



RALLIS INDIA LIMITED

Rallis India Limited Acquires Majority stake in Metahelix Life Sciences **Firms up presence in entire Seeds value chain**

Mumbai, 9 December, 2010: Rallis India Limited, a subsidiary of Tata Chemicals Limited, today announced acquisition of a majority stake of 53.5% in Metahelix Life Sciences, a Bangalore based Seeds research Company with a portfolio of seeds successfully commercialized over the last three years. The acquisition is an all cash deal of ₹ 99.5 Crs, funded largely through internal accruals.

Seeds has been identified as one of the key pillars for Rallis under its 'Rallis Poised' growth agenda. This is in line with the strategy of Tata Chemicals to offer the entire suite of Agri-inputs for the benefit of farm community. Having a strategic connect to agriculture, seeds will provide a value creating proposition for future growth at Rallis. Metahelix Life Sciences is the Company's first inorganic foray in the Seeds space providing a strong platform in the entire value chain that comprises breeding, production and marketing of seeds.

Rallis will subscribe to an additional equity of ₹ 25 Crs. to increase its stake in Metahelix to 59.02% on a fully diluted basis. Furthermore, pursuant to the terms of the definitive agreements signed, Rallis will enhance its shareholding to 100% in Metahelix over a period of five years.

Speaking on the occasion, Mr. V. Shankar, Managing Director & CEO, Rallis India said, "This acquisition aims at predominantly driving the agricultural productivity and yield enhancement in the country. Farmer adoption of good hybrid seeds is rapidly growing and with this new acquired strength, Rallis will be in a firm position to provide a trustworthy portfolio of seeds to the Indian Farmers."

The competencies of Rallis in terms of farmer relationships and channel partnerships would also leverage the offerings from Metahelix. The offerings will supplement the Rallis portfolio and the robust distribution channel available through the Tata Kisan Sansar (TKS) platform will enable a wider reach. This also is an opportunity to drive the synergies that exist between Rallis and Tata Chemicals Limited.

Elaborating on the business prospects, Mr. Shankar added, "We believe that the revenues from the entity will exceed ₹1000 Crs. cumulatively over a 5-year period. The deal works out to twice the projected revenues of next year".





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About Rallis India Limited

Rallis, a subsidiary of Tata Chemicals Limited is known for its manufacturing capabilities in crop protection chemicals and various types of chemistries with ability to develop new processes and formulations supported by the capability to register new products. It has contract manufacturing alliances with several multinational agrochemical companies.

Rallis is one of India's leading agrochemicals companies, with a century old tradition of serving rural markets and a comprehensive portfolio of Crop Protection solutions, Seeds and Plant Growth Nutrients for Indian farmers. The Company is known for its deep understanding of Indian agriculture, sustained relationships with farmers, quality agrochemicals, branding and marketing expertise and its strong product portfolio.

During the financial year 2009-10, the Company had posted Net Profit of ₹ 101 Crs. and Revenues of ₹ 933 Crs.

About Metahelix Life Sciences (MLS)

Started by well accomplished Indian scientists to focus on seed research, MLS has a systematic R&D programme and a team of 50 scientists working in various aspects of seed research. The research facilities are based in Bangalore, Hyderabad and Ahmedabad including many product testing locations across the country. Metahelix has a good product portfolio in rice, maize, millets and vegetable seeds along with good germplasm with many exciting products in the pipeline. It has nationwide sales presence through Dhaanya Seeds, sold through ~1000 distributors and a team of 120 strong field force and agronomists. Metahelix is the first Indian Company to have a proprietary Bt trait, cry1C approved in cotton.

About Rallis Poised (Enclosed)

About Tata Kisan Sansar (Enclosed)

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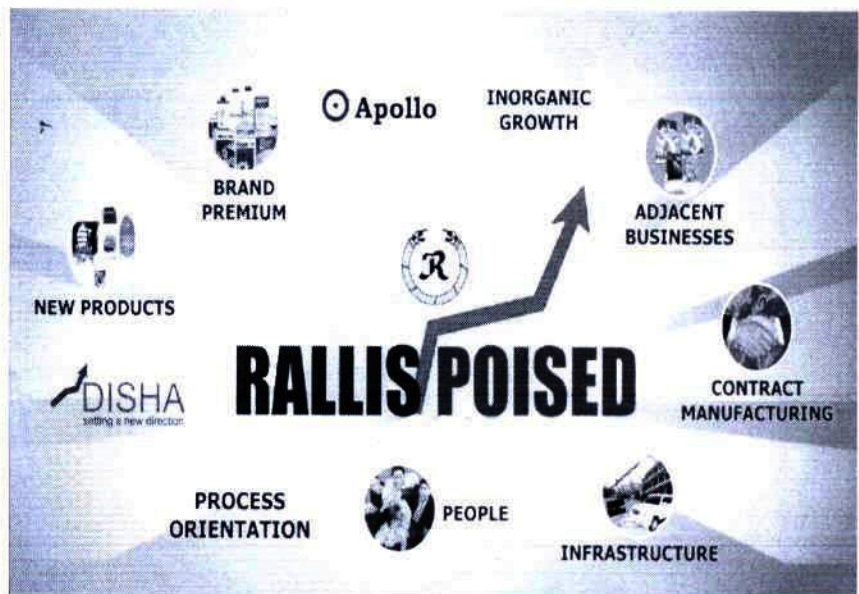


Rallis Poised Growth Agenda

Rallis India Limited is one of India's leading agrochemicals companies, with more than 150 years of experience in servicing rural markets, and the most comprehensive portfolio of crop care solutions for the Indian farmers.

Following a consistent satisfactory performance, the Company launched a growth agenda in May 2007 titled *Rallis Poised*. This was targeted to achieve growth driven by sustained improvement in profits and profitability. To achieve this, required a change in the organization mindset and a high performance culture set to a redefined Vision, Mission and Strategic Target for sustained profitable growth.

At the core of this agenda is People, the critical component of success brought about by an able team living the cultural pillars of collaborative response and expeditious execution. Supporting the team is appropriate infrastructure in manufacturing Units, field and offices. A process driven organization, Rallis delivers performance built on the edifice of strong



processes. The enablers and delivery mechanism therefore are process orientation and infrastructure leveraged by the competent team at Rallis. The *Rallis Poised* agenda has seven growth drivers, viz., Disha, New Products, Brand Premium, Apollo, Inorganic Growth, Adjacent Businesses and Contract Manufacturing. These pillars address key components of :

1. Customer : New Products, Contract Manufacturing
2. Continuous performance improvement : Disha, Brand premium
3. Business Portfolio & Growth: Apollo, Inorganic growth, Adjacent business

APOLLO: Project Apollo is the focused initiative to grow International Business

ADJACENT BUSINESSES: With its strength in Agriculture and Manufacturing, Rallis will seek growth in adjacent areas such as Seeds, Plant Growth Nutrients, Agricultural Services (MoPu, etc), AI intermediates, etc.

DISHA: Project DISHA (Driving Innovative Solutions for Hyper Achievement) is a structured exercise to drive value enhancement and also aimed at achieving cost competitiveness and quality in our business solutions.

Rallis has been pursuing the *Rallis Poised* growth agenda for consistent delivery of improved performance in recent years.

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Tata Kisan Sansar - One stop shop for all farm solutions

Tata Chemicals Limited (TCL) set up the 'one-stop farmers' solution shop with a clear objective of empowering the farmers by way of improving farm income. Therefore the Tata Kisan Sansar (TKS-Tata Farmers' World)-a rural agri-retail outlet offering entire range of agri services including quality agri input products was set up in 2003.

Tata Kisan Sansar is a unique initiative which relies on providing agri-inputs and advisory services to farmers under one roof. It offers a wide range of farm related services to farmers such as soil sampling and analysis, judging crop health and providing advice about need of various nutrients at different growth-stages of plant, protection from pest attacks, direct application of crop nutrients at farmers field to name a few. This helps farmers adapt quickly according to changing conditions. This results in healthier crops, higher yields and enhanced farm incomes for farmers. TKS is now operational in 7 states with more than 700 outlets accessible to about 3 million farmers.

The concept and vision of TKS has evolved over the years and is based on identifying critical needs of the farmer. The three most critical needs are access to markets/retail spaces, credit facilities and information/advice. Tata Chemicals' supply chain model that evolved is a 'hub and spoke' model. The hub acts as the Resource Center to cater to the needs of the TKS in their vicinity. Each Resource Center supports primarily 15-20 TKS franchisee outlets in a radius of 50-60 km, where each TKS caters to 30-40 villages covering approximately 20,000 acres. A Resource Center therefore supports and is accessible to about 1,80,000 farmers holding about 3,60,000 acres of land collectively.

TKS has been pivotal in providing value-added service to farmers, which has helped improve their quality of living. The network offers multiple benefits that address a wide range of needs that the farmers experience in their constant struggle towards prosperity and progress.

Using technology to improve yields

The decreasing response to fertilizers and declining soil health is one of the major threats to the food security of the Indian nation. TCL took up this challenge and has established Centre for Agri-solutions and Technology (CAT) at Aligarh. This R&D set-up has experienced and qualified scientists who are mapping the soil health and developing appropriate products and services. The efforts are on to break yield barriers with appropriate combination of nutrients applied in correct proportion and rate, that can simultaneously enhance the productivity as well safeguard our environment.

Innovative offerings

Foliar Nutrition Service (FNS) is another unique offering from TKS that helps the farmer to complement the nutritional requirements of his crop with best possible cost-benefit ratio. This not only improves the yields but also adds to the quality of the agri-produce. Keeping pace with the growing mobile telephony in the rural area, TKS has recently launched mKHETI (Mobile Farming) that ensures availability of expert advice, weather forecast and market prices at an affordable cost. TKS under a unique membership program has 40,000 farmer members in North and North East parts of the country who benefit from agri advisory, soil testing and accident insurance cover for their family.

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