



# RALLIS

A **TATA** Enterprise



60th Annual Report | 2007- 08

## AWARDS & RECOGNITIONS







# RALLIS

**A TATA Enterprise**

Sixtieth annual report 2007-2008

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<b>Annual General Meeting</b>	:	Friday, 30th May, 2008
<b>Time</b>	:	4.00 p.m.
<b>Venue</b>	:	Bombay House Auditorium, Bombay House, Homi Mody Street, Mumbai 400 001

### BOOK CLOSURE DATES

15TH MAY, 2008 TO 30TH MAY, 2008



**Rallis India Limited**

**Board of Directors**

**R. Gopalakrishnan** (*Chairman*)  
**Homi R. Khusrokhhan**  
**B. D. Banerjee**  
**E. A. Kshirsagar**  
**S. Ramanathan**  
**Prakash R. Rastogi**  
**Bharat Vasani**  
**Venkatrao S. Sohoni**  
**V. Shankar** (*CEO & Executive Director*)

**Executive Team**

**V. Shankar** *CEO & Executive Director*  
**A. K. Shetty** *Chief Operating Officer – Agri Business*  
**D. K. Sundar** *Executive Vice President – Finance & Legal*  
**B. S. Uberoi** *Executive Vice President – Corporate Affairs*  
**K. Amuthan** *Vice President – Human Resources & Business Excellence*  
**Shashi Kapoor** *Chief Internal Auditor*  
**S. K. Chaturvedi** *Vice President – Domestic Sales*  
**Ulhas Khandeparkar** *Vice President – Manufacturing*  
**K. R. Venkatadri** *Vice President – International Business*

**Registered Office**

Apeejay House 7th Floor  
 3 Dinshaw Vachha Road  
 Churchgate Mumbai 400 020  
 Tel. No. 6665 2700  
 Fax No. 6665 2842  
 E-mail address: investor\_relations@rallis.co.in  
 Website: www.rallis.co.in

**Share Registrars and Transfer Agents**

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

**GM – Legal & Company Secretary**

P. S. Meherhomji

**Auditors**

Deloitte, Haskins & Sells

**Solicitors & Advocates**

Crawford Bayley & Company

**Bankers**

State Bank of India  
 Citibank N.A.  
 Corporation Bank  
 BNP Paribas  
 Industrial Development Bank of India Limited  
 Axis Bank Limited  
 ICICI Bank Limited  
 Oriental Bank of Commerce





## CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my pleasure to address the shareholders in this, the sixtieth year of Rallis India Ltd.

### **Agriculture: the next boom 'industry'**

Agriculture has reached a critical juncture in its development. The world as a whole is faced with a situation where the rising demand for food is not being met adequately. Despite having the highest ever food grain production, the world food stock levels are the lowest and food prices are at their highest. There are three factors affecting the food balance across the globe –

1. The improved standard of living and per capita income increase in the world's most populous countries of Asia are causing an increase in the per capita consumption of basic food products like cereals.
2. The increasing wealth in these countries leading to increased consumption of foods and proteins.
3. The dramatic growth in bio-fuel production, driven initially by government initiatives to reduce the environmental effect of gasoline.

The sky-rocketing value of produce from Mother Earth has taken the whole world by surprise – minerals, natural resources and food. They are all driven by the first two of the above three factors. However, the third factor is unique to food production.

During 2007-08, Indian agriculture grew at a much lower pace (2.6%) compared to the previous year (3.8%). In spite of that, the output of food grain is at a record 227 MT. Had there not been some unfavorable weather, the output might have been even higher. Although this is a record food grain production, there continues to be long term concerns due to inadequate capital investment in agricultural sector and stagnation in the productivity of major crops.

As I mentioned in my previous years, this is a long term trend not only in India but in the world.

**"The penalties of inadequate investments in agriculture hits poor countries a lot more than developed countries."**

The Prime Minister has urged to find ways through which farmers can benefit from economies of scale in certain farm operations such as provision of farm inputs, credit and marketing support while retaining family-based small holders. He has also propagated technological advances and institution building can have a major impact on the productivity and well-being of small and marginal farmers.

History suggests that technological break-through and rapid production increases usually follow the onset of a crisis. So, these unsettling developments could lead to a sustainable increase in the agricultural production as well as productivity. Both these should provide a favourable environment for both crop nutrition as well as crop protection products.

### **Company Performance and Plans**

With continued focus on its key strategic drivers, your Company made significant progress during the year. Some of the key positives underlying this performance were:

1. Focus on innovation and new products – While the new products launched in the previous year such as APPLAUD and TAQAT have performed well, new launches during the year like TAKUMI and SEDNA have also been well received by farmers. Revenues from new products, termed as "innovation turnover" was 30% for the year.



**Rallis India Limited**

2. Growth in International Business – International Business realized gains during the year. New contracts came through in products such as Acephate, Pendimethalin and Metribuzin with customers added. We also obtained several new registrations across various countries.
3. Constant drive for cost reduction and productivity – Implementation of several cost reduction ideas in manufacturing and procurement through DISHA -1 contributed effectively to the year's performance. Your Company also achieved the highest ever production in Acephate, Hexaconazole, Metconazole, Triazole, Pendimethalin, Metribuzin and PEKK. Your Company's business excellence initiatives were well recognized. Your Company received the Emerging Industry Leader Award under the Tata Business Excellence Model and RBNQA Special award for Performance Excellence.
4. Farmer Relationships – Through its sustained distribution and relationship networks, your Company continued to build on its connect with the farmers and penetration across the rural markets.

After significant improvements in its operations performance your Company is geared up for a growth phase in the next financial year. The Company plans to set up additional manufacturing facilities, for which a site at Dahej in Gujarat has been identified. The Company also plans to look at other avenues of business for growth. Your Company has set up a Board Committee to guide the management in this aspect and has set aside management and financial resources for entry into allied fields. Confidentiality does not permit me to share with you the complete set of opportunities your Company is pursuing but your Company will inform you as progress happens in this area.

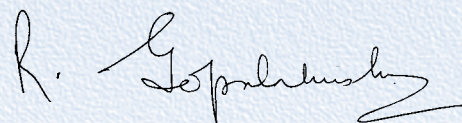
Your Company's performance in the next financial year will be driven on two essential pillars - in the traditional agriculture areas, innovation and in the new business areas, growth. I am confident that your Company with the help of its very competent team of professional managers, will take great strides in the coming financial year.

**Board of Directors**

I am sure the shareholders will be happy to know that Dr. V.S. Sohoni has re-joined your Board as a Non-Executive Director from March 1, 2008. I am confident that Dr. Sohoni's considerable experience in the agrochemical and pharmaceutical sector and particularly his immense contribution in achieving the turnaround of the Company would be of substantial benefit to enrich the deliberations of the Board.

**Acknowledgement**

I would like to end by expressing my sincere appreciation for the continued support of the Tata Group, shareholders, suppliers, commercial partners and employees during the year.



Chairman

Mumbai  
28 April 2008





# RALLIS INDIA LIMITED

## NOTICE OF MEETING

NOTICE is hereby given that the 60th Annual General Meeting of Rallis India Limited will be held at Bombay House Auditorium, Bombay House, Homi Mody Street, Mumbai 400 001, on Friday, the 30th May, 2008 at 4.00 p.m. to transact the following business:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date together with the Report of the Directors and that of the Auditors thereon.
2. To declare a dividend on the 7.5% Cumulative Redeemable Preference Shares.
3. To declare a dividend on Equity Shares.
4. To appoint a Director in place of Mr. H. R. Khusrokhhan who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. E. A. Kshirsagar who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

7. **Appointment of Dr. V. S. Sohoni as a Director**

To appoint a Director in the place of Dr. V. S. Sohoni who was appointed an Additional Director of the Company by the Board of Directors with effect from 1st March, 2008 and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 ('the Act') and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a shareholder proposing his candidature for the office of Director.

8. **Payment of Commission to Directors**

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

**RESOLVED THAT** pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), such sum by way of commission, not exceeding one percent per annum of the net profits of the Company computed in the manner referred to in Sections 198, 349 and 350 of the Act for each of the five financial years of the Company commencing from 1st April, 2008 be paid to and distributed amongst such Directors of the Company (other than the Managing Director and/or Wholtime Director(s), if any), in such amounts or proportions and in such manner and in all respects as may be directed by the Board from time to time.



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**Rallis India Limited**

*Notes:*

1. The Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 7 and 8 above is annexed hereto. The relevant details of Directors seeking re-appointment/ appointment under Item Nos. 4, 5 and 7 above, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
2. The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 15th May, 2008 to Friday, 30th May, 2008 (both days inclusive).
3. If dividend on preference shares and equity shares, as recommended by the Directors, is passed at the Meeting, the payment of such dividend will be made on or after 31st May, 2008 to the shareholders whose names are on the Company's Register of Members on 15th May, 2008. The dividend in respect of equity shares held in electronic form will be payable to the beneficial owners of the shares as on beginning of 15th May, 2008, as per details furnished by the Depositories for this purpose. In respect of preference shares, dividend will be paid to the beneficial owners of the shares as on 30th May, 2008 (record date), as per details furnished by the Depositories for this purpose.
4. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided Electronic Clearing Service (ECS) facility to the Members for remittance of dividend. ECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form are requested to contact their respective Depository Participants.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
6. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrars and Transfer Agents, TSR Darashaw Ltd. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrars and Transfer Agents.
7. As per the provisions of the Companies Act, 1956 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents.
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Members who have not yet encashed the 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.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2002 and subsequent years, are requested to make their claims to the Company, without any delay.

9. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
10. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD 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 limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.



By Order of the Board of Directors

P. S. MEHERHOMJI  
GM – Legal & Company Secretary

Dated: 15th April, 2008

*Registered Office:*

Apeejay House 7th Floor  
3 Dinshaw Vachha Road  
Churchgate  
Mumbai 400 020



**Rallis India Limited**

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

Pursuant to Section 173 of the Companies Act, 1956 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 7 and 8 of the accompanying Notice dated 15th April, 2008.

### **Item No. 7:**

Dr. V. S. Sohoni was appointed Additional Director of the Company by the Board of Directors with effect from 1st March, 2008 pursuant to Section 260 of the Act and Article 116 of the Articles of Association of the Company. As such, he holds office as Director upto the date of this Annual General Meeting and is eligible for appointment. Notice under Section 257 of the Act has been received from a Member indicating her intention to propose Dr. Sohoni for the office of Director at the forthcoming Annual General Meeting.

Dr. Sohoni is a B.Tech (Hons.) from IIT, Kharagpur and PhD in Information Systems from IIT, Mumbai. He has over 40 years' experience in the Corporate Sector, which includes over 30 years' experience as General Manager/ Managing Director/CEO of Agrochemicals and Pharmaceutical Companies. He has had experience in driving growth, building businesses and rejuvenating organizations. As Managing Director of your Company from August 2003 to May 2007, Dr. Sohoni was instrumental in the turnaround and growth of the Company.

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

Dr. V. S. Sohoni is interested and concerned in the Resolution mentioned in Item No. 7.

### **Item No. 8:**

The Members of the Company at their 55th Annual General Meeting held on 18th September, 2003 had approved the payment of remuneration by way of Commission to the non-whole time Directors of the Company not exceeding one percent per annum of the net profits of the Company computed in the manner referred to under Section 198 of the Companies Act, 1956. The remuneration was to be distributed amongst such of the Directors (other than the Managing Director and/or Wholetime Directors) and in such proportion and manner as the Board may decide for each of the five financial years of the Company from 1st April, 2003.

Since the said resolution was valid upto 31st March, 2008, as per the provisions of Section 309 of the Companies Act, 1956, it is proposed to pass a Special Resolution enabling the payment of commission to Directors (other than the Managing Director and/or Wholetime Director(s), if any) for five financial years commencing from 1st April, 2008.

All the Directors of the Company except Mr. V. Shankar are concerned or interested in the Resolution mentioned at Item No. 8 of the accompanying Notice to the extent of Commission that may be received by them.

By Order of the Board of Directors

P. S. MEHERHOMJI

GM – Legal & Company Secretary

Dated: 15th April, 2008

*Registered Office:*

Apeejay House 7th Floor  
3 Dinshaw Vachha Road  
Churchgate Mumbai 400 020