



Bayer CropScience

Bayer CropScience Limited

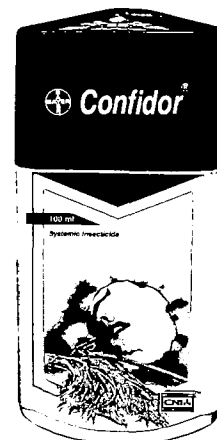
50th
Annual Report
January 2007- March 2008

Report  Junction.com

SEED 2 HARVEST



Regent GR & SC
Modern insecticide brands
with unique mode of action.
Preferred by farmers to
control pests on many crops.



Confidor
The biggest brand in the Industry.
This product has earned a strong position
for control of sucking pests.
Widely trusted as the product of choice,
it continues to grow to new heights.



Report Junction

to the customer

a reality through the Seed to Harvest concept.

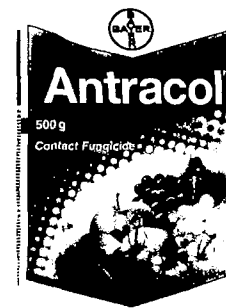
ers through bundling options with
Products and Seeds!



Proagro Sampann
Rejuvenating corn business.



Proagro Millet
India's largest selling
hybrid millet seed.



Antracol

Excellent broad - spectrum fungicide which supports good crop health. Increasingly used by Indian farmers.



Fame

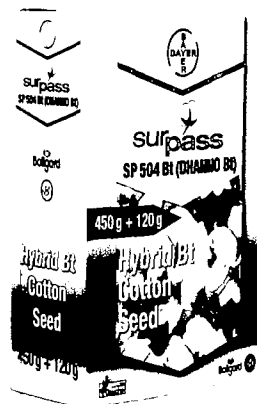
The latest generation insecticide with unique mode of action. Used in very low dose with excellent results on a variety of crops.

Seed
Har

One face t

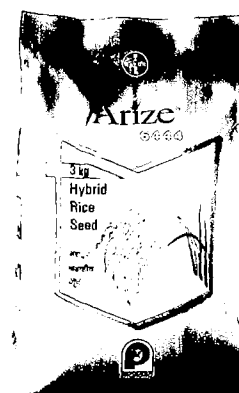
Bayer's Business Strategy has become :

Creating value for our custom
Crop Protection



Dhanno

High performance cotton seed hybrid.



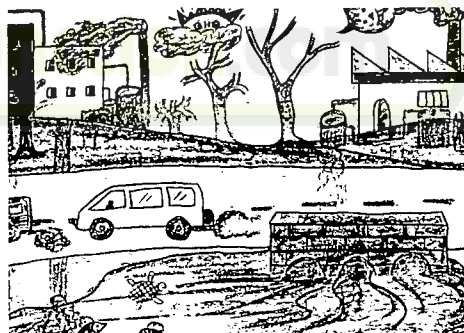
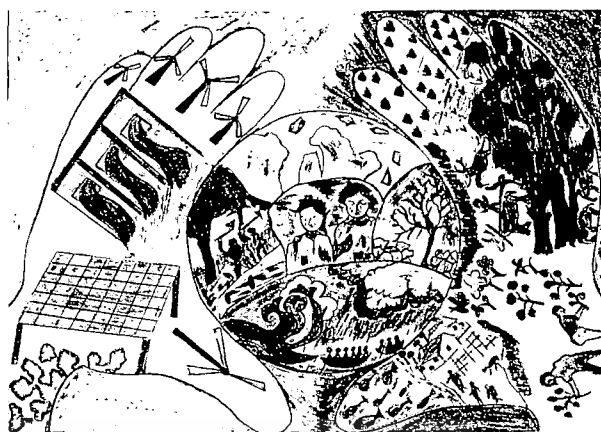
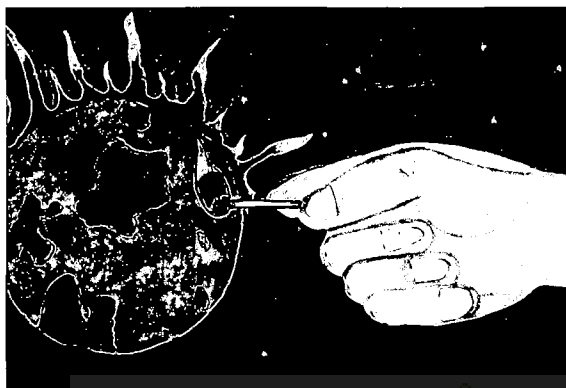
Arize

The largest selling hybrid rice in India.



Bayer CropScience

Seeing the world through childrens' eyes.



Bayer plays a pioneering role in climate protection. In 2007, the company bundled its extensive climate-related activities in a Group-wide program, in which it has not only set itself ambitious targets for its production facilities but through which it will also invest specifically in the development of climate-friendly products and processes. In keeping with this commitment, last year, the Bayer Group in India organized a drawing competition for employees' children, with the theme, "Climate Change". Through their contributions, children expressed their thoughts and hopes for a better and safer environment. Some of the drawings are illustrated on this page.



Bayer CropScience

Bayer CropScience Limited
Annual Report 2007-08

Directors

Dr. Vijay Mallya	— Chairman
Mr. Stephan Gerlich	— Vice Chairman & Managing Director
Mr. Sharad M. Kulkarni	
Mr. Johannes M. Dietsch	
Mr. A. K. R. Nedungadi	
Mr. Bernd Naaf	
Mr. Vimal Bhandari	
Mr. Kaikobad Mistry	— Whole-time Director

Vice-President — Legal & Company Secretary

Shirin V. Balsara

Bankers

Bank of America
BNP Paribas
Central Bank of India
Citibank N.A.
Deutsche Bank
HDFC Bank Limited
Societe Generale
State Bank of India
Union Bank of India

Auditors

Price Waterhouse

Solicitors

Crawford Bayley & Co.

Registered Office

Bayer House, Central Avenue,
Hiranandani Gardens, Powai,
Mumbai-400 076.
Tel. No. 91 22 2571 1234
Fax No. 91 22 2570 0147

Registrars and Share Transfer Agents

TSR Darashaw Limited,
6-10, Haji Moosa Patrawala
Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai-400 011.
Tel. No. 91 22 66568484
Fax.No. 91 22 66568494

Factories

- (1) Kolshet Road,
Thane-400 607, Maharashtra.
- (2) Plot Nos. 6009 - 10 & 6301 - 10A,
GIDC Industrial Estate,
Ankleshwar-393 002, Gujarat.
- (3) Plot Nos. 66/1 to 75/2,
GIDC Industrial Estate,
Himatnagar-383 001, Gujarat.

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Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.

Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

Members are requested to send their queries, if any, relating to the accounts of the Company, well in advance, so that the necessary information can be made available at the Meeting.



Notice to Shareholders

NOTICE is hereby given that the Fiftieth Annual General Meeting of Bayer CropScience Limited will be held on Tuesday, 9th September, 2008 at 2.00 p.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhosale Marg, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the period ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the period ended 31st March, 2008.
3. To appoint a Director in place of Dr. Vijay Mallya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A.K.R. Nedungadi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Vimal Bhandari who was appointed as an Additional Director of the Company with effect from 1st July, 2008 by the Board of Directors and holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) read with Article 117 (2) of the Articles of Association of the Company, but being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a shareholder signifying his intention to propose Mr. Vimal Bhandari as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation."

7. 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 Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, if applicable, approval of the Company be and is hereby accorded to the appointment of Mr. Kaikobad Mistry as the Whole-time Director of the Company for a period of five years commencing from 1st July, 2008 upon and subject to the terms, conditions and stipulations hereinafter mentioned and be paid and provided with the following remuneration, perquisites and amenities:

- | | |
|---|--|
| (a) Salary | : i. Rs. 5,74,748/- (Rupees Five Lakhs Seventy Four Thousand Seven Hundred Forty Eight only) per month.
ii. An amount equivalent to Euro 7,612 (Euro Seven Thousand Six Hundred Twelve only) per month in Indian Rupees at the prevailing exchange rate.
iii. Special Allowance – Rs. 1,43,687 (Rupees One Lakh Forty Three Thousand Six Hundred Eighty Seven only) per month. |
| (b) Annual Increment | : An amount as may be decided by the Board of Directors from time to time. |
| (c) Annual Performance Award/Bonus/Incentive/Ex-gratia | : An amount as may be decided by the Board of Directors from time to time. |
| (d) Long Term Incentive | : An amount decided as per the Global Policy of Bayer AG, Germany for Senior Management. |
| (e) Perquisites | : As per the provisions of Section 198 and 309 of the Companies Act, 1956 and Schedule XIII to the said Act for the time being in force or any statutory modification or re-enactment thereof.
The perquisites (including allowances) payable are as follows: |
| (i) Housing | : The Company shall provide free furnished accommodation. |
| (ii) Club fees | : Entrance and annual fees of one club. |
| (iii) Children's education expenses | : Actual educational expenses shall be paid. |

Notice to Shareholders (Contd.)

- | | |
|--|---|
| (iv) Allowances/Reimbursement of expenses incurred on joining duty and returning to the Director's home country after completion of tenure of his service | : Actual expenses incurred on travel and on packing, forwarding, loading/unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses, relocation allowances, electrical appliances allowance in connection with the moving of personal effects for self and family for joining duty in India may be allowed in case these have not been claimed from the previous employer. After completion of the tenure, such expenses may be reimbursed if the Whole-time Director is finally leaving the employment of the Company. |
| (v) Retirement Benefits | : Retirement benefits under the Employee Benefit programme/scheme as per the Global Policy of Bayer AG. |
| (vi) Free use of Motor Car | : Free use of a motor car with chauffeur for his use; alternatively the Company shall bear all running, maintenance and repair expenses plus the remuneration of a chauffeur for his own car. |
| (vii) Entertainment Expenses | : Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company. |
| (viii) Insurance | : As per the Global Insurance Policy of Bayer AG. |
| (ix) Culture & Language Training | : As per the Global Policy of Bayer AG. |
| (x) Foreign Travel Allowance | : As per the policy of the Company. |

RESOLVED FURTHER THAT the remuneration, aforesaid, including expressly the benefits and amenities aforesaid, shall be paid and provided as minimum remuneration to Mr. Kaikobad Mistry subject to the approval of the Central Government, if necessary, or any other authority notwithstanding the absence or inadequacy of profits in any accounting year of the Company during the tenure of his office as the Whole-time Director of the Company.

RESOLVED FURTHER THAT in the event of any relaxation made by the Government in the guidelines or ceiling on Managerial Remuneration during the period of this agreement, the remuneration (including "Minimum Remuneration") payable to the Whole-time Director shall be increased as the Board may deem fit in accordance with the guidelines or ceiling.

RESOLVED FURTHER THAT the Board, may subject to the requisite approvals of the Central Government, if required, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Kaikobad Mistry including the monetary value thereof, upto the limits prescribed in that behalf under or pursuant to the Companies Act, 1956 or any statutory amendment, modification or re-enactment thereof from time to time in force and/or the guidelines for managerial remuneration issued by the Central Government from time to time, from the date of the statutory amendment, modification, re-enactment and/or the guidelines coming into force.

RESOLVED FURTHER THAT so long as Mr. Kaikobad Mistry functions as Whole-time Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

RESOLVED FURTHER THAT Mr. Kaikobad Mistry shall not be liable to retire by rotation during his tenure as Whole-time Director of the Company.

RESOLVED FURTHER THAT Mr. Stephan Gerlich, Vice Chairman & Managing Director or Shirin V. Balsara, Vice President – Legal & Company Secretary or Mr. Pradnesh Kamat, Senior Manager – Secretarial & Legal, be and are hereby severally authorised to sign and file such forms and documents as may be required and to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy in order to be effective shall be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (b) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (the 'Act'), in respect of the business under Item Nos. 6 and 7 is annexed hereto and forms part of this Notice. The details under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Mumbai, in respect of Directors seeking approval for re-appointment at the Annual General Meeting form part of the Corporate Governance Report.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 26th August, 2008 to Tuesday, 9th September, 2008 (both days inclusive).



Notice to Shareholders (Contd.)

- (d) The dividend of Rs. 2.40 (24%) per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 50th Annual General Meeting to be held on 9th September, 2008 will be paid at par within 30 days of 9th September, 2008:
- To those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Tuesday, 9th September, 2008.
 - In respect of shares held in electronic form, to the beneficial owners of the Shares as at the close of business hours on Tuesday, 26th August, 2008, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
- (e) The shareholders are requested to address all correspondence to TSR Darashaw Limited, the Registrars & Share Transfer Agents of the Company at the following address:
- TSR Darashaw Limited,
Unit : Bayer CropScience Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011
Tel. No. 91 22 6656 8484
Fax No. 91 22 6656 8494
E-mail : csg-unit@tsrdarashaw.com
- (f) Members holding shares in physical form are requested to notify/send the following to the Company's Registrars and Share Transfer Agents on or before 25th August, 2008 to facilitate better service:
- (i) any change in their address/mandate/bank details;
 - (ii) particulars of their bank account in case the same have not been sent earlier; and
 - (iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
- (g) Members holding shares in the dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name, etc. to their depository participant only and not to the Company's Registrars and Share Transfer Agents. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Share Transfer Agents to provide efficient and better service to the Members.
- (h) **The Members are requested to encash the Dividend Warrants immediately on its receipt, as pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 (the Act) dividends remaining unpaid or unclaimed for seven years from the date they were transferred to the unpaid dividend account are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government under Section 205C of the Act. Members shall not be able to claim any unpaid dividend from the said Fund or the Company thereafter.**
- (i) Members can avail of the facility of nomination in respect of shares held by them by sending their nomination in the prescribed Form No. 2B duly filled in to the Company's Registrars and Share Transfer Agents, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
- (j) Kindly forward all accounts related queries well in advance, so as to reach the Company atleast 10 days before the Annual General Meeting.
- (k) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon upto the date of the Annual General Meeting.

By Order of the Board of Directors

SHIRIN V. BALSARA
Vice President - Legal & Company Secretary

Mumbai, 30th June, 2008

Registered Office:
Bayer House, Central Avenue,
Hiranandani Gardens, Powai,
Mumbai - 400 076.

Annexure to Notice

The following Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 sets out all material facts relating to the business mentioned in item Nos. 6 and 7 in the accompanying notice dated 30th June, 2008:

EXPLANATORY STATEMENT**Item No. 6**

Mr. Vimal Bhandari was appointed as an Additional Director of the Company with effect from 1st July, 2008 by the Board of Directors and he holds office upto the date of the ensuing Annual General Meeting. A notice in writing under Section 257 of the Companies Act, 1956 has been received from a shareholder of the Company signifying his intention to propose Mr. Bhandari as a candidate for the office of Director.

Brief profile of Mr. Bhandari along with the required particulars is given in paragraph 4.3 of the Report on Corporate Governance for the information of members.

The Board recommends the appointment of Mr. Bhandari as a Director of the Company. Except Mr. Bhandari, none of the Directors are concerned or interested in the passing of this resolution.

Item No. 7

Mr. Kaikobad Mistry was appointed as a Director in casual vacancy, caused due to resignation of Ms. Christiane Kunze, and also as the Whole-time Director of the Company with effect from 1st July, 2008.

A brief profile of Mr. Mistry along with the required particulars is given in paragraph 4.4 of the Report on Corporate Governance for the information of the members.

The remuneration payable to Mr. Kaikobad Mistry as the Whole-time Director of the Company is within the limits as prescribed under Schedule XIII of the Companies Act, 1956.

The agreement entered into with Mr. Mistry is available for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon upto the date of the Annual General Meeting. Abstract as required under Section 302 of the Companies Act, 1956 has already been circulated to all the Members of the Company.

The Board recommends the appointment of Mr. Kaikobad Mistry as the Whole-time Director of the Company for a period of five years from 1st July, 2008. Except Mr. Kaikobad Mistry, no Director is concerned or interested in the passing of this resolution.

By Order of the Board of Directors

SHIRIN V. BALSARA
Vice President - Legal & Company Secretary

Mumbai, 30th June, 2008

Registered Office:
Bayer House, Central Avenue,
Hiranandani Gardens,
Powai, Mumbai-400 076.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fiftieth Annual Report on the business and operations of the Company together with the audited Statements of Accounts along with the Report of the auditors for the fifteen months ended 31st March, 2008.

FINANCIAL PERFORMANCE:

Particulars	Rs. Million	
	1.1.2007 to 31.3.2008	1.1.2006 to 31.12.2006
Sales and Operating Income	12,383.20	7,746.50
Other Income	230.41	337.56
Total Income	12,613.61	8,084.06
Profit before Interest, Depreciation, Impairment loss, Exceptional Items and Taxation	1,112.28	1,254.91
Less: Interest	(58.91)	(73.27)
Profit before Depreciation, Impairment loss, Exceptional Items and Taxation	1,053.37	1,181.64
Less: Depreciation (including Amortisation and Impairment)	(262.84)	(286.92)
Profit for the Period before Exceptional Items and Taxation	790.53	894.72
Less: Exceptional Items (Net)	(110.97)	(4.19)
Profit for the Period Before Tax	679.56	890.53
Less: Current Tax	(284.06)	(312.00)
Add: Deferred Tax	139.39	10.66
Less: Fringe Benefit Tax	(43.86)	(20.61)
Profit for the Period After Tax	491.03	568.58
Add: Profit & Loss balance brought forward from previous year	2,019.23	1,618.42
Amount available for Appropriation	2,510.26	2,187.00
Appropriations:		
Proposed Dividend	94.80	94.80
Provision for Taxation on Proposed Dividend	16.11	16.11
Transferred to General Reserve	49.10	56.86
Profit & Loss balance carried forward	2,350.25	2,019.23

Operations:

The Company's profit after tax reduced to Rs. 491.03 million during the fifteen months period ended 31st March, 2008 as compared to Rs. 568.58 million in the last year, a decrease of 13.64%.

Dividend:

The Board of Directors is pleased to recommend the payment of dividend of Rs. 2.40 per Equity Share of Rs. 10/- each for the fifteen months ended 31st March, 2008 subject to the approval of members (previous year Rs. 2.40 per Equity Share of Rs. 10/- each). The proposed dividend will absorb a sum of Rs. 94.80 million. The Register of Members will remain closed from 26th August, 2008 to 9th September, 2008 both days inclusive.

Exports:

The Company is a recognised Export House. The export turnover (FOB) during the fifteen months period ended 31st March, 2008 was Rs. 1,423.62 million compared to Rs. 1,233.30 million achieved during the previous year.

Public Deposits:

The Company discontinued its Public Deposit Scheme in the year 2003. A sum of Rs. 3,73,000/- relating to 16 deposits remained unclaimed as on 31st March, 2008. No interest is payable on such unclaimed deposits after the maturity dates.