 Act") [which continue to be applicable in respect of section 133 of the Companies Act, 2013, (the "2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs ("MCA")].

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company's activities in its business segments have operating cycles which do not exceed 12 months. As a result, current assets comprise elements that are expected to be realised within 12 months after the reporting date and current liabilities include elements that are due for settlement within 12 months after the reporting date.

(b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(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 other than Goodwill 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 including Goodwill 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 the value in use of those assets. 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 in dimunition in value, if any. Current investments are valued at lower of cost and fair value.

Investmensts that are readily realisble and are intented to be held for not more than one year from the date, on which such investments are made, are classified as "Current" investments. All other investments are classified as "Long Term".

(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

Interest income is recognised as interest accrued on a time proportion basis taking into account the amount outstanding against the financial asset and the rate applicable provided no significant uncertainty exists as to measurability or collectability. Discount and premium on debt securities held is treated as though it were accruing over the period to maturity.

Borrowing (finance costs) are generally expensed as incurred except where they relate to the financing of construction or development of qualifying assets requiring a substantial period of time to prepare for their intended future use. Ordinarily, the term "substantial period of time" is considered to mean a period of 12 months or more unless a shorter or longer period could be justified on the basis of facts and circumstances of a specific case.

Borrowing costs are capitalised up to the date when the asset is ready for its intended use. The amount of finance costs capitalised (before the effects of income tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of capitalised expenditure for the qualifying assets during the period.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent of the difference between interest on local currency borrowings and interest on foreign currency borrowings.

(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.

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 Ind AS 39 Financial Instruments: Recognition and Measurement.

These contracts are stated at fair value at each reporting date. Changes in the intrinsic value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes. The ineffective portion and the time value is recognised immediately in the 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 when the corresponding services to which these contributions relate are rendered by employees. 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 using the projected unit credit method 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) Operating Leases

Leases in which significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made towards operating lease arrangements are charged to the statement of profit and loss on straight line over the period of 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 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. Where these is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where it is either not probable that and outflow of resources will be required to settle or a reliable estimate of the amount can not be made, the obligation is termed as a contingent liability. 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 - On Cash Flow Statements.

(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, 2014		*As at 31st March, 2013*	
	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 the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31st March, 2014		*As at 31st March, 2013*	
	Number	**₹ lacs**	*Number*	*₹ lacs*
At the beginning and end of the year	**194,468,890**	**1,944.69**	*194,468,890*	*1,944.69*

b. The Company has issued one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of 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, 2014		*As at 31st March, 2013*	
	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, 2014		*As at 31st March, 2013*	
	Number	**% Holding**	*Number*	*% Holding*
Tata Chemicals Limited	**97,341,610**	**50.06%**	*97,341,610*	*50.06%*
Rakesh Jhunjhunwala	**19,605,820**	**10.08%**	*19,507,820*	*10.03%*

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:

	2013-14	*2012-13*	*2011-12*	*2010-11*	*2009-10*
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 as at 31st March, 2014, no calls remain unpaid by the directors and officers of the Company.

3 RESERVES AND SURPLUS:

₹ lacs

	As at 1st April, 2013	**Additions**	**Deductions**	**As at 31st March, 2014**	*As at 1st April, 2012*	*Additions*	*Deductions*	*As at 31st March, 2013*
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	**3,750.00**	**-**	**3,750.00**	**-**	*2,500.00*	*1,250.00*	-	*3,750.00*
Other Reserves :	**-**							
Capital Subsidy	**63.58**	**-**	**-**	**63.58**	*63.58*	-	-	*63.58*
General Reserve	**9,721.95**	**5,213.61**	**-**	**14,935.56**	*8,528.14*	*1,193.81*	-	*9,721.95*
Hedging Reserve Account	**-**	**-**	**-**	**-**	*(63.40)*	-	*(63.40)*	-
	31,724.28	**5,213.61**	**3,750.00**	**33,187.89**	*29,217.07*	*2,443.81*	*(63.40)*	*31,724.28*
Surplus in the Statement of Profit and Loss								
Balance as per last financial statements	**28,479.61**	**-**	**-**	**28,479.61**	*24,203.26*	-	-	*24,203.26*
Net Profit For the current year	**-**	**14,636.06**	**-**	**14,636.06**	-	*11,938.08*	-	*11,938.08*
Debenture Redemption Reserve	**-**	**-**	**-**	**-**	-	-	*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	**-**	**-**	**330.50**	**(330.50)**	-	-	*315.48*	*(315.48)*
Proposed Equity Dividend	**-**	**-**	**2,722.56**	**(2,722.56)**	-	-	*2,528.10*	*(2,528.10)*
Distribution Tax on Proposed Equity Dividend	**-**	**-**	**462.70**	**(462.70)**	-	-	*429.65*	*(429.65)*
Transfer to General Reserves	**-**	**-**	**1,463.61**	**(1,463.61)**	-	-	*1,193.81*	*(1,193.81)*
Net Surplus in the Statement of Profit and Loss	**28,479.61**	**14,636.06**	**6,924.06**	**36,191.61**	*24,203.26*	*11,938.08*	*7,661.73*	*28,479.61*
Total	**60,203.89**	**19,849.67**	**10,674.06**	**69,379.50**	*53,420.33*	*14,381.89*	*7,598.33*	*60,203.89*

4 LONG-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
Unsecured		
Term loan from a bank	**1,500.00**	-
Loan from the Council of Scientific and Industrial Research	**56.49**	*75.32*
Sales Tax Deferral under a State Government Scheme	**700.81**	*766.87*
Total	**2,257.30**	*842.19*

Footnotes:
Terms of repayment:

a Term loan from a bank:

The balance is repayable in 8 equal quarterly instalments. The repayment begins after a moratorium of 12 months from March, 2014.

b Loan from the Council of Scientific and Industrial Research:

The balance is repayable in 4 annual instalments of ₹18.83 lacs.

c Sales tax deferrals:

The balance is repayable in annual instalments which range from a maximum of ₹77.72 lacs to a minimum of ₹9.47 lacs over the period stretching from 1st April, 2014 to 31st March, 2027. The amount outstanding is free of interest.

The outstanding loan includes ₹153.95 lacs (including ₹58.36 lacs shown as a part of current maturities of long term debt in Note no. 8) in respect of which the applicability of the deferral scheme is disputed by the Sales Tax Authorities and the matter is contested before the Sales Tax Tribunal. The consequential interest claimed by the Sales Tax Authorities is included as a part of the Company's contingent liabilities.

5 OTHER LONG-TERM LIABILITIES:

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
Advances from customers	-	*588.21*
Total	-	*588.21*

6 LONG-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Provision for employee benefits		
Gratuity	**48.65**	*99.19*
Supplemental Payments on Retirement	**1,368.16**	*1,426.60*
Total	**1,416.81**	*1,525.79*

7 SHORT-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Secured		
Loans repayable on demand from banks*	**1,641.96**	-
Total	**1,641.96**	-

Footnotes:

* 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: (Refer Note No. 32)

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Other Liabilities		
i. Current maturity of long term debt		
Sales Tax Deferral Scheme (unsecured) (refer foot note C of note no. 4)	**65.19**	*68.34*
Council of Scientific & Industrial Research loan (unsecured) (refer foot note b of note no. 4)	**18.83**	*18.83*
Debentures (Secured)	**-**	*7,500.00*
ii. Interest accrued but not due on borrowings	**2.43**	*5.14*
iii. Unpaid / Unclaimed dividends	**116.55**	*96.18*
iv. Other Payables:		
Provident Fund and other employee deductions	**73.74**	*113.98*
Central Excise, Customs Duty, VAT and Service Tax payable	**481.84**	*283.94*
Tax deducted at source	**89.97**	*68.06*
Customer Advances and Deposits	**2,470.75**	*3,550.35*
Creditors for Capital Purchases	**507.31**	*542.58*
Total	**3,826.61**	*12,247.40*

Footnotes:

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

b. These Non Convertible Debentures were secured by a first pari-passu mortgage over factory building and certain plant and machinery of Ankleshwar and Lote units.

Rallis India Limited

9 SHORT-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
a. Provision for employee benefits		
Compensated Absences	**436.02**	*413.70*
Supplemental Payments on Retirement	**154.07**	*150.86*
b. Others		
Proposed Equity Dividend	**2,722.56**	*2,528.10*
Distribution Tax on Proposed Equity Dividend	**462.70**	*429.65*
Provision for Income Tax (net of advance tax)	**1,970.09**	*1,578.45*
Total	**5,745.44**	*5,100.76*

10 FIXED ASSETS:

₹ lacs

	Gross Block (At Cost)				Accumulated Depreciation/Amortisation				Net Block
	Balance as at 1st April 2013	Additions	Disposals	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	On disposals/ Adjustment	Balance as at 31st March 2014	Balance as at 31st March 2014
a Tangible Assets									
Freehold Land	**254.15**	-	-	**254.15**	-	-	-	-	**254.15**
	254.15	-	-	*254.15*	-	-	-	-	*254.15*
Leasehold Land (Refer footnote 4)	**4,638.28**	-	-	**4,638.28**	**241.67**	**46.38**	-	**288.05**	**4,350.23**
	4,601.71	*36.57*	-	*4,638.28*	*195.41*	*46.26*	-	*241.67*	*4,396.61*
Leasehold Improvements	**154.37**	**26.02**	-	**180.39**	**2.54**	**5.57**	-	**8.11**	**172.28**
	-	*154.37*	-	*154.37*	-	*2.54*	-	*2.54*	*151.83*
Buildings (Refer footnote 1 & 2)	**14,713.75**	**621.21**	**5.18**	**15,329.78**	**2,492.22**	**424.37**	**2.89**	**2,913.70**	**12,416.08**
	14,841.75	*408.65*	*536.65*	*14,713.75*	*2,328.44*	*415.07*	*251.29*	*2,492.22*	*12,221.53*
Plant and Equipment	**31,737.74**	**3,639.34**	**238.66**	**35,138.42**	**13,313.80**	**2,414.90**	**206.22**	**15,522.48**	**19,615.94**
	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*
Furniture and Fixtures	**748.77**	**84.16**	**0.59**	**832.34**	**349.06**	**49.03**	**0.48**	**397.61**	**434.73**
	565.75	*192.49*	*9.47*	*748.77*	*322.07*	*35.77*	*8.78*	*349.06*	*399.71*
Vehicles	**585.50**	-	**172.27**	**413.23**	**284.05**	**54.91**	**117.62**	**221.34**	**191.89**
	1,021.00	-	*435.50*	*585.50*	*489.78*	*84.31*	*290.04*	*284.05*	*301.45*
Office Equipments	**417.74**	**66.42**	**4.90**	**479.26**	**133.10**	**29.96**	**3.56**	**159.50**	**319.76**
	263.15	*160.80*	*6.21*	*417.74*	*112.09*	*25.16*	*4.15*	*133.10*	*284.64*
Total	**53,250.30**	**4,437.15**	**421.60**	**57,265.85**	**16,816.44**	**3,025.12**	**330.77**	**19,510.79**	**37,755.06**
	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*
b Intangible Assets									
I. Internally generated:									
Product Registrations	**1,220.65**	**639.37**	-	**1,860.02**	**510.18**	**441.21**	-	**951.39**	**908.63**
	493.25	*727.40*	-	*1,220.65*	*493.25*	*16.93*	-	*510.18*	*710.47*
II. Others:									
Goodwill	**163.63**	-	-	**163.63**	**163.63**	-	-	**163.63**	-
	163.63	-	-	*163.63*	*163.63*	-	-	*163.63*	-
Licences and Commercial Rights	-	**861.52**	-	**861.52**	-	**109.16**	-	**109.16**	**752.36**
	-	-	-	-	-	-	-	-	-
Computer software	**997.90**	**12.12**	-	**1,010.02**	**939.47**	**21.78**	-	**961.25**	**48.77**
	939.83	*58.07*	-	*997.90*	*893.08*	*46.39*	-	*939.47*	*58.43*
Total	**2,382.18**	**1,513.01**	-	**3,895.19**	**1,613.28**	**572.15**	-	**2,185.43**	**1,709.76**
	1,596.71	*785.47*	-	*2,382.18*	*1,549.96*	*63.32*	-	*1,613.28*	*768.90*
Total Fixed Assets	**55,632.48**	**5,950.16**	**421.60**	**61,161.04**	**18,429.72**	**3,597.27**	**330.77**	**21,696.22**	**39,464.82**
Previous Year	*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*

Footnotes:

1. Cost of buildings includes cost of 45 shares *(Previous Year 45 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 6)* Co-operative Societies.
2. Buildings include assets carried at ₹1.12 lacs *(Previous Year ₹105.42 lacs)* where the conveyance in favour of the Company is not completed.
3. Fixed assets include assets carried at ₹940.07 lacs *(Previous Year ₹425.42 lacs)* which are 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: ("Long - Term")

₹ lacs

	Nominal Value (in ₹)	Nos.	**As at 31st March, 2014**	*As at 31st March, 2013*
A. Trade Investments (Valued at cost less provision for other than temporary diminution)				
Unquoted equity instruments - Fully paid up:				
a. Investment in Subsidiaries:				
Zero Waste Agro-Organics Ltd.	10	37,571 (PY - 12,956)	**2,900.10**	*1,000.07*
Rallis Chemistry Exports Ltd.	10	50,000	**5.00**	*5.00*
Metahelix Life Sciences Ltd.	10	86,549 (PY - 82,796)	**17,103.67**	*16,369.62*
		A	**20,008.77**	*17,374.69*
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	**21,878.07**	*19,243.99*
B. Other Investments (Valued at cost less provision for other than temporary diminution)				
a. Quoted Investments in equity instruments - Fully paid up				
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.*	10	504	**Nil**	*Nil*
J.K.Cement Ltd.	10	44	**Nil**	*Nil*
Uniscans & Sonics Ltd.*	10	96	**Nil**	*Nil*
		D	**-**	*-*
b. Unquoted Investments in equity instruments - Fully paid up				
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. Quoted Investments in Debentures or Bonds - Fully paid up				
14% Spartek Ceramics India Limited-Debentures - Redeemable Partly Convertible (₹1)*	60	560	**Nil**	*Nil*
		G	**-**	*-*
		H=G+F+C	**21,878.07**	*19,243.99*
Aggregate Book Value of Investments:				
Unquoted - At cost less Provision for diminution in value			**21,878.07**	*19,243.99*
Quoted - At cost less Provision for diminution in value			**-**	*-*
			21,878.07	*19,243.99*

Footnotes:

Market value of quoted investments ₹0.11 lacs *(Previous Year ₹0.59 lacs)*

* Listed but not quoted

12 LONG-TERM LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Advance Income Tax (net of provisions)	**7,808.93**	*7,613.15*
Security Deposits	**521.27**	*555.52*
Claims Receivable	**380.02**	*361.84*
Capital Advances	**303.93**	*144.54*
Total	**9,014.15**	*8,675.05*

13 CURRENT INVESTMENTS:

(Refer Note No. 43)

₹ lacs

	Nominal value (in ₹)	**Numbers**	**As at 31st March, 2014**	*As at 31st March, 2013*
Current portion of long term investment (at cost)				
Investments in Debentures (Unquoted-Fully Paid)				
4.25% Advinus Therapeutics Ltd. - Non Convertible Debentures	1,000	**NIL** *(Previous Year: 10,384)*	**-**	*103.84*
Total			**-**	*103.84*

14 INVENTORIES:

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

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
a. Raw Materials (Agri inputs)(Including goods-in transit of ₹1,172.26 lacs; *Previous year ₹965.96 lacs*)	**7,323.02**	*6,402.47*
b. Work-in-progress (Agri inputs)	**2,473.57**	*666.62*
c. Finished goods (excluding finished goods traded in) (Refer Note No. 14A)	**10,112.48**	*9,074.43*
d. Stock in trade (in respect of goods acquired for trading) (Agri inputs) (Including goods-in transit of ₹150 lacs; *Previous year ₹NIL*)	**2,883.18**	*2,009.84*
e. Stores and spares	**177.60**	*109.12*
f. Packing Materials	**880.61**	*772.51*
Total	**23,850.46**	*19,034.99*

14A Nature of stocks of goods manufactured: -

	As at 31st March, 2014	*As at 31st March, 2013*
Agri inputs	**9,490.86**	*8,832.24*
Others	**621.62**	*242.19*
Total	**10,112.48**	*9,074.43*

15 TRADE RECEIVABLES:

	As at 31st March, 2014 (₹ lacs)	As at 31st March, 2013 (₹ lacs)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	**5.80**	*4.55*
Unsecured, considered good	**113.57**	*91.73*
Unsecured, Doubtful of recovery	**220.87**	*272.04*
Less: Provision for doubtful trade receivables	**(220.87)**	*(272.04)*
	119.37	*96.28*
Other Trade receivables		
Secured, considered good	**390.60**	*772.23*
Unsecured, considered good	**13,299.83**	*13,507.55*
	13,690.43	*14,279.78*
Total	**13,809.80**	*14,376.06*

16 CASH AND BANK BALANCES:

	As at 31st March, 2014 (₹ lacs)	As at 31st March, 2013 (₹ lacs)
Cash and cash equivalents		
a. Balances with banks in current accounts	**320.92**	*1,432.28*
b. Cash on hand	**2.41**	*3.02*
c. Term Deposits with original maturity of less than 3 months	**-**	*765.36*
	323.33	*2,200.66*
Other bank balances		
a. Balances held for unpaid / unclaimed dividend accounts	**116.55**	*96.18*
b. Bank deposits as margin money against bank guarantees (original maturity of more than 3 months but due within 12 months from the balance sheet date	**228.95**	*146.80*
	345.50	*242.98*
Total	**668.83**	*2,443.64*

17 SHORT-TERM LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2014 (₹ lacs)	As at 31st March, 2013 (₹ lacs)
a. Advances recoverable in cash or in kind		
- Advances to employees	**71.48**	*58.41*
- Advances to suppliers	**1,126.64**	*718.96*
- Others	**198.40**	*338.00*
b. Advances/Deposits considered doubtful of recovery*		
Doubtful	**4,523.28**	*4,523.28*
Less: Provision for doubtful loans and advances	**(4,523.28)**	*(4,523.28)*
c. Balances with government authorities		
- CENVAT credit receivable	**707.58**	*351.12*
- VAT credit receivable	**1,024.90**	*899.69*
- Service Tax credit receivable	**266.29**	*248.81*
d. Gratuity	**13.01**	*6.97*
Total	**3,408.30**	*2,621.96*

* 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)*.

18 OTHER CURRENT ASSETS:

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
Interest accrued on debentures	-	26.60
Interest accrued on fixed deposit	4.72	6.43
Export benefits receivable	244.55	231.81
Total	249.27	264.84

19 REVENUE FROM OPERATIONS:

₹ lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sale of products (Refer Note No. 19A)		
Own Manufactured Goods	137,403.75	122,395.64
Traded Goods	23,892.73	17,718.05
Subtotal (A)	161,296.48	140,113.69
Sale of services (B)	150.68	81.76
Other operating revenues		
Scrap and Sundry Sales	1,157.82	972.21
Export Incentives	332.29	415.87
Cash Discount	146.18	119.07
Royalty Income	189.71	149.74
Others	83.57	5.67
Subtotal (C)	1,909.57	1,662.56
Revenue from Operations (Gross) (A)+(B)+ (C)	163,356.73	141,858.01
Less : Excise duty	10,272.14	9,479.79
Total	153,084.59	132,378.22

19A NOTE ON SALE OF PRODUCTS:

₹ lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Agri inputs	159,085.50	138,037.76
Others	2,210.98	2,075.93
Total	161,296.48	140,113.69

20 OTHER INCOME:

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Interest Income from bank on term and fixed deposits	**93.16**	*18.94*
Interest on loans and advances	**32.62**	*33.33*
Interest Income from Investments		
On current investments	**1.23**	*39.55*
Dividend income		
On current investments	**158.83**	*85.71*
On long term investments	**1.85**	*1.90*
Profit on sale of Fixed Assets (net)	**60.84**	*689.21*
Sundry Income	**227.08**	*276.81*
Total	**575.61**	*1,145.45*

21 COST OF MATERIALS CONSUMED:

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Raw Materials Consumed (Refer Notes No. 36)		
Opening Stock	**6,402.47**	*7,510.56*
Add : Purchases	**73,361.75**	*62,646.41*
Less : Closing Stock	**7,323.02**	*6,402.47*
	72,441.20	*63,754.50*
Packing Materials Consumed (Refer Note No. 36)	**5,701.38**	*4,812.26*
Total	**78,142.58**	*68,566.76*

21A. COST OF MATERIALS CONSUMED:

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Active Ingredients for pesticides	**33,526.90**	*27,678.22*
Other Chemicals	**38,914.30**	*36,076.28*
Total	**72,441.20**	*63,754.50*

22 PURCHASE OF TRADED GOODS:

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Agri inputs	**18,910.05**	*12,433.32*
Total	**18,910.05**	*12,433.32*

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

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Opening 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*
Closing Stock		
Finished Goods - Own Manufactured	**10,112.48**	*9,074.43*
Finished Goods - Traded	**2,883.18**	*2,009.84*
Work in progress	**2,473.57**	*666.62*
	15,469.23	*11,750.89*
Net (Increase) / decrease	**(3,718.34)**	*2,418.86*

24 EMPLOYEE BENEFITS EXPENSE:
(Refer Note No. 41)

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
(a) Salaries and Wages	**7,570.69**	*6,438.20*
(b) Contribution to Provident and Other Funds	**440.65**	*408.53*
(c) Gratuity	**43.22**	*90.50*
(d) Staff welfare	**814.13**	*847.06*
Total	**8,868.69**	*7,784.29*

25 OTHER EXPENSES:

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Freight, Handling and Packing	**4,126.06**	*3,080.26*
Processing	**948.70**	*742.79*
Changes in Excise Duty on Inventory of Finished Goods	**198.05**	*(138.74)*
Travelling and conveyance	**975.05**	*796.79*
Power and Fuel	**6,016.06**	*4,762.41*
Brand Equity Contribution	**203.51**	*180.41*

25 OTHER EXPENSES: (Contd.)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹ lacs	₹ lacs
Repairs :		
to Machinery	**593.56**	*678.80*
to Buildings	**151.39**	*96.16*
to Others	**320.56**	*255.74*
Stores and Spares Consumed (Refer Note No. 36)	**453.89**	*500.32*
Rates and Taxes	**510.11**	*216.22*
Bad trade receivables	**77.17**	*303.45*
Cash Discount	**1,212.23**	*873.66*
Commission	**54.44**	*66.60*
Insurance	**192.59**	*197.52*
Rent	**1,074.05**	*1,068.09*
Bank Charges	**228.28**	*211.80*
Directors' Fees & Commission	**449.95**	*335.75*
Provision for Doubtful Debts/Advances	**26.13**	*26.00*
Less : Provision for doubtful debts written back	**(77.17)**	*(303.45)*
Selling Expenses	**2,439.42**	*2,041.04*
Legal and Professional	**588.60**	*574.96*
Net loss on Foreign currency transactions and translation (other than considered as finance cost)	**1,108.54**	*430.35*
Other Expenses (Refer Note No. 29)	**4,279.20**	*3,855.56*
Total	**26,150.37**	*20,852.49*

26 FINANCE COSTS :

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹ lacs	₹ lacs
Interest expense on:		
Long term Borrowings	**396.20**	*681.78*
Short term Borrowings	**378.32**	*502.94*
Adjustments in respect of exchange differences on foreign currency loans (Refer Note no. 1(h))	**30.60**	*66.77*
Total	**805.12**	*1,251.49*

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

(i) Contingent Liabilities:

₹ lacs

Particulars	**As at 31st March, 2014**	*As at 31st March, 2013*
a. Claims against the Company not acknowledged as debts:		
- Sales Tax	**2,032.72**	*2,000.40*
- Excise Duty	**401.56**	*360.84*
- Customs Duty	**144.10**	*144.10*
- Income Tax	**6,900.28**	*6,838.48*
- Service Tax	**93.74**	*65.21*
- Property Cases	**47.36**	*47.36*
- Labour Cases	**98.79**	*109.00*
- Other cases	**89.98**	*109.56*
- Number of cases where amount is not quantifiable 41 Nos. *(Previous Year 41 Nos.)*		
b. Other money for which the company is contingently liable:		
- Bills Discounted (fully covered by buyer's letters of credit)	**458.01**	*1,547.36*
	10,266.54	***11,222.31***

Note :

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

(ii) 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 allowed the founder shareholders, a put option exercisable over a period of 2 years (Previous Year: 3 years), 6,895 shares held by them for an amount aggregating ₹1,348.59 lacs (Previous Year: 8,433 shares for an amount aggregating ₹1,649.11 lacs). The Commitment made in the previous year to acquire 2,591 equity shares from certain shareholder (other than founder shareholder) for an amount aggregating ₹506.77 lacs has been fulfilled during the year.

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) Estimated amount of contracts remaining to be executed on capital account of tangible assets is ₹826.79 lacs *(Previous Year ₹934.83 lacs)* and Intangible assets is ₹144.01 lacs *(Previous Year ₹12.80 lacs)* against which advances paid aggregate ₹303.93 lacs *(Previous Year ₹144.54 lacs)*.

(C) For lease commitments and derivatives, refer note no 28 and 39 respectively.

28 The Company has procured motor vehicles and Servers under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹474.26 lacs *(Previous Year ₹427.84 lacs)* net of amount recovered from employees ₹2.32 lacs *(Previous Year ₹3.59 lacs)*. Disclosures in respect of non-cancellable leases are given below:

₹ lacs

Particulars	**As at 31st March, 2014**	*As at 31st March, 2013*
a) Total of minimum lease payments	**785.57**	*1,225.75*
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	**457.61**	*470.00*
Later than one year and not later than five years	**327.96**	*755.75*
c) Lease payments recognised in the statement of profit and loss for the year	**474.26**	*427.84*

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

29 OTHER EXPENSES INCLUDE AUDITORS' REMUNERATION AS UNDER:

₹ lacs

Particulars	**For the year ended 31st March, 2014**	*For the year ended 31st March, 2013*
(a) To statutory auditors		
For audit	**55.20**	*55.20*
For taxation matters	**18.55**	*10.00*
For other services *	**53.67**	*57.08*
Reimbursement of expenses	**1.24**	*1.53*
(b) To cost auditors for cost audit	**2.50**	*2.50*

Service tax which is being claimed for set-off as input credit has not been included in the expenditure above.
* include ₹14.42 lacs paid to network firms.

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

₹ lacs

Particulars	**For the year ended 31st March, 2014**	*For the year ended 31st March, 2013*
On tangible fixed assets	**889.28**	*1,463.94*
On items which have been expensed during the year	**1,662.97**	*891.70*
Total	**2,552.25**	*2,355.64*

During the year the Company has also incurred ₹523.98 lacs (Previous Year ₹*919.94 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 2014 is ₹728.87 lacs (Previous Year ₹*1,094.17 lacs*).

Included in the foregoing is an amount of ₹286.39 lacs (Previous Year ₹422.69 lacs) paid to an independent agency.

31 DEFERRED TAX ASSETS AND LIABILITIES: -

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

₹ lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Assets		
On Provision against debts and advances	**1,612.58**	*1,629.93*
On Employee and other related costs	**381.93**	*488.45*
On other items	**139.76**	*151.11*
Total	**2,134.27**	*2,269.49*
Deferred Tax Liabilities		
On fiscal allowance on fixed assets	**5,252.26**	*4,888.74*
On other items	**183.02**	*244.88*
Total	**5,435.28**	*5,133.62*
Net Deferred Tax Liability Recognised	**(3,301.01)**	*(2,864.13)*

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

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Opening Net Deferred Tax Asset	**(2,864.13)**	*(1,308.46)*
Less: Closing Net Deferred Tax Liability	**(3,301.01)**	*(2,864.13)*
Less: Debited to Hedging Reserve Account	**-**	*(30.45)*
Deferred Tax charge for the year	**436.88**	*1,525.22*

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

₹ lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
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:

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

a. Primary Segment Information

₹ lacs

Particulars	Business Segments		Total
	Agri - Inputs	Others (non-reportable)	
REVENUE			
Total External Revenue	148,813.36	2,210.98	151,024.34
	128,557.97	*2,075.93*	*130,633.90*
Total Inter-Segment Revenue	-	-	-
Segment Revenue	148,813.36	2,210.98	151,024.34
	128,557.97	*2,075.93*	*130,633.90*
Total Revenue			151,024.34
			130,633.90
RESULTS			
Segment Results	21,117.83	342.48	21,460.31
	17,905.76	*683.19*	*18,588.95*
Unallocable Expenses/(Income) (Net)			249.27
			(2.05)
Operating Profit			21,709.58
			18,586.90
Finance costs			805.12
			1,251.49
Profit before taxation			20,904.46
			17,335.41
Tax Expense			(6,268.40)
			(5,397.33)
Profit for the year			14,636.06
			11,938.08
OTHER INFORMATION			
ASSETS			
Segment Assets	82,108.54	1,508.11	83,616.65
	78,217.35	*1,176.41*	*79,393.76*
Unallocated assets			30,037.23
			27,236.99
Total Assets			113,653.88
			106,630.75
LIABILITIES			
Segment Liabilities	27,957.13	291.68	28,248.81
	26,899.75	*73.93*	*26,973.68*
Unallocated Liabilities			14,080.86
			17,508.47
Total Liabilities			42,329.67
			44,482.15

₹ lacs

Particulars	Business Segments		Total
	Agri - Inputs	Others (non-reportable)	
CAPITAL EXPENDITURE (within India)			
Total cost incurred during the year to acquire segment assets	4,791.38 *4,091.67*	- -	4,791.38 *4,091.67*
Total cost incurred during the year to acquire assets			4,791.38 *4,091.67*
DEPRECIATION			
Segment Depreciation	3,493.29 *2,805.84*	103.98 *75.21*	3,597.27 *2,881.05*
Unallocated Depreciation			- -
Total Depreciation			3,597.27 *2,881.05*
NON CASH EXPENSES			
Segment Non-cash expenses other than Depreciation & Amortisation	48.45 *7.42*	- -	48.45 *7.42*
Total Non-cash Expenses			48.45 *7.42*

Figures in italics relate to the previous year.

b. Secondary Segment Information

₹ lacs

	2013-14	2012-13
1. Segment Revenue		
a. India	**101,909.53**	*88,800.87*
b. Outside India	**49,114.81**	*41,833.03*
Total	**151,024.34**	*130,633.90*
2. Segment Assets		
a. India	**77,338.27**	*71,557.58*
b. Outside India	**6,278.38**	*7,836.18*
Total	**83,616.65**	*79,393.76*

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.

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

₹ lacs

Particulars	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Raw Materials	**43,192.79**	*40,538.76*
Stores, spare parts and packing materials	**1.34**	*63.67*
Capital Goods	**71.61**	*77.95*
Total	**43,265.74**	*40,680.38*

35 EXPENDITURE IN FOREIGN CURRENCIES:

₹ lacs

Particulars	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Interest	**4.22**	*7.94*
Professional Fees	**88.46**	*93.63*
Processing	**32.59**	*0.00*
Commission	**43.29**	*57.13*
Travelling	**36.44**	*25.40*
Research and Development	**8.63**	*0.49*
Handling and other selling expenses	**27.01**	*15.03*
Subscription	**15.32**	*7.98*
Bank Charges	**17.44**	*13.40*
Others	**8.89**	*5.26*
Total	**282.29**	*226.26*

36 VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED:

₹ lacs

Particulars	For the year ended 31st March, 2014		*For the year ended 31st March, 2013*	
	Amount	**%**	***Amount***	**%**
Raw Materials Consumed				
Imported (including Customs Duty)	42,319.76	58%	*40,149.25*	*63%*
Indigenous	30,121.44	42%	*23,605.25*	*37%*
Total	**72,441.20**	**100%**	***63,754.50***	***100%***
Packing Materials Consumed				
Imported (including Customs Duty)	-	-	-	-
Indigenous	5,701.38	100%	*4,812.26*	*100%*
Total	**5,701.38**	**100%**	***4,812.26***	***100%***
Stores and Spares Consumed				
Imported (including Customs Duty)	-	-	*36.83*	*7%*
Indigenous	453.89	100%	*463.49*	*93%*
Total	**453.89**	**100%**	***500.32***	***100%***

37 EARNINGS IN FOREIGN EXCHANGE:

₹ lacs

Particulars	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Export of goods calculated on F. O. B. Basis	**48,667.21**	*41,524.33*
Royalty Income	**189.71**	*149.74*
Total	**48,856.92**	*41,674.07*

38 EARNINGS PER SHARE:

₹ lacs

Particulars	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Profit for the year	**14,636.06**	*11,938.08*
Weighted average number of Equity Shares for Basic / Diluted EPS	**194,468,890**	*194,468,890*
Nominal Value of Equity Per Share (in ₹)	**1.00**	*1.00*
Basic / Diluted Earning Per Share (in ₹)	**7.53**	*6.14*

39 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.

(a) 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.

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	As at 31st March, 2014			*As at 31st March, 2013*		
	No of Contracts	***₹ lacs***	**Amount in lacs**	*No of Contracts*	*₹ lacs*	*Amount in lacs*
Receivables	**5**	**2,249.26**	**USD 37.54**	*6*	*1,711.34*	*USD 31.52*
	2	**808.70**	**AUD 14.625**	*2*	*434.88*	*AUD 7.68*
Payables	**0**	**0.00**	**USD 0.00**	*2*	*1,583.75*	*USD 29.17*
	4	**1,074.16**	**JPY 1,850**	*5*	*1,698.23*	*JPY 2,944.10*

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

(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 31st March, 2014		As at 31st March, 2013	
	₹ lacs	Amount in lacs	₹ lacs	Amount in lacs
Exports of goods and services	8,022.76	USD 111.65 AUD 19.31 EUR 0.66	4,052.19	USD 78.07 AUD 5.35 EUR 0.47

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	₹ lacs	Amount in lacs	₹ lacs	Amount in lacs
Imports of goods and services	9,039.94	USD 120.02 JPY 2,550.60 EUR 0.5	5,744.58	USD 99.98 JPY 317.37 EUR 0.02
		CHF -0.02		-
Customer Advances	14.50	USD 0.32	175.04	USD 3.22

Note: USD = US Dollar; EUR = Euro; JPY = Japanese Yen; AUD = Australian Dollar, CHF - Swiss Franc

40 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 (Merged with Metahelix Life Sciences Ltd. w.e.f 1st April, 2013)

Zero Waste Agro Organics Ltd. w.e.f 18th October,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	647.60	1,582.57	-	2,230.16
	126.77	*802.04*	-	*928.81*
Sales of Goods	2,720.60	136.59	-	2,857.19
	2,773.38	*53.28*	-	*2,826.66*
Services Received	47.15	-	-	47.15
	32.42	-	-	*32.42*
Services Given	3.62	-	-	3.62
	44.43	-	-	*44.43*
Investment in Subsidiary	-	2,634.08	-	2,634.08
	-	*1,549.87*	-	*1,549.87*
Other Expenses	0.50	73.75	-	74.25
	12.63	*58.13*	-	*70.76*
Dividend Paid (Equity)	2,239.08	-	-	2,239.08
	2,141.52	-	-	*2,141.52*
Debit Balance outstanding as at year end - Other Receivables	42.36	125.52	-	167.88
	99.47	*274.52*	-	*373.88*
Credit Balance outstanding as at year end - Other Payables	27.65	*116.56*	-	144.22
	7.03	-	-	*7.03*
Investment as at year end	-	20,008.77	-	20,008.77
	-	*17,374.69*	-	*17,374.69*
Remuneration Paid	-	-	284.50	284.50
	-	-	*241.73*	*241.73*

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 Chemistry Exports Ltd.	Zero Waste Agro Organics Ltd.	Metahelix Life Sciences Ltd. *
Purchase of Goods	647.60	-	809.03	773.54
	126.77	-	*109.09*	*692.95*
Sales of Goods	2,720.60	-	-	136.59
	2,773.38	-	-	*53.28*
Services Received	47.15	-	-	-
	32.42	-	-	-
Services Given	3.62	-	-	-
	44.43	-	-	-
Other Expenses	0.50	-	0.01	73.73
	12.63	-	*15.16*	*42.97*
Investments in Subsidiary	-	-	1,900.03	734.05
	-	-	*1,000.07*	*549.80*
Loans given	-	-	-	-
	-	-	-	-
Provisions for Loans given to subsidiary	-	-	-	-
	-	-	-	-
Dividend Paid (Equity)	2,239.08	-	-	-
	2,141.52	-	-	-

Figures in italics relate to the previous year.

* Dhaanya Seeds Ltd has been amalgamed with Metahelix Life Sciences Ltd w.e.f from 1st April 2013 accordingly previous year figures have been regrouped.

41 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 former 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 obligation (DBO) is detailed below: ₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	As at 31st March, 2014			*As at 31st March, 2013*		
Present Value of of DBO	**1,528.21**	**1,522.23**	**3,050.44**	*1,537.94*	*1,577.46*	*3,115.40*
Fair Value of Plan Assets	**1,492.57**	**-**	**1,492.57**	*1,445.72*	*-*	*1,445.72*
Net liability	**35.64**	**1,522.23**	**1,557.87**	*92.22*	*1,577.46*	*1,669.68*

Changes in Defined Benefit Obligation during the year :

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	As at 31st March, 2014			*As at 31st March, 2013*		
Present value of DBO as at 1st April	**1,537.94**	**1,577.46**	**3,115.40**	*1,402.76*	*1,494.66*	*2,897.42*
Current Service Cost	**140.78**	**142.51**	**283.29**	*130.88*	*124.96*	*255.84*
Interest cost	**124.56**	**127.77**	**252.33**	*115.73*	*123.31*	*239.04*
Benefits paid	**(125.57)**	**(82.87)**	**(208.44)**	*(98.08)*	*(230.33)*	*(328.41)*
Actuarial (gain) / loss	**(149.50)**	**(242.64)**	**(392.15)**	*(13.35)*	*64.86*	*51.51*
Present value of DBO as at 31st March	**1,528.21**	**1,522.23**	**3,050.43**	*1,537.94*	*1,577.46*	*3,115.40*

Changes in fair value of Plan assets during the year: Gratuity :

₹ lacs

Particulars	As at 31st March, 2014	*As at 31st March, 2013*
Opening balance as at 1st April	**1,445.72**	*1,172.57*
Expected return on plan assets	**125.77**	*100.84*
Contributions by the Company	**99.80**	*228.47*
Benefits paid	**(125.57)**	*(98.08)*
Actuarial gain / (loss)	**(53.15)**	*41.92*
Closing balance as at 31st March	**1,492.57**	*1,445.72*

Details of plan asets is as follows:

₹ lacs

Particulars	As at 31st March, 2014	*As at 31stMarch, 2013*
Debentures	**757.30**	*772.33*
Government Securities	**386.15**	*350.53*
Deposits, Money market Securities & Other Assets	**115.58**	*95.12*
Other – Fund managed by other insurer whose pattern of investment is not available with the Company	**158.28**	*153.41*
Others	**75.26**	*74.33*
Total Asset	**1,492.57**	*1,445.72*

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.

Actual return on plan assets: - Gratuity

₹ lacs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Expected return on plan assets	**125.77**	*100.84*
Actuarial gain / (loss)	**(53.15)**	*41.92*
Actual return on plan assets	**72.62**	*142.76*

Component of employer's expense:

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	For the year ended 31st March, 2014			*For the year ended 31st March, 2013*		
Current service costs	**140.78**	**142.51**	**283.29**	*130.88*	*124.96*	*255.84*
Interest cost	**124.56**	**127.77**	**252.33**	*115.73*	*123.31*	*239.04*
Expected return on plan assets	**(125.77)**	**-**	**(125.77)**	*(100.84)*	*-*	*(100.84)*
Net actuarial (gain) / loss	**(96.35)**	**(242.64)**	**(338.99)**	*(55.27)*	*64.86*	*9.59*
Expenses charged to the statement of profit and loss	**43.22**	**27.64**	**70.86**	*90.50*	*313.13*	*403.63*

Actuarial assumptions:

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	As at 31st March, 2014	As at 31st March 2013
Rate for discounting liabilities	**9.39% p.a.**	*8.10% p.a.*
Expected salary increase rate	**8.00% p.a.**	*8.00% p.a.*
Expected return on plan assets	**8.70% p.a.**	*8.70% p.a.*
Retirement Age (in years)	**60**	*60*
Attritation Rate	**- For Services 4 years and below - 15%**	*- For Services 4 years and below - 15%*
	- For Services 5 years and below - 2%	*- For Services 5 years and below - 2%*
Mortality rates	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

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.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Experience adjustment:

(a) Gratuity:

₹ lacs

Particulars	**2013-14**	*2012-13*	*2011-12*	*2010-11*	*2009-10*
Present value of DBO	**1,528.21**	*1,537.94*	*1,402.76*	*1,471.98*	*1,501.24*
Fair value of plan asset	**1,492.57**	*1,445.72*	*1,172.57*	*1,419.20*	*1,341.60*
Fund status Surplus/(Deficit)	**(35.64)**	*(92.22)*	*(230.19)*	*(52.78)*	*(159.64)*
Experience adjustment on plan assets gain /(loss)	**(53.15)**	*41.90*	*(69.99)*	*(3.27)*	*(34.54)*
Experience adjustment on plan liabilities (gain)/ loss	**50.82**	*(35.94)*	*76.86*	*(72.57)*	*(19.50)*

(b) Supplemental Pay:

₹ lacs

Particulars	**2013-14**	*2012-13*	*2011-12*	*2010-11*	*2009-10*
Present value of DBO	**1,522.23**	*1,577.46*	*1,494.66*	*1,562.49*	*1,572.68*
Fair value of plan asset	**-**	-	-	-	-
Surplus/(Deficit)	**(1,522.23)**	*(1,577.46)*	*(1,494.66)*	*(1,562.49)*	*(1,572.68)*
Experience adjustment on plan assets gain /(loss)	**-**	-	-	-	-
Experience adjustment on plan liabilities (gain)/ loss	**(226.12)**	*53.91*	*(61.52)*	*21.19*	*63.94*

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

Particulars	**As at 31st March, 2014**	*As at 31st March 2013*
Actuarial assumptions for compensated absences		
Rate for discounting liabilities	**9.39% p.a.**	*8.10% p.a.*
Expected salary increase rate	**8.00% p.a.**	*8.00% p.a.*
Retirement Age (in years)	**60**	*60*
Attritation Rate	**- For Services 4 years and below - 15%**	*- For Services 4 years and below - 15%*
	- For Services 5 years and below - 2%	*- For Services 5 years and below - 2%*
Mortality rates	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

Defined-Contribution Plans:

Amount recognised as expense and included in the Note 24 - "Contribution to Provident and Other Funds" - ₹ 440.65 lacs *(Previous Year ₹408.53 lacs).*

42 Trade Payable includes amount payable to Micro, Small and Medium Enterprises as follows:

a. The total amount of delayed payments during the year aggregate ₹58.48 lacs in respect of 28 parties with amounts ranging from ₹0.02 lacs to ₹20.96 lacs. (*Previous Year ₹14.94 lacs in respect of 7 parties with amounts ranging from ₹0.03 lacs to ₹4.01 lacs*).

b. The amount of principal outstanding in respect of the above as at Balance Sheet date is ₹843.45 lacs in respect of 45 parties (*Previous Year ₹596.34 lacs in respect of 31 parties with amounts ranging from ₹0.13 lacs to ₹144.29 lacs*) with amounts ranging from ₹0.15 lacs to ₹152.90 lacs.

c. The total interest payable on account of delayed payment during the year is ₹0.15 lacs. The Company has made payment of ₹0.15 lacs during the year. The total interest payable aggregates ₹NIL (*Previous Year ₹NIL*) and outstanding balance as at the year end is ₹NIL. (*Previous Year ₹NIL*).

43 The Company had invested ₹880.00 lacs in Non-Convertible Debentures ("NCDs") of Advinus Therapeutics Ltd. having a coupon rate of 4.25%. The NCDs is redeemed between December 2010 and May 2013 at a premium of 25%. Income recognised during the year includes ₹0.38 lacs (*Previous Year ₹28.49 lacs*) in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹103.84 lacs (*Previous Year ₹296.15 lacs*) were redeemed at a 25% premium which aggregated ₹25.96 lacs (*Previous Year ₹74.04 lacs*).

44 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
R. MUKUNDAN
Y. S. P. THORAT
PUNITA KUMAR-SINHA
Directors

V. SHANKAR *Managing Director & CEO*

ASHISH MEHTA *Chief Financial Officer*

P. S. MEHERHOMJI *Company Secretary*

Mumbai, 22nd April, 2014

Rallis India Limited

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

I. Registration Details

Registration No.	14083	State Code	11
Balance Sheet Date	31 (Date) 03 (Month) 2014 (Year)		

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

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

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

Total Liabilities (including Current Liabilities)	11365388	Total Assets	11365388

Sources of Funds

Paid-up Capital	194471	Reserves & Surplus	6937950
Secured Loans	164196	Unsecured Loans	234133
Deferred Tax Liability	330101		

Application of Funds

Net Fixed Assets	4107893	Investments	2187807
Net Current Assets	1565154		

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	16335673	Total Expenditure	14245227
+ - Profit Before Tax	✓ (+) 2090446	+ - Profit After Tax	✓ (+) 1463606
Earnings per Share ₹	7.53	Dividend Rate %	240

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, 2014, 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, 2014;

(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 ₹1498.34 lacs as at 31st March, 2014, total revenues of ₹ Nil lacs and net cash out flows amounting to ₹11.19 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.39826)

MUMBAI, 22nd April, 2014

Rallis India Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

₹ lacs

	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,944.71	1,944.71
Reserves and surplus	3	69,855.24	60,128.79
		71,799.95	62,073.50
Minority Interest		1,046.13	469.42
Non-current liabilities			
Long-term borrowings	4	2,611.94	1,073.56
Deferred tax liabilities (Net)	30	3,301.01	2,864.13
Other Long term liabilities	5	351.02	595.76
Long-term provisions	6	1,451.03	1,576.76
		7,715.00	6,110.21
Current liabilities			
Short-term borrowings	7	4,837.54	4,326.81
Trade payables		30,506.75	25,028.14
Other current liabilities	8	8,109.31	15,815.16
Short-term provisions	9	5,849.64	5,194.23
		49,303.24	50,364.34
Total		129,864.32	119,017.47
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10 a	39,573.91	37,453.29
Intangible assets	10 b	2,245.90	1,321.89
Capital work-in-progress		618.11	1,572.62
Intangible assets under development		1,490.16	1,879.86
Goodwill on consolidation		18,594.93	16,764.15
Non-current investments	11	1,869.30	1,869.30
Deferred tax assets (net)	30	146.81	51.84
Long-term loans and advances	12	9,773.81	9,177.18
		74,312.93	70,090.13
Current assets			
Current investments	13	642.12	103.84
Inventories	14	32,953.28	26,717.94
Trade receivables	15	16,787.16	16,477.41
Cash and bank balances	16	887.24	2,583.56
Short-term loans and advances	17	4,022.95	2,770.38
Other current assets	18	258.64	274.21
		55,551.39	48,927.34
Total		129,864.32	119,017.47
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 LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, 22nd April, 2014

R. GOPALAKRISHNAN *Chairman*

B. D. BANERJEE
E. A. KSHIRSAGAR
PRAKASH R. RASTOGI
BHARAT VASANI
R. MUKUNDAN
Y. S. P. THORAT
PUNITA KUMAR-SINHA
Directors

V. SHANKAR *Managing Director & CEO*
ASHISH MEHTA *Chief Financial Officer*
P. S. MEHERHOMJI *Company Secretary*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ lacs

	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CONTINUING OPERATIONS			
Revenue from operations (gross)	19	**184,927.80**	*155,297.95*
Less : Excise Duty		**10,272.14**	*9,479.75*
Revenue from Operations (net) (I)		**174,655.66**	*145,818.20*
Expenses:			
Cost of materials consumed	21	**87,411.42**	*77,328.90*
Purchases of Traded Goods		**17,087.13**	*11,551.53*
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	**(3,656.19)**	*(1,092.65)*
Employee benefits expense	23	**11,050.16**	*9,439.43*
Other expenses	24	**36,634.38**	*27,533.83*
Total expenses (II)		**148,526.90**	*124,761.04*
Earnings before interest, tax, depreciation and amortization (I-II)		**26,128.76**	*21,057.16*
Finance costs	25	**1,260.38**	*1,848.70*
Depreciation and amortization expense	10	**4,066.09**	*3,153.31*
Other income	20	**638.01**	*1,173.54*
Profit before tax		**21,440.30**	*17,228.69*
Tax expense:			
a. Current tax		**6,261.04**	*3,907.07*
b. Excess Provision for tax relating to earlier years		**(297.02)**	-
c. MAT credit		**(132.50)**	*(34.96)*
d. Deferred tax - Charge (net)		**341.90**	*1,476.90*
		6,173.42	*5,349.01*
Profit for the year before minority interest		**15,266.88**	*11,879.68*
Minority Interest		**79.98**	*(21.54)*
Profit for the year		**15,186.90**	*11,901.22*
Earnings per equity share: (₹)	33		
(1) Basic		**7.81**	*6.12*
(2) Diluted		**7.81**	*6.12*
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 LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, 22nd April, 2014

R. GOPALAKRISHNAN *Chairman*

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Rallis India Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ lacs

		For the year ended 31st March, 2014	For the year ended 31st March, 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before tax	**21,440.30**	*17,228.69*
	Adjustments for :		
	Depreciation and amortization expense	**4,066.09**	*3,153.31*
	Finance cost	**1,229.78**	*1,781.93*
	Interest income	**(153.94)**	*(106.16)*
	Dividend Income	**(160.68)**	*(87.61)*
	Credit balances written back	**(83.57)**	*(5.67)*
	Provision for Doubtful Debts/Advances	**154.85**	*121.99*
	Provision for supplemental payments on retirement	**(55.23)**	*82.80*
	Provision for gratuity	**(73.33)**	*(126.57)*
	Provision for compensated absences	**40.57**	*(1.41)*
	Unrealised foreign exchange translation loss	**(246.37)**	*55.78*
	Profit on sale of assets (net) (includes assets w/off)	**52.46**	*(689.21)*
	Operating Profit before Working Capital Changes	**26,210.93**	*21,407.87*
	Adjustments for :		
	Trade payables and other liabilities	**5,444.35**	*408.01*
	Trade receivables and other assets	**(709.38)**	*(5,639.54)*
	Inventories	**(6,235.34)**	*454.25*
	Long term loans and advances	**11.53**	*79.38*
	Short term loans and advances	**(1,246.53)**	*1,363.55*
	CASH GENERATED FROM OPERATIONS	**23,475.56**	*18,073.52*
	Taxes paid (Net of Refund and interest on refund received)	**(5,911.68)**	*(3,601.60)*
	NET CASH FROM OPERATING ACTIVITIES (A)	**17,563.88**	*14,471.92*
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Capital expenditure on fixed assets, including capital advances	**(5,905.63)**	*(4,654.43)*
	Proceeds from sale of fixed assets	**38.37**	*1,163.60*
	Advance received against fixed assets to be disposed off	**25.00**	*-*
	Purchase of current investments	**(26,608.36)**	*(21,585.70)*
	Proceeds from redemption of Debentures	**103.84**	*296.14*
	Purchase of non-current investments in subsidiary	**(1,334.05)**	*(1,084.22)*
	Proceeds from sale of current investments	**25,966.24**	*21,585.70*
	Interest/Dividend received	**342.93**	*241.24*
	Investments in Bank Deposits (original maturity of more than 3 months but due within 12 months from the balance sheet date) (net)	**(222.77)**	*44.74*
	NET CASH (USED IN) INVESTING ACTIVITIES (B)	**(7,594.43)**	*(3,992.93)*

₹ lacs

		For the year ended 31st March, 2014	For the year ended 31st March, 2013
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long-term borrowings	**1,622.70**	*183.76*
	Repayment of long-term borrowings (including current maturities)	**(7,588.04)**	*(283.69)*
	Capital subsidy received	**-**	*25.00*
	Proceeds/(Repayment) of short-term borrowings (net)	**510.73**	*(2,171.43)*
	Dividends paid on Equity Shares (including dividend distribution tax)	**(5,212.57)**	*(4,954.69)*
	Finance Cost	**(1,241.73)**	*(1,788.01)*
	NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(11,908.91)**	*(8,989.06)*
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(1,939.46)**	*1,489.93*
	CASH AND CASH EQUIVALENTS AT THE BEGINNING 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*
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash in Hand	**10.75**	*7.47*
	Balances with Scheduled Banks on Current Account and Deposit Account	**390.37**	*2,333.11*
		401.12	*2,340.58*
	Footnotes:		
	Cash and Cash Equivalents as above	**401.12**	*2,340.58*
	Restricted Bank Balances	**116.55**	*96.18*
	Balances with scheduled banks:		
	On Bank Deposit as Margin Money against Bank Guarantees	**369.57**	*146.80*
	CASH AND BANK BALANCES AS PER NOTE 16	**887.24**	*2,583.56*

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 LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

B. D. BANERJEE
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ASHISH MEHTA *Chief Financial Officer*
P. S. MEHERHOMJI *Company Secretary*

Mumbai, 22nd April, 2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31ST MARCH, 2014

CORPORATE INFORMATION:

Rallis India Limited (the "Company") and its subsidiaries constitute the "Group"and are engaged primarily in the business of manufacture and marketing of Agri Inputs. The Group has its manufacturing facilities in India and sells across the globe. The Company is a subsidiary of Tata Chemicals Limited. The Company is listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange ("NSE").

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 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 Limited	India	100%	7th July, 2009*
Metahelix Life Sciences Limited # $	India	80.51%	30th December, 2010
Zero Waste Agro Organics Limited@	India	51.02%	18th October, 2012

* Date of incorporation

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, 2014. Consequently the shareholding of the Company in Metahelix has increased from 77.02% to 80.51% as at 31st March, 2014.

$ Dhaanya Seeds Limited, a wholly owned subsidiary of Metahelix has been amalgamated with Metahelix persuant to necessary approvals effective from 1st April, 2013.

@ Pursuant to Share Purchase Agreement dated 23rd April, 2012 the Company has acquired additional stake of equity shares in Zero Waste Agro Organics Limited ("ZWAOL") during the quarter ended 31st March, 2014. Consequently the shareholding of the Company in ZWAOL has increased from 27.75% to 51.02% as at 31st March, 2014.

(b) Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956, (the "1956 Act") [which continue to be applicable in respect of section 133 of the Companies Act, 2013, (the "2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs ("MCA")].

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Group's activities in its business segments have operating cycles which do not exceed 12 months. As a result, current assets comprise elements that are expected to be realised within 12 months after the reporting date and current liabilities include elements that are due for settlement within 12 months after the reporting date.

(c) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(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.

Goodwill on Consolidation represents the difference between the Group's share in the networth 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.

Intangible assets other than Goodwill 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 including Goodwill 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 the value in use of those assets. 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 dimunition in value, if any. Current investments are valued at lower of cost and fair value.

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as "Current" investments. All other investments are classified as "Long Term".

(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

Interest income is recognised as interest accrued on a time proportion basis taking into account the amount outstanding against the financial asset and the rate applicable provided no significant uncertainty exists as to measurability or collectability. Discount and premium on debt securities held is treated as though it were accruing over the period to maturity.

Borrowing (finance costs) are generally expensed as incurred except where they relate to the financing of construction or development of qualifying assets requiring a substantial period of time to prepare for their intended future use. Ordinarily, the term "substantial period of time" is considered to mean a period of 12 months or more unless a shorter or longer period could be justified on the basis of facts and circumstances of a specific case.

Borrowing costs are capitalised up to the date when the asset is ready for its intended use. The amount of finance costs capitalised (before the effects of income tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of capitalised expenditure for the qualifying assets during the period.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent of the difference between interest on local currency borrowings and interest on foreign currency borrowings.

(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.

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 Ind AS 39 Financial Instruments: Recognition and Measurement.

These contracts are stated at fair value at each reporting date. Changes in the intrinsic value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes. The ineffective portion and the time value is recognised immediately in the 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 when the corresponding services to which these contributions relate are rendered by employees. 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 using the projected unit credit method 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 entities within the Group carry forward unused tax losses and unabsorbed depreciation, the corresponding 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) Operating Leases

Leases in which significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made towards operating lease arrangements are charged to the statement of profit and loss on straight line over the period of 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. Where these is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where it is either not probable that and outflow of resources will be required to settle or a reliable estimate of the amount can not be made, the obligation is termed as a contingent liability. 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 - On Cash Flow Statements.

(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.

2 SHARE CAPITAL:

	As at 31st March, 2014		As at 31st March, 2013	
	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 the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ lacs	Number	₹ lacs
At the beginning and end of the year	**194,468,890**	**1,944.69**	*194,468,890*	*1,944.69*

b. The Company has issued one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of 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, 2014		As at 31st March, 2013	
	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, 2014		As at 31st March, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Tata Chemicals Limited	**97,341,610**	**50.06%**	*97,341,610*	*50.06%*
Rakesh Jhunjhunwala	**19,605,820**	**10.08%**	*19,507,820*	*10.03%*

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:**

	2013-14	*2012-13*	*2011-12*	*2010-11*	*2009-10*
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, 2014.

3 RESERVES AND SURPLUS:

₹ lacs

	As at 1st April, 2013	**Additions**	**Deductions**	**As at 31st March, 2014**	*As at 1st April, 2012*	*Additions*	*Deductions*	*As at 31st March, 2013*
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	**3,750.00**	**-**	**3,750.00**	**-**	*2,500.00*	*1,250.00*	-	*3,750.00*
Other Reserves :								
Capital Subsidy	**88.58**	**-**	**-**	**88.58**	*63.58*	*25.00*	-	*88.58*
General Reserve	**9,721.95**	**5,213.61**	**-**	**14,935.56**	*8,528.14*	*1,193.81*	-	*9,721.95*
Hedging Reserve Account	**-**	**-**	**-**	**-**	*(63.40)*	-	*(63.40)*	-
	31,749.28	**5,213.61**	**3,750.00**	**33,212.89**	*29,217.07*	*2,468.81*	*(63.40)*	*31,749.28*
Surplus in the Statement of Profit and Loss								
Balance as per last financial statements	**28,379.51**		**-**	**28,379.51**	*24,140.02*	-	-	*24,140.02*
Net Profit For the current year	**-**	**15,186.90**	**-**	**15,186.90**	-	*11,901.22*	-	*11,901.22*
Debenture Redemption Reserve	**-**	**-**	**-**	**-**	-	-	*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	**-**	**-**	**330.50**	**(330.50)**	-	-	*315.48*	*(315.48)*
Proposed Equity Dividend	**-**	**-**	**2,722.56**	**(2,722.56)**	-	-	*2,528.10*	*(2,528.10)*
Distribution Tax on Proposed Equity Dividend	**-**	**-**	**462.70**	**(462.70)**	-	-	*429.65*	*(429.65)*
Transfer to General Reserves	**-**	**-**	**1,463.61**	**(1,463.61)**	-	-	*1,193.81*	*(1,193.81)*
Net Surplus in the Statement of Profit and Loss	**28,379.51**	**15,186.90**	**6,924.06**	**36,642.35**	*24,140.02*	*11,901.22*	*7,661.73*	*28,379.51*
Total	**60,128.79**	**20,400.51**	**10,674.06**	**69,855.24**	*53,357.09*	*14,370.03*	*7,598.33*	*60,128.79*

4 LONG-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
Secured		
Term Loans		
i. from banks	**193.61**	*66.93*
ii. from others	**94.42**	*89.50*
	288.03	*156.43*
Unsecured		
Term loan from a bank	**1,500.00**	-
Loan from the Council of Scientific and Industrial Research	**123.10**	*150.26*
Sales Tax Deferral under a State Government Scheme	**700.81**	*766.87*
	2,323.91	*917.13*
Total	**2,611.94**	*1,073.56*

Terms of repayment:

a. Secured Term loans from banks:

i Two term loans from Kotak Mahindra Bank – The loans are 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 loans are further secured by corporate guarantee and equitable mortgage of the land and building of Metahelix Life Sciences Limited. The balance outstanding as at 31st March, 2014. i.e. ₹ 57.77 lacs and ₹99.16 lacs are repayable in 25 and 34 equated instalments respectively between April 2014 and February 2014.

ii 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 a corporate guarantee and an equitable mortgage of the land and building of Metahelix Life Sciences Limited. The balance outstanding as at 31st March, 2014 is ₹ 9.15 lacs repayable in 2 equated monthly installments from April 2014.

iii Term loan from ICICI Bank - The loan is secured by a first charge on entire movable fixed assets and agricultural property funded by the bank. The balance outstanding as at 31st March, 2014 is ₹ 175.02 lacs repayable in 14 equated monthly instalments starting from May 2014.

b. Secured Term loans from others:

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 Metahelix, 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 either from one year from the date of completion of the project or 31st December, 2014 and 30th June, 2016.(being the cut off date of project completion).

c. Unsecured Term loan from a bank:

The balance is repayable in 8 equal quarterly instalments. The repayment begins after a moratorium of 12 months from March, 2014.

d. Loan from the Council of Scientific and Industrial Research:

The balance loan of ₹ 75.32 lacs is repayable in 4 annual instalments.

The balance loan of ₹ 66.61 lacs is repayable in 9 annual instalments.

e. Sales tax deferrals:

The balance is repayable in annual instalments which range from a maximum of ₹ 77.72 lacs to a minimum of ₹ 9.47 lacs over the period stretching from 1st April, 2014 to 31st March, 2027. The amount outstanding is free of interest.

The outstanding loan includes ₹153.95 lacs (including ₹58.36 lacs shown as a part of current maturities of long term debt in Note no. 8) in respect of which the applicability of the deferral scheme is disputed by the Sales Tax Authorities and the matter is contested before the Sales Tax Tribunal. The consequential interest claimed by the Sales Tax Authorities is included as a part of the Company's contingent liabilities.

5 OTHER LONG TERM LIABILITIES:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Advances from customers	-	*588.21*
Security deposits received	**344.50**	-
Interest accrued but not due on borrowings	**6.52**	*7.55*
Total	**351.02**	*595.76*

6 LONG-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Provision for employee benefits		
Gratuity	**82.87**	*150.16*
Supplemental Payments on Retirement	**1,368.16**	*1,426.60*
Total	**1,451.03**	*1,576.76*

7 SHORT-TERM BORROWINGS:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Secured		
Loans repayable on demand from banks*	**4,837.54**	2,826.81
Unsecured		
Loans repayable on demand from banks	-	*1,500.00*
Total	**4,837.54**	*4,326.81*

* These loans have been secured by a first charge by way of hypothecation of current assets. 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, 2014	*As at 31st March, 2013*
Other Liabilities		
i. Current maturity of long term debt		
Secured		
Term loans		
from banks (Refer footnote a of Note no. 4)	**147.49**	*133.37*
from others (Refer footnote b of Note no. 4)	**2.94**	*17.63*
Debentures (Secured)	**-**	*7,500.00*
Unsecured		
Sales Tax Deferral Scheme (Refer footnote e of Note no. 4)	**65.19**	*68.34*
Council of Scientific & Industrial Reseach Loan (Refer footnote d of Note no.4)	**18.83**	*18.83*
ii. Interest accrued but not due on borrowings	**25.33**	*36.25*
iii. Unpaid / Unclaimed dividends	**116.55**	*96.18*
iv. Other Payables		
Provident Fund and other employee deductions	**93.93**	*130.87*
Central Excise, Customs duty, VAT and Service Tax payable	**488.49**	*284.91*
Tax deducted at source	**121.98**	*90.77*
Customer Advances and Deposits	**6,331.92**	*6,836.93*
Creditors for Capital Purchases	**646.66**	*551.08*
Provision for contingency	**50.00**	*50.00*
Total	**8,109.31**	*15,815.16*

Footnotes:

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

b. These Non Convertible Debentures were secured by a first pari-passu mortgage over factory building and certain plant and machinery of Ankleshwar and Lote units.

9 SHORT-TERM PROVISIONS:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
a. Provision for employee benefits		
Compensated Absences	**538.55**	*497.98*
Supplemental Payments on Retirement	**154.07**	*150.86*
b. Others		
Proposed Equity Dividend	**2,722.56**	*2,528.10*
Distribution Tax on Proposed Equity Dividend	**462.70**	*429.65*
Provision for Income Tax (net of advance tax)	**1,971.76**	*1,587.64*
Total	**5,849.64**	*5,194.23*

10 FIXED ASSETS:

₹ lacs

	Gross Block (At Cost)				Accumulated Depreciation/Amortisation				Net Block
	Balance as at 1st April 2013	Additions	Disposals	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	On disposals/ Adjustment	Balance as at 31st March 2014	Balance as at 31st March 2014
a Tangible Assets									
Freehold Land	**457.24**	**-**	**16.08**	**441.16**	**-**	**-**	-	**-**	**441.16**
	457.24	-	-	*457.24*	-	-	-	-	*457.24*
Leasehold Land (Refer footnote 4)	**4,645.98**	**-**	**-**	**4,645.98**	**249.37**	**46.38**	-	**295.75**	**4,350.22**
	4,609.41	*36.57*	-	*4,645.98*	*203.11*	*46.26*	-	*249.37*	*4,396.61*
Leasehold Improvements	**154.37**	**26.02**	**-**	**180.39**	**2.54**	**5.57**	-	**8.11**	**172.28**
	-	*154.37*	-	*154.37*	-	*2.54*	-	*2.54*	*151.83*
Buildings (Refer footnote 1 & 2)	**15,181.31**	**898.38**	**5.18**	**16,074.51**	**2,757.88**	**441.85**	**2.89**	**3,196.84**	**12,877.67**
	15,295.51	*422.45*	*536.65*	*15,181.31*	*2,570.14*	*439.03*	*251.29*	*2,757.88*	*12,423.43*
Plant and Equipment	**32,802.54**	**4,303.38**	**240.20**	**36,865.72**	**13,794.63**	**2,530.08**	**207.80**	**16,116.91**	**20,748.81**
	31,044.30	*4,430.63*	*2,672.39*	*32,802.54*	*13,472.69*	*2,297.14*	*1,975.20*	*13,794.63*	*19,007.91*
Furniture and Fixtures	**781.42**	**87.73**	**0.59**	**868.56**	**375.97**	**53.18**	**0.48**	**428.67**	**439.89**
	596.53	*194.36*	*9.47*	*781.42*	*347.38*	*37.37*	*8.78*	*375.97*	*405.45*
Vehicles	**633.09**	**-**	**172.27**	**460.82**	**326.37**	**59.71**	**117.62**	**268.46**	**192.36**
	1,068.59	-	*435.50*	*633.09*	*523.33*	*93.08*	*290.04*	*326.37*	*306.72*
Office Equipments	**464.17**	**97.30**	**5.05**	**556.42**	**160.07**	**48.55**	**3.71**	**204.91**	**351.51**
	300.47	*169.91*	*6.21*	*464.17*	*133.72*	*30.50*	*4.15*	*160.07*	*304.10*
Total	**55,120.12**	**5,412.81**	**439.37**	**60,093.56**	**17,666.83**	**3,185.32**	**332.50**	**20,519.65**	**39,573.91**
	53,372.05	*5,408.29*	*3,660.22*	*55,120.12*	*17,250.37*	*2,945.92*	*2,529.46*	*17,666.83*	*37,453.29*
b Intangible Assets									
I. Internally generated:									
Product Registrations	**1,220.65**	**639.37**	**-**	**1,860.02**	**510.18**	**441.21**	-	**951.39**	**908.62**
	493.25	*727.40*	-	*1,220.65*	*493.25*	*16.93*	-	*510.18*	*710.47*
II. Others:	**-**	-	**-**	**-**					
Goodwill	**163.63**	**-**	**-**	**163.63**	**163.63**	**-**	-	**163.63**	**-**
	163.63	-	-	*163.63*	*163.63*	-	-	*163.63*	-
Licences and Commercial Rights	**-**	**861.52**	**-**	**861.52**	**-**	**109.16**	-	**109.16**	**752.36**
	-	-	-	-	-	-	-	-	-
Technical knowhow	**738.42**	**281.80**	**-**	**1,020.22**	**188.73**	**299.39**	-	**488.12**	**532.10**
	247.72	*490.70*	-	*738.42*	*49.22*	*139.51*	-	*188.73*	*549.69*
Computer software	**1,063.51**	**22.09**	**-**	**1,085.60**	**1,001.78**	**31.01**	-	**1,032.79**	**52.81**
	1,003.25	*60.26*	-	*1,063.51*	*950.83*	*50.95*	-	*1,001.78*	*61.73*
Total	**3,186.21**	**1,804.78**	**-**	**4,990.99**	**1,864.32**	**880.77**	**-**	**2,745.09**	**2,245.90**
	1,907.85	*1,278.36*	-	*3,186.21*	*1,656.93*	*207.39*	-	*1,864.32*	*1,321.89*
Total Fixed Assets	**58,306.33**	**7,217.59**	**439.37**	**65,084.55**	**19,531.15**	**4,066.09**	**332.50**	**23,264.74**	**41,819.81**
Previous Year	*55,279.90*	*6,686.65*	*3,660.22*	*58,306.33*	*18,907.30*	*3,153.31*	*2,529.46*	*19,531.15*	*38,775.18*

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 assets carried at ₹1.12 lacs (Previous Year ₹105.42 lacs) where the conveyance in favour of the Company is not completed.

3 Fixed assets include assets carried at ₹940.07 lacs (Previous Year ₹425.42 lacs) which are 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: ("Long - Term")

₹ lacs

	Nominal value (in ₹)	Numbers	**As at 31st March, 2014**	*As at 31st March, 2013*
A Trade Investments (Valued at cost less provision for other than temporary diminution)				
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 other than temporary diminution)				
a. Quoted investment in equity instruments - Fully paid up				
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. *	10	504	**Nil**	*Nil*
J.K.Cement Ltd.	10	44	**Nil**	*Nil*
Uniscans & Sonics Ltd.*	10	96	**Nil**	*Nil*
		B	**-**	*-*
b. Unquoted investment in equity instruments - Fully paid up				
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	**-**	*-*
c. Quoted Investments in Debentures or Bonds - Fully paid up				
14% Spartek Ceramics India Limited-Debentures - Redeemable Partly Convertible (₹1/-)	60	560	**Nil**	*Nil*
		D	**-**	*-*
		E=B+C+D	**-**	*-*
TOTAL		**F= A+E**	**1,869.30**	*1,869.30*
Aggregate Book Value of Investments:				
Unquoted - At cost less Provision for diminution in value			**1,869.30**	*1,869.30*
Quoted - At cost less Provision for diminution in value			**-**	*-*
			1,869.30	*1,869.30*

Footnote:
Market value of quoted investments ₹0.11 lacs *(Previous Year ₹0.59 lacs).*
* Listed but not quoted

12 LONG-TERM LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

₹ lacs

		As at 31st March, 2014	*As at 31st March, 2013*
a.	Advance Income Tax (net of provision)	**8,019.87**	*7,688.08*
b.	Security Deposits	**809.23**	*837.37*
c.	Other Loans and Advances	**380.02**	*363.41*
d.	Capital Advances	**373.62**	*229.75*
e.	MAT Credit Entitlement	**191.07**	*58.57*
	Total	**9,773.81**	*9,177.18*

13 CURRENT INVESTMENTS:

₹ lacs

		Nominal value (in ₹)	Numbers	As at 31st March, 2014	*As at 31st March, 2013*
a.	**Current portion of long term investment (at cost)** Investments in Debentures (Unquoted Fully Paid) 4.25% Advinus Therapeutics Ltd. - Non Convertible Debentures (Refer Note No. 38)	1,000	**NIL** *(Previous Year: 10,384)*	**-**	*103.84*
	Total			**-**	*103.84*
b.	**Investments in Mutual Funds ("Current investments") (Lower of the cost and fair value)** HDFC Cash Management Fund			**642.12**	*-*
	Total			**642.12**	*103.84*

14 INVENTORIES:

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

₹ lacs

		As at 31st March, 2014	*As at 31st March, 2013*
a.	Raw Materials (Including goods-in transit of ₹1,172.26 lacs ; *Previous year ₹965.96 lacs*)	**10,027.91**	*7,635.98*
b.	Work-in-progress	**2,566.41**	*732.96*
c.	Finished goods (excluding finished goods traded in)	**16,135.80**	*15,101.91*
d.	Stock in trade (in respect of goods acquired for trading) (Including goods-in transit of ₹150 lacs; Previous year ₹NIL)	**2,688.83**	*1,899.98*
e.	Stores and spares	**177.60**	*109.12*
f.	Packing Material	**1,356.73**	*1,237.99*
	Total	**32,953.28**	*26,717.94*

15 TRADE RECEIVABLES:

₹ lacs

	As at 31st March, 2014	*As at 31st March, 2013*
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	**5.80**	*4.55*
Unsecured, considered good	**729.70**	*264.03*
Unsecured, Doubtful of recovery	**893.67**	*816.12*
Less: Provision for doubtful trade receivables	**(893.67)**	*(816.12)*
	735.50	*268.58*
Other Trade receivables		
Secured, considered good	**390.60**	*772.23*
Unsecured, considered good	**15,661.06**	*15,436.60*
	16,051.66	*16,208.83*
Total	**16,787.16**	*16,477.41*

16 CASH AND BANK BALANCES:

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
Cash and cash equivalents		
a. Balances with banks in current accounts	**387.54**	*1,554.92*
b. Cash on hand	**10.75**	*7.47*
c. Term Deposits with original maturity of less than 3 months	**2.83**	*778.19*
	401.12	*2,340.58*
Other bank balances		
a. Balances held for unpaid / unclaimed dividends	**116.55**	*96.18*
b. Bank deposits as margin money against bank guarantees (original maturity of more than 3 months but due within 12 months from the balance sheet date)	**369.57**	*146.80*
	486.12	*242.98*
Total	**887.24**	*2,583.56*

17 SHORT-TERM LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
a. Advances Recoverable in Cash or in Kind		
- Advances to employees	**121.06**	*62.96*
- Advances to suppliers	**1,548.86**	*976.08*
- Others	**240.46**	*214.65*
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		
- CENVAT credit receivable	**707.58**	*351.12*
- VAT credit receivable	**1,041.68**	*902.27*
- Service Tax credit receivable	**266.29**	*248.81*
- Others	**84.01**	*7.52*
d. Gratuity	**13.01**	*6.97*
Total	**4,022.95**	*2,770.38*

18 OTHER CURRENT ASSETS:

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
Interest accrued on debentures	**-**	*26.60*
Interest accrued on fixed deposit	**4.72**	*6.43*
Grants	**9.37**	*9.37*
Export benefits receivable	**244.55**	*231.81*
Total	**258.64**	*274.21*

19 REVENUE FROM OPERATIONS:

₹ lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sale of products		
Own Manufactured Goods	**158,947.44**	*135,770.57*
Traded Goods	**23,892.73**	*17,718.05*
Subtotal **(A)**	**182,840.17**	*153,488.62*
Sale of services (B)	**151.85**	*81.76*
Other operating revenues		
Scrap and Sundry Sales	**1,184.03**	*995.70*
Export Incentives	**332.29**	*415.87*
Cash Discount	**146.18**	*119.07*
Royalty Income	**189.71**	*149.74*
Grants for projects	**-**	*41.52*
Others	**83.57**	*5.67*
Subtotal **(C)**	**1,935.78**	*1,727.57*
Revenue from Operations (Gross) (A)+(B)+ (C)	**184,927.80**	*155,297.95*
Less: Excise duty	**10,272.14**	*9,479.75*
Total	**174,655.66**	*145,818.20*

20 OTHER INCOME:

₹ lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Income from bank on term and fixed deposits	**99.87**	*20.20*
Interest on loans and advances	**32.62**	*33.33*
Interest Income from Investments		
On current investments	**1.65**	*40.21*
On long term investments	**19.80**	*12.42*
Dividend income		
On current investments	**158.83**	*85.71*
On long term investments	**1.85**	*1.90*
Profit on sale of Fixed Assets (net)	**-**	*689.21*
Sundry Income	**323.39**	*290.56*
Total	**638.01**	*1,173.54*

21 COST OF MATERIALS CONSUMED:

₹ lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Raw Materials Consumed		
Opening Stock	**7,635.98**	*9,493.96*
Add : Purchases	**83,365.87**	*69,977.88*
Less : Closing Stock	**10,027.91**	*7,635.98*
	80,973.94	*71,835.86*
Packing Materials Consumed	**6,437.48**	*5,493.04*
Total	**87,411.42**	*77,328.90*

Rallis India Limited

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

₹ lacs

	For the year ended 31st March, 204	*For the year ended 31st March, 2013*
Opening 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*
Closing Stock		
Finished Goods - Own Manufacured	**16,135.80**	*15,101.91*
Finished Goods - Traded	**2,688.83**	*1,899.98*
Work in Progress	**2,566.41**	*732.96*
	21,391.04	*17,734.85*
Net Increase	**(3,656.19)**	*(1,092.65)*

23 EMPLOYEE BENEFITS EXPENSE: (Refer Note No. 36)

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
(a) Salaries and Wages	**9,566.60**	*7,947.64*
(b) Contribution to Provident and Other Funds	**532.58**	*488.78*
(c) Gratuity	**76.46**	*128.56*
(d) Staff welfare	**874.52**	*874.45*
Total	**11,050.16**	*9,439.43*

24 OTHER EXPENSES

₹ lacs

	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Freight, Handling and Packing	**5,170.60**	*3,754.75*
Processing	**1,809.67**	*1,408.21*
Changes in Excise Duty on Inventory of Finished Goods	**198.05**	*(138.74)*
Travelling and conveyance	**1,586.93**	*1,348.87*
Power and Fuel	**6,159.50**	*4,856.76*
Brand Equity Contribution	**203.51**	*180.41*

24 OTHER EXPENSES (Contd.)

₹ lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Repairs :		
to Machinery	**606.46**	*689.71*
to Buildings	**156.70**	*99.69*
to Others	**382.82**	*305.40*
Stores and Spares Consumed	**466.20**	*514.12*
Rates and Taxes	**621.30**	*277.71*
Bad trade receivables	**77.17**	*303.45*
Cash Discount	**5,338.21**	*3,476.47*
Commission	**54.44**	*66.60*
Insurance	**216.29**	*226.24*
Rent	**1,267.41**	*1,196.23*
Bank Charges	**236.02**	*220.54*
Directors' Fees & Commission	**449.95**	*335.75*
Provision for Doubtful Debts/Advances	**154.85**	*121.99*
Less : Provision for doubtful debts written back	**(77.17)**	*(303.45)*
Selling Expenses	**4,796.31**	*3,227.94*
Legal and Professional	**788.57**	*678.42*
Loss on sale of Fixed Assets (net)	**52.46**	*-*
Net Loss on Foreign currency transactions and translation (other than considered as finance cost)	**1,113.87**	*429.72*
Other Expenses	**4,804.26**	*4,257.04*
Total	**36,634.38**	*27,533.83*

25 FINANCE COSTS

₹ lacs

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest expense on:		
Long term Borrowings	**414.17**	*759.45*
Short term Borrowings	**815.61**	*1,022.48*
Adjustments in respect of exchange differences on foreign currency loans (Refer Note no. 1(i))	**30.60**	*66.77*
Total	**1,260.38**	*1,848.70*

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

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

Particulars	**As at 31st March, 2014**	*As at 31st March, 2013*
a. Demands contested by the Group:		
- Sales Tax	**2,032.72**	*2,000.40*
- Excise Duty	**401.56**	*360.84*
- Customs Duty	**144.10**	*144.10*
- Income Tax	**6,900.28**	*6,953.30*
- Service Tax	**93.74**	*65.21*
- Property Cases	**47.36**	*47.36*
- Labour Cases	**98.79**	*243.55*
- Other cases	**89.98**	*109.56*
- Number of cases where amount is not quantifiable 41 Nos. *(Previous Year 41 Nos.)*		
b. Other money for which the company is contingently liable:		
- Bills Discounted (fully covered by buyer's letters of credit)	**458.01**	*1,547.36*
	10,266.54	*11,471.68*

Notes :
The Group does not expect any liability in respect of items (a) and (b) 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 allowed the founder shareholders, a put option exercisable over a period of 2 years (*Previous Year: 3 years*), 6,895 shares held by them for an amount aggregating ₹1,348.59 lacs (*Previous Year: 8,433 shares for an amount aggregating ₹1,649.11 lacs*). The Commitment made in the previous year to acquire 2,591 equity shares from certain shareholder (other than founder shareholder) for an amount aggregating ₹506.77 lacs has been fulfilled during the year.

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. Estimated amount of contract with minimum commitment for plant activity ₹1,566.80 lacs *(Previous Year ₹2,250.50 lacs)*.

C. Estimated amount of contracts remaining to be executed on capital account of tangible assets is ₹826.79 lacs *(Previous Year ₹1,043.03 lacs)* and Intangible assets is ₹144.01 lacs *(Previous Year ₹12.80 lacs)* against which advances paid aggregate ₹373.62 lacs *(Previous Year ₹229.74 lacs)*.

D. For lease commitments and derivatives, refer note no 27 and 34 respectively.

27 The Company has procured motor vehicles and Servers under non-cancellable operating leases. Lease rent charged to the Statement of Profit and Loss during the year is ₹474.26 lacs *(Previous Year ₹427.84 lacs)* net of amount recovered from employees ₹2.32 lacs *(Previous Year ₹3.59 lacs)*. Disclosures in respect of non-cancellable leases are given below:

₹ lacs

Particulars	**As at 31st March, 2014**	*As at 31st March, 2013*
a) Total of minimum lease payments	**785.57**	*1,225.75*
b) The total of future minimum lease payments under non-cancellable operating leases for a period:		
Not later than one year	**457.61**	*470.00*
Later than one year and not later than five years	**327.96**	*755.75*
c) Lease payments recognised in the statement of profit and loss for the year	**474.26**	*427.84*

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

28 OTHER EXPENSES INCLUDE AUDITORS' REMUNERATION AS UNDER:

₹ lacs

Particulars	**For the year ended 31st March, 2014**	*For the year ended 31st March, 2013*
(a) To statutory auditors		
For audit	**69.90**	*64.81*
For taxation matters	**20.95**	*12.40*
For other services *	**53.67**	*57.08*
Reimbursement of expenses	**2.27**	*2.35*
(b) To cost auditors for cost audit	**2.50**	*2.50*

Service tax which is being claimed for set-off as input credit has not been included in the expenditure above.
*include ₹14.42 lacs paid to network firms.

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

₹ lacs

Particulars	**For the year ended 31st March, 2014**	*For the year ended 31st March, 2013*
On tangible fixed assets	**889.28**	*1,463.94*
On items which have been expensed during the year	**2,226.77**	*1,376.20*
Total	**3,116.05**	*2,840.14*

During the year the Group has also incurred ₹991.32 lacs *(Previous Year ₹1,248.86 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, 2014 is ₹728.87 Lacs *(Previous Year ₹1,094.17 Lacs)*.

Included in the foregoing is an amount of ₹286.39 lacs *(Previous Year ₹422.69 lacs)* paid to an independent agency.

30 DEFERRED TAX ASSETS AND LIABILITIES:

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

₹ lacs

Particulars	**As at 31st March, 2014**	*As at 31st March, 2013*	**As at 31st March, 2014**	*As at 31st March, 2013*
	Net Deferred tax liabilities		**Net Deferred tax assets**	
Deferred Tax Assets				
On Provision against debts and advances	**1,612.58**	*1,629.93*	-	-
On Employee and other related costs	**381.93**	*488.45*	-	-
On other items	**139.76**	*151.11*	**146.81**	*51.84*
Total	**2,134.27**	*2,269.49*	**146.81**	*51.84*
Deferred Tax Liabilities				
On fiscal allowance on fixed assets	**5,252.26**	*4,888.74*	-	-
On other items	**183.02**	*244.88*	**-**	-
Total	**5,435.28**	*5,133.62*	**-**	**-**
Net Deferred Tax	**(3,301.01)**	(2,864.13)	**146.81**	*51.84*

31 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	170,357.05	2,210.98	172,568.03
	141,932.94	*2,075.93*	*144,008.87*
Total Inter-Segment Revenue	-	-	-
Segment Revenue	170,357.05	2,210.98	172,568.03
	141,932.94	*2,075.93*	*144,008.87*
Total Revenue			172,568.03
			144,008.87
RESULTS			
Segment Results	22,079.25	342.48	22,421.73
	18,370.45	*683.19*	*19,053.64*
Unallocable Expenses (Net)			278.95
			23.75
Operating Profit			22,700.68
			19,077.39
			1,260.38
Finance costs			*1,848.70*
Profit before taxation			21,440.30
			17,228.69
Tax Expense			(6,173.42)
			(5,349.01)
Profit for the year before Minority Interest			15,266.88
			11,879.68

₹ lacs

Particulars	Business Segments		Total
	Agri - Inputs	Others (non-reportable)	
OTHER INFORMATION			
ASSETS			
Segment Assets	124,782.86	1,508.11	126,290.97
	115,169.93	*1,176.41*	*116,346.34*
Unallocated assets			3,573.35
			2,671.13
Total Assets			129,864.32
			119,017.47
LIABILITIES			
Segment Liabilities	40,238.65	291.68	40,530.33
	39,996.34	*73.93*	*40,070.27*
Unallocated Liabilities			16,487.91
			16,404.28
Total Liabilities (excluding Minority Interest)			57,018.24
			56,474.55
CAPITAL EXPENDITURE (within India)			
Total cost incurred during the year to acquire segment assets	5,905.63	-	5,905.63
	4,654.43	-	*4,654.43*
Total cost incurred during the year to acquire assets			5,905.63
			4,654.43
DEPRECIATION			
Segment Depreciation	3,962.11	103.98	4,066.09
	3,078.10	*75.21*	*3,153.31*
Unallocated Depreciation			-
			-
Total Depreciation			4,066.09
			3,153.31
NON CASH EXPENSES			
Segment Non-cash expenses other than Depreciation & Amortisation	195.42	-	195.42
	120.58	-	*120.58*
Total Non-cash Expenses			195.42
			120.58

Figures in italics relate to the previous year.

b. Secondary Segment Information:

₹ lacs

	As at 31st March, 2014	As at 31st March, 2013
1. Segment Revenue		
a. India	123,315.64	102,029.12
b. Outside India	49,252.39	41,979.75
Total	**172,568.03**	144,008.87
2. Segment Assets		
a. India	118,411.69	110,067.95
b. Outside India	7,879.28	6,278.39
Total	**126,290.97**	116,346.34

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.

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

₹ lacs

Particulars	**As at 31st March, 2014**	*As at 31st March, 2013*
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) Other current liabilities includes provision for contingencies for claims in business operation :

₹ lacs

Particulars	**As at 31st March, 2014**	*As at 31st March, 2013*
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

33 EARNINGS PER SHARE: ₹ lacs

Particulars	As at 31st March, 2014	*As at As at 31st March, 2013*
Profit for the year (after adjustment of minority interest)	**15,186.90**	*11,901.22*
Weighted average number of Equity Shares for Basic / Diluted EPS	**194,468,890**	*194,468,890*
Nominal Value of Equity Per Share (in ₹)	**1.00**	*1.00*
Basic / Diluted Earning Per Share (in ₹)	**7.81**	*6.12*

34 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.

(a) Derivative Instruments:

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

The following forward exchange contracts are outstanding as at balance sheet date:

Particulars	As at 31st March, 2014			*As at 31st March, 2013*		
	Number of Contracts	₹ lacs	Amount in Lacs	*Number of Contracts*	*₹ lacs*	*Amount in lacs*
Receivables	**5**	**2,249.26**	**USD 37.54**	*6*	*1,711.34*	*USD 31.52*
	2	**808.70**	**AUD 14.63**	*2*	*434.88*	*AUD 7.68*
Payables	**0**	**0.00**	**USD 0.00**	*2*	*1,583.75*	*USD 29.17*
	4	**1,074.16**	**JPY 1850**	*5*	*1,698.23*	*JPY 2,944.10*

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

(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 31st March, 2014		As at 31st March, 2013	
	₹lacs	**Amount in lacs**	*₹lacs*	Amount in lacs
Exports of goods and services	***8,010.85***	***USD 112.37***	*4,107.09*	*USD 79.09*
		AUD 19.31		*AUD 5.35*
		EUR 0.66		*EUR 0.47*

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	₹lacs	**Amount in lacs**	*₹lacs*	Amount in lacs
Imports of goods and services	***9,039.94***	***USD 120.02***	*5,744.58*	*USD 99.98*
		JPY 2550.60		*JPY 317.37*
		EUR 0.50		*EUR 0.02*
		CHF 0.02		-
Customer Advances	***14.50***	***USD 0.32***	*175.04*	*USD 3.22*

Note: USD = US Dollar; EUR = Euro; JPY = Japanese Yen; AUD = Australian Dollar, CHF - Swiss Franc

35 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	647.60	-	647.60
	126.77	-	*126.77*
Sales of Goods	4,923.87	-	4,923.87
	3,661.06	-	*3,661.06*
Services Received	47.15	-	47.15
	32.42	-	*32.42*
Services Given	3.62	-	3.62
	44.43	-	*44.43*
Other Expenses	3.78	-	3.78
	12.63	-	*12.63*
Dividend Paid (Equity)	2,239.08	-	2,239.08
	2,141.52	-	*2,141.52*
Debit Balance outstanding as at year end - Other Receivables	42.36	-	42.36
	99.47	-	*99.47*
Credit Balance outstanding as at year end - Other Payables	186.79	-	186.79
	685.59	-	*685.59*
Remuneration Paid	-	284.50	284.50
	-	*241.73*	*241.73*

Figures in italics relate to the previous year.

36 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 former 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 obligation (DBO) is detailed below:

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	As at 31st March, 2014			*As at 31st March, 2013*		
Present Value of DBO	**1,701.82**	**1,522.23**	**3,224.05**	*1,683.19*	*1,577.46*	*3,260.65*
Fair Value of Plan Assets	**1,631.96**	**-**	**1,631.96**	*1,540.00*	*-*	*1,540.00*
Net liability	**69.86**	**1,522.23**	**1,592.09**	*143.19*	*1,577.46*	*1,720.65*

Changes in Defined Benefit Obligation during the year :

₹ lacs

Particulars	Gratuity (Funded Plan)	Supplemental Pay (Unfunded Plan)	Total	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	As at 31st March, 2014			*As at 31st March, 2013*		
Present value of DBO as at 1st April	**1,683.19**	**1,577.46**	**3,260.65**	*1,508.11*	*1,494.66*	*3,002.77*
Current Service Cost	**171.89**	**142.51**	**314.40**	*158.90*	*124.96*	*283.86*
Interest Cost	**136.05**	**127.77**	**263.82**	*124.79*	*123.31*	*248.10*
Benefits Paid	**(133.89)**	**(82.87)**	**(216.76)**	*(102.12)*	*(230.33)*	*(332.45)*
Actuarial (gain) / loss	**(155.42)**	**(242.64)**	**(398.06)**	*(6.49)*	*64.86*	*58.37*
Present value of DBO as at 31st March	**1,701.82**	**1,522.23**	**3,224.05**	*1,683.19*	*1,577.46*	*3,260.65*

Changes in fair value of plan assets during the year: Gratuity :

₹ lacs

Particulars	As at 31st March, 2014	*As at 31st March, 2013*
Opening balance as at 1st April	**1,540.00**	*1,238.35*
Expected return on plan assets	**133.74**	*106.45*
Contributions by the Group	**149.79**	*255.13*
Benefits Paid	**(133.89)**	*(102.12)*
Actuarial gain / (loss)	**(57.68)**	*42.19*
Closing balance as at 31st March	**1,631.96**	*1,540.00*

Details of Plan assets is as follows : ₹ lacs

Particulars	As at 31st March, 2014	*As at 31st March, 2013*
Debentures	**757.30**	*772.33*
Government Securities	**386.15**	*350.53*
Deposits, Money market Securities & Other Assets	**115.58**	*95.12*
Other – Fund managed by other insurer whose pattern of investment is not available with the Company	**297.67**	*247.69*
Others	**75.26**	*74.33*
Total Asset	**1,631.96**	*1,540.00*

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.

Actual return on plan assets: - Gratuity ₹ lacs

Particulars	For the year ended 31st March, 2014	*For the year ended 31st March, 2013*
Expected return on plan assets	**133.74**	*106.45*
Actuarial gain / (loss)	**(57.68)**	*42.19*
Actual return on plan assets	**76.06**	*148.64*

Components of employers's expense:

₹ lacs

Particulars	**Gratuity (Funded Plan)**	**Supplemental Pay (Unfunded Plan)**	**Total**	*Gratuity (Funded Plan)*	*Supplemental Pay (Unfunded Plan)*	*Total*
	For the year ended 31st March, 2014			*For the year ended 31st March, 2013*		
Current service cost	**171.89**	**142.51**	**314.40**	*158.90*	*124.96*	*283.86*
Interest cost	**136.05**	**127.77**	**263.82**	*124.79*	*123.31*	*248.10*
Expected return on plan assets	**(133.74)**		**(133.74)**	*(106.45)*		*(106.45)*
Net actuarial (gain)/ loss	**(97.74)**	**(242.64)**	**(340.38)**	*(48.68)*	*64.86*	*16.18*
Expenses charged to the consolidated statement of profit and loss	**76.46**	**27.64**	**104.10**	*128.56*	*313.13*	*441.69*

Actuarial assumptions:

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	**As at 31st March, 2014**	*As at 31st March, 2013*
Rate for discounting liabilities	**9.10% to 9.40% p.a.**	*7.90% to 8.60% p.a.*
Expected salary increase rate	**8.00% p.a.**	*8.00% p.a.*
Expected return on plan assets	**8.70% to 9.00 % p.a.**	*8.70% to 9.00 % p.a.*
Retirement Age (in years)	**60**	*60*
Mortality rates	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

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.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Experience adjustments:

(a) Gratuity: **₹ lacs**

Particulars	**2013-14**	*2012-13*	*2011-12*	*2010-11*	*2009-10*
Present value of DBO	**1,701.82**	*1,683.19*	*1,508.11*	*1,541.81*	*1,501.24*
Fair Value of Plan asset	**1,631.96**	*1,540.00*	*1,238.35*	*1,469.69*	*1,341.60*
Surplus/(Deficit)	**(69.86)**	*(143.19)*	*(269.76)*	*(72.13)*	*(159.64)*
Experience adjustment on plan assets gain /(loss)	**(57.68)**	*42.19*	*(72.64)*	*(3.79)*	*(34.54)*
Experience adjustment on plan liabilities (gain)/ loss	**44.90**	*(29.08)*	*(92.98)*	*(78.81)*	*(19.50)*

(b) Supplemental Pay:

₹ lacs

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of DBO	**1,522.23**	*1,577.46*	*1,494.66*	*1,562.49*	*1,572.68*
Fair value of Plan asset	**-**	-	-	-	-
Surplus/(Deficit)	**(1,522.23)**	*(1,577.46)*	*(1,494.66)*	*(1,562.49)*	*(1,572.68)*
Experience adjustment on plan assets gain /(loss)	**-**	-	-	-	-
Experience adjustment on plan liabilities (gain)/ loss	**(226.12)**	*53.91*	*(61.52)*	*21.19*	*63.94*

Particulars	As at 31st March, 2014	As at 31st March, 2013
Actuarial assumptions for compensated absences		
Rate for discounting liabilities	**9.10% to 9.40% p.a.**	*7.90% to 8.60% p.a.*
Expected salary increase rate	**8.00% p.a.**	*8.00% p.a.*
Retirement Age (in years)	**60**	*60*
Mortality rates	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08)* Ultimate

Defined-Contribution Plans:

Amount recognised as expense and included in Note No.23 - "Contribution to Provident and Other Funds" - ₹ 532.58 lacs *(Previous year ₹ 488.78 lacs).*

37 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.	Zero Waste Agro Organics Ltd.
Country	**India**	**India**	**India**
Year	**2013-14**	**2013-14**	**2013-14**
Capital	5.00	10.75	7.36
	5.00	*10.75*	*5.68*
Reserves	(19.91)	1,628.39	1,479.81
	(15.85)	*6,010.41*	*388.31*
Total Assets	3.88	16,441.91	1,614.90
	7.94	*6,420.01*	*594.20*
Total Liabilities	3.88	16,441.91	1,614.90
	7.94	*6,420.01*	*594.20*

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

₹ lacs

Name of Subsidiary Company	**Rallis Chemistry Exports Ltd.**	**Metahelix Life Sciences Ltd.**	**Zero Waste Agro Organics Ltd.**
Country	**India**	**India**	**India**
Year	**2013-14**	**2013-14**	**2013-14**
Turnover	-	22,481.32	808.92
	-	*1,249.77*	*250.33*
Profit/(loss) before taxation	(4.06)	922.49	(301.82)
	(4.08)	*115.59*	*(151.54)*
Provision for taxation	-	-	94.98
	-	-	*48.32*
Profit/(loss) after taxation	(4.06)	922.49	(206.84)
	(4.08)	*115.59*	*(103.22)*

38 The Company had invested ₹880.00 lacs in Non-Convertible Debentures (“NCDs”) of Advinus Therapeutics Ltd. having a coupon rate of 4.25%. The NCDs were redeemed between December 2010 and May 2013 at a premium of 25%. Income recognised during the year includes ₹0.38 lacs (*Previous Year ₹28.49 lacs*) in respect of redemption premium determined on the basis of the internal rate of return. During the year debentures amounting to ₹103.84 lacs (*Previous Year ₹296.15 lacs*) were redeemed at a 25% premium which aggregated ₹25.96 lacs (*Previous Year ₹74.04 lacs*).

39 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
R. MUKUNDAN
Y. S. P. THORAT
PUNITA KUMAR-SINHA
Directors

V. SHANKAR *Managing Director & CEO*
ASHISH MEHTA *Chief Financial Officer*
P. S. MEHERHOMJI *Company Secretary*

Mumbai, 22nd April, 2014

RALLIS INDIA LIMITED

Corporate Identity No. 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

ATTENDANCE SLIP

Registered Folio / DP ID and Client ID	
Name and Address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I/ We hereby record my/ our presence at the SIXTY-SIXTH ANNUAL GENERAL MEETING of the Company at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020, on Monday, the 30th June, 2014 at 3.00 p.m.

Member's Folio/ DP ID-Client ID No. | Member's/ Proxy's name in Block Letters | Member's/Proxy's Signature

NOTES:

1. Please complete the Folio/ DP ID-Client ID No. and name of the Member/ Proxy, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
2. Shareholder/ Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

RALLIS INDIA LIMITED

Corporate Identity No. 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

PROXY FORM

Name of the member(s)	:
Registered Address	:
E-mail Id	:
Folio No./ DP ID-Client ID No.	:

I/ We, being the member(s) of .... shares of the above named Company, hereby appoint:

(1) Name: ______________________________ Address: ______________________________ E-mail Id: ______________________________ Signature: ______________________________or failing him;

(2) Name: ______________________________ Address: ______________________________ E-mail Id: ______________________________ Signature: ______________________________or failing him;

(3) Name: ______________________________ Address: ______________________________ E-mail Id: ______________________________ Signature: ______________________________

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Sixty-sixth Annual General Meeting of the Company, to be held on Monday, the 30th June, 2014 at 3.00 p.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014
2.	Confirm the payment of interim dividend and declare a final dividend for the year 2013-14 on Equity Shares
3.	Re-appointment of Mr. R. Gopalakrishnan, who retires by rotation
4.	Appoint Auditors and fix their remuneration
Special Business	
5.	Appointment of Mr. B. D. Banerjee as Independent Director
6.	Appointment of Mr. E. A. Kshirsagar as Independent Director
7.	Appointment of Mr. Prakash R. Rastogi as Independent Director
8.	Appointment of Dr. Y. S. P. Thorat as Independent Director
9.	Appointment of Dr. Punita Kumar-Sinha as Independent Director
10.	To approve revision in Managing Director's salary
11.	Ratification of Cost Auditors' remuneration
12.	To approve borrowing limits of the Company
13.	Creation of Charge on the assets of the Company

Signed this ______________________________ day of ______________________________ 2014

Signature of Shareholder: ______________________________

Signature of Proxy holder: ______________________________

Affix Revenue Stamp

NOTE:

1. This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, at 156/157 15th Floor Nariman Bhavan 227 Nariman Point Mumbai 400 021 not less than FORTY-EIGHT (48) HOURS before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Sixty-sixth Annual General Meeting.

FINANCIAL STATISTICS

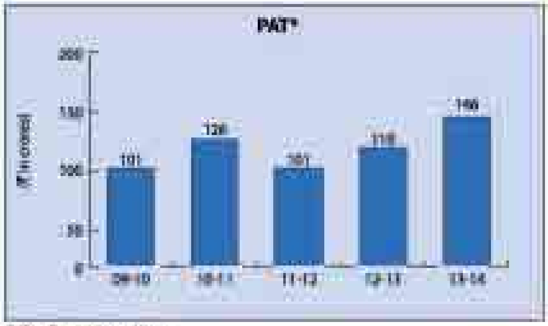
Year-end Financial Position ₹ lacs

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net Fixed Assets	41,079	40,011	40,394	38,445	26,478	18,766	14,787	14,411	16,528	18,186
Deferred Tax Asset/(Liability)	(3,301)	(2,864)	(1,308)	(323)	535	1,016	1,323	1,222	336	-
Investments	21,878	19,348	18,094	15,193	14,028	13,615	5,551	3,173	4,948	46
Total	59,656	56,495	57,180	53,315	41,040	33,397	21,661	18,806	21,812	18,231
Current Assets	50,642	47,232	44,416	42,453	32,450	34,727	33,431	31,551	30,420	26,979
Current Liabilities	34,990	33,149	34,672	36,197	30,400	25,914	20,022	25,914	23,650	17,747
Net Current Assets	15,652	14,083	9,744	6,257	2,050	8,813	13,409	5,637	6,770	9,232
TOTAL CAPITAL EMPLOYED	75,308	70,578	66,924	59,572	43,090	42,210	35,070	24,443	28,582	27,463
Capital										
- Preference	-	-	-	-	-	8,800	8,800	8,800	8,800	8,800
- Equity	1,945	1,945	1,945	1,945	1,296	1,198	1,198	1,198	1,198	1,198
Total	1,945	1,945	1,945	1,945	1,296	9,998	9,998	9,998	9,998	9,998
Reserves	69,380	60,204	53,420	48,391	40,983	24,869	20,755	11,179	7,563	4,618
Less: Debit Balance in Profit & Loss A/c.	-	-	-	-	-	-	-	-	-	-
Less: Miscellaneous Expenditure	-	-	-	-	-	713	73	214	544	1,006
Net Worth	71,324	62,149	55,365	50,336	42,279	34,155	30,681	20,963	17,017	13,610
Borrowings										
- Short term	1,642	-	3,122	972	161	2,455	3,604	2,541	2,901	5,607
- Long term	2,341	8,429	8,437	8,265	650	5,600	786	938	8,664	8,246
Total	3,983	8,429	11,559	9,236	811	8,055	4,389	3,479	11,565	13,853
TOTAL SOURCES	75,308	70,578	66,924	59,572	43,090	42,210	35,070	24,443	28,582	27,463
Summary of Operations										
Sales (Including Excise)	161,296	140,114	123,494	112,764	93,349	90,683	73,966	67,680	65,275	60,350
Other Income (Including Operating Income)	2,636	2,889	3,263	3,436	2,882	2,262	11,163	8,378	3,900	5,332
Total Income	163,932	143,003	126,757	116,199	96,231	92,946	85,129	76,058	69,175	65,682
Expenses										
Materials consumed	93,334	83,419	70,893	62,824	50,339	50,557	40,844	40,339	37,025	33,420
Personnel cost	8,869	7,784	8,033	6,958	7,498	7,274	6,135	5,520	5,165	5,281
Excise duty	10,272	9,480	7,882	8,230	6,000	7,291	6,847	5,475	6,140	6,241
Finance cost	805	1,251	1,037	332	267	326	409	1,089	841	1,449
Depreciation	3,597	2,881	2,711	1,716	1,831	2,295	2,007	3,100	1,675	1,611
Other expenses	26,150	20,853	19,473	17,782	15,076	14,603	14,270	15,034	13,874	14,264
Total	143,028	125,668	110,029	97,842	81,011	82,345	70,512	70,556	64,721	62,266
Profit before tax and prior year adjustment and exceptional item	20,904	17,335	16,728	18,357	15,219	10,601	14,617	5,502	4,454	3,416
Excpetional item: *Cessation Cost*	-	-	1,719	-	-	-	-	-	-	-
Profit before tax	20,904	17,335	15,009	18,357	15,219	10,601	14,617	5,502	4,454	3,416
Tax	6,268	5,397	4,870	5,736	5,116	3,472	2,098	(309)	201	67
Profit after tax	14,636	11,938	10,139	12,621	10,104	7,129	12,519	5,811	4,253	3,349
IMPORTANT RATIOS										
Current Assets: Liabilities	1.4	1.4	1.3	1.2	1.1	1.3	1.7	1.2	1.3	1.5
Debt: Equity	0.1	0.1	0.2	0.2	0.0	0.2	0.1	0.2	0.7	1.0
PBT/Turnover %	13.0	12.4	13.5	16.3	16.3	11.7	19.8	8.1	6.8	5.6
Return (PBIT) on Capital Employed %	28.8	26.3	26.5	31.4	35.9	25.9	42.8	27.0	18.5	17.7
Dividend (per share)	2.4	2.3	2.2	20.0	18.0	16.0	16.0	8.0	4.0	1.0
Earnings (per share)*	8	6	5	65	52	53	22	42	29	22
Net Worth (per share)*	37	32	28	259	326	212	183	101	69	40

Previous years figures have been regrouped, wherever necessary.

* Earnings Per Share and Net Worth Per Share for 2012 is after stock split.

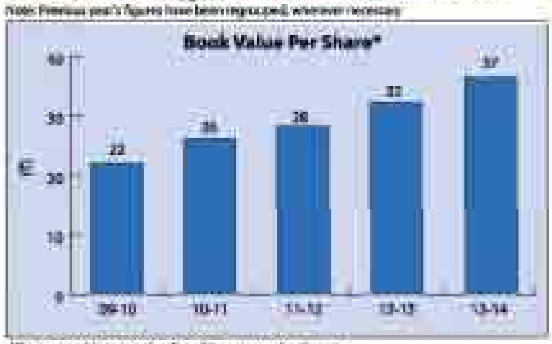
Note: Previous year's figures have been regrouped, wherever necessary



*PAT is after exceptional items
Note: Previous year's figures have been regrouped, wherever necessary

*EBITDA excludes extra-ordinary gains and losses such as other income & cessation costs
Note: Previous year's figures have been regrouped, wherever necessary

Note: Previous year's figures have been regrouped, wherever necessary



*Figures considering stock split and bonus issue for all years
Note: Previous year's figures have been regrouped, wherever necessary

*PBIT excludes extra-ordinary gains and losses such as cessation costs
Note: Previous year's figures have been regrouped, wherever necessary

*Figures considering stock split and bonus issue for all years
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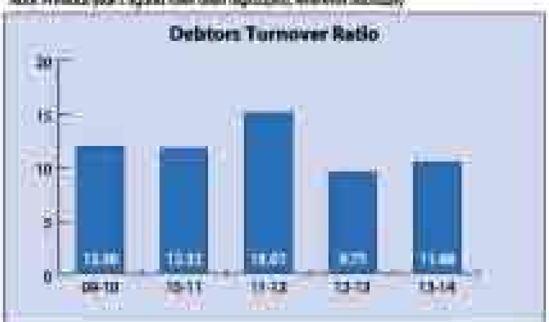


Note: Previous year's figures have been regrouped, wherever necessary

Note: Previous year's figures have been regrouped, wherever necessary

CORPORATE 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. Rallis has developed an integrated model on Sustainability focusing on Environment, Corporate Social Responsibility (CSR) and Affirmative Action (AA) initiatives. The Company's CSR initiatives have resulted in expanding the community base to over 394 events and benefitting over 21,000 people.

The focused initiatives under key themes are:

Improve Quality of Life through Watershed Projects:

Greening Projects:

Major initiatives in this area included:

- Afforestation project: 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: More than 550 trees were planted across various locations.

Women Empowerment (TARA Initiative):

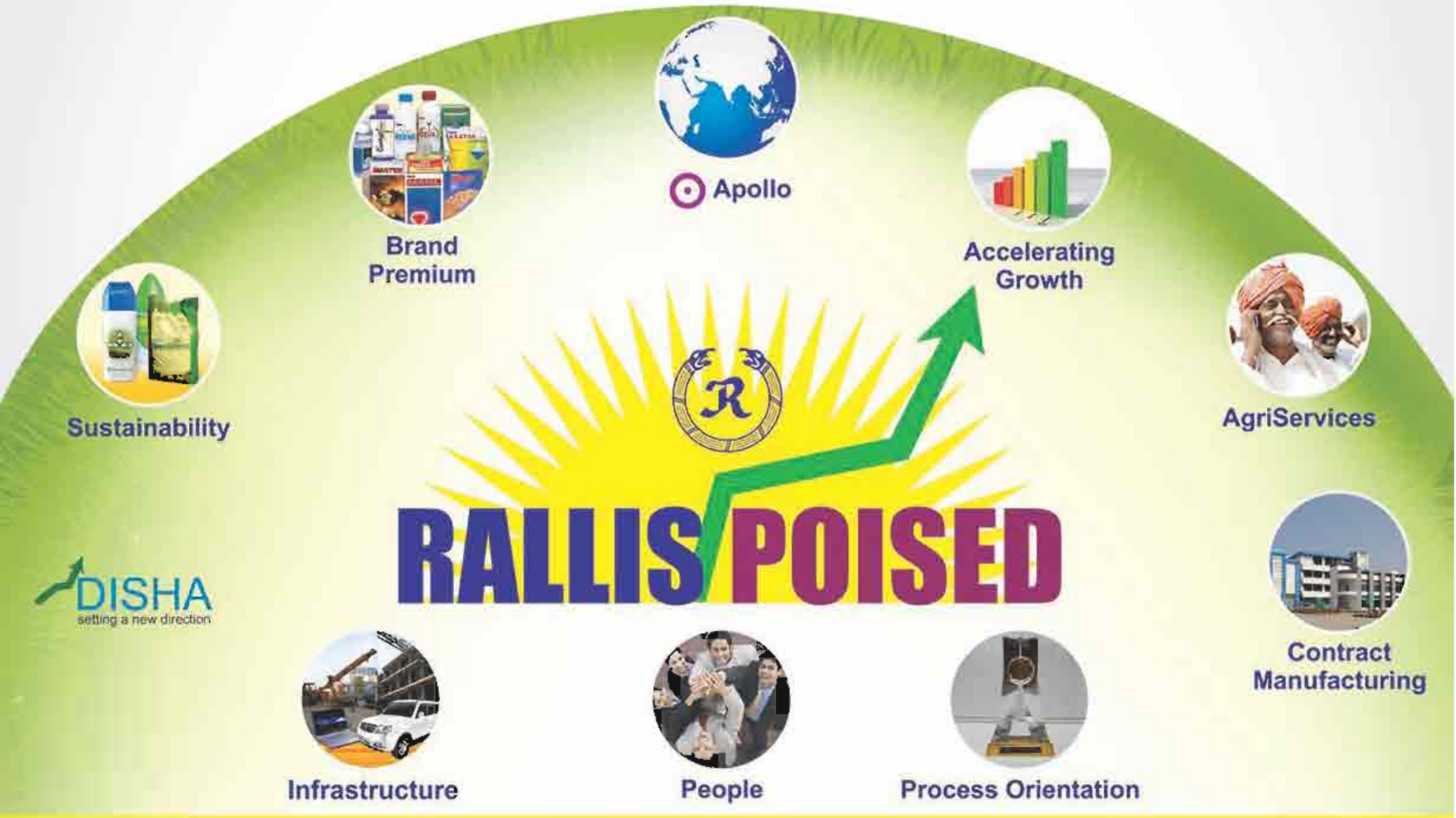
SHG (Self Help Group) (TARA initiative): Four SHGs were mentored during the year at Songaon (Lote). The members of SHGs were given exposure and skill training in various areas such as food processing, candle making and tie and dye, to encourage them to start their own HBB (Home based business).

Volunteering:

The Company encourages volunteering under its SAATHI program. With the help of Saathis, the Employee Volunteers, various CSR and AA activities are implemented across all locations. Their combined efforts have resulted in planting of more than 8,700 trees during the year 2013-14. 49% of Saathis volunteered for more than 2,800 hours, participating in a variety of programs like safety and health awareness, flood relief, water conservation, farmer education, career guidance, skill development and entrepreneurship training for women among others.

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

Corporate Identity No. L36992MH1948PLC014080

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

BALLOT FORM

1. Name & Registered Address of the sole/first named shareholder :

2. Name(s) of the joint holder(s) (if any) :

3. Registered Folio No./ DP ID No./ Client ID No.* :
   *(Applicable to investors holding shares in dematerialized form)

4. Numbers of share(s) held :

5. E-voting Event Number (EVEN) :

6. User ID :

7. Password :

8. I/ We hereby exercise my/ our votes in respect of the Resolutions set out in the Notice of the Annual General Meeting dated 22nd April, 2014 by sending my/ our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Business				
1.	Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014			
2.	Confirm the payment of interim dividend and declare a final dividend for the year 2013-14 on Equity Shares			
3.	Re-appointment of Mr. R. Gopalakrishnan, who retires by rotation			
4.	Appoint Auditors and fix their remuneration			
Special Business				
5.	Appointment of Mr. B. D. Banerjee as an Independent Director			
6.	Appointment of Mr. E. A. Kshirsagar as an Independent Director			
7.	Appointment of Mr. Prakash R. Rastogi as an Independent Director			
8.	Appointment of Dr. Y. S. P. Thorat as an Independent Director			
9.	Appointment of Dr. Punita Kumar-Sinha as an Independent Director			
10.	To approve revision in Managing Director's salary			
11.	Ratification of Cost Auditors' remuneration			

P.T.O

Resolution No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
12.	To approve borrowing limits of the Company			
13.	Creation of Charge on the assets of the Company			

Place:

Date: ______________________________ Signature of the Shareholder/ Authorized Representative

Notes: Please read the instructions carefully before exercising your vote.

INSTRUCTIONS

Process and manner for Members opting to vote by using the Postal Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. N. L. Bhatia, Practicing Company Secretary, not later than the close of working hours (1700 hours) on 23rd June, 2014. For this purpose, a self-addressed prepaid envelope is enclosed and postage will be paid by the Company, if posted in India. The envelope bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, envelopes containing the Ballot Form(s), if deposited in person or sent by courier or registered/ speed post at the expense of the Member, will also be accepted.
2. The Form should be signed by the Member as per the specimen signature registered with the Company/ Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. There will be one Form for every Folio/ Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
3. For shares held by companies, bodies corporate, trusts, societies, etc. the duly completed Form should be accompanied by a certified true copy of the Board Resolution/ Authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided for assent/ dissent. Members may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed the member’s total shareholding. If the shareholder does not indicate either “FOR” or “AGAINST” in case of any resolution, it will be treated as “ABSTAIN” for that resolution and the shares held will not be counted under either head.
5. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 16th May, 2014 (“Cut Off Date”) as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.
6. Duly completed Forms should reach the Scrutinizer not later than the close of working hours (1700 hours) on 23rd June, 2014. Ballot Forms received after 23rd June, 2014 will be strictly treated as if the reply from the Members has not been received.
7. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date specified at Sr. No.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The Scrutinizer’s decision on the validity of a Ballot will be final.
10. Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
11. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer’s Report, shall be published in newspapers, placed on the Company’s website **www.rallis.co.in** and communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.
12. Members may address any query to Mrs. P. S. Meherhomji, Company Secretary, at the Registered Office of the Company, Tel. No. 67761657, Fax No. 67761775 or by e-mail to pmeherhomji@rallis.co.in

Notes:

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting, i.e. either by post or through e-voting. If a Member casts votes by both modes, then voting done through a valid physical ballot form shall prevail and e-voting of that Member shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Annual General Meeting Notice.
4. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.