



Bayer CropScience



Bayer CropScience Limited  
51 St. Andrew's Place  
April 2008 - March 2009

ReportFunction.com



Innovation is a central element of the corporate strategy for Bayer CropScience as a research-based crop protection and seed company. To create lasting benefit for customers, consumers, the company and its stakeholders, Bayer CropScience invests substantially in the research and development of new solutions. The Company continued in its progress in 2008, with several promising products.

# Seed<sup>2</sup> Harvest



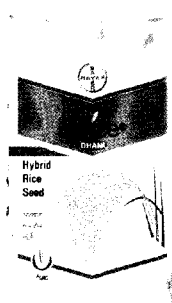
## Sectin®

India's first fungicide for early and late blight in potato



## oberon®

Smart insecticide solution for Mites & White fly



## Arize® Dhani

World's first hybrid rice variety resistant to the dreaded disease - Bacterial Leaf Blight



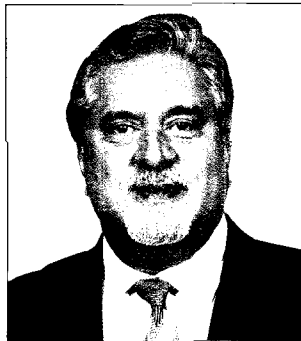
## SurPass® Goldmine Bt

India's high performing Bt cotton hybrid



## BOARD OF DIRECTORS

**Dr. Vijay Mallya**  
Chairman  
Independent Director



**Stephan Gerlich**  
Vice Chairman and  
Managing Director



**Sharad M. Kulkarni**  
Independent Director  
Chairman of  
Audit Committee



**A. K. R. Nedungadi**  
Independent Director  
Chairman of Shareholders  
Investors' Grievance  
Committee



**Johannes Dietsch**  
Non-Executive Director



**Bernd Naaf**  
Non-Executive Director



**Vimal Bhandari**  
Independent Director  
Chairman of Remuneration  
Committee



**Kaikobad B. Mistry**  
Whole-time Director





# CORPORATE SUSTAINABILITY

Child Care Programme - Protecting children's right to education

The Child Care Programme launched by Bayer CropScience is a first-of-its-kind model developed to get working children off the fields of contract farmers and into the school.

A deeply rooted socio-economic problem, child labour is highly prevalent in seed production in India. For the past five years, Bayer CropScience has worked effectively to implement a comprehensive multilevel Child Care Programme (CCP) as a part of its cotton seed production scheme. The Programme has been rolled out in Andhra Pradesh, Karnataka and Tamil Nadu where the Company has contract cotton seed production.

The Child Care Programme consists of multifarious programme-enabling elements such as a sophisticated monitoring programme, an incentive & sanction scheme, Target 400 - a training programme for the enhancement of

farmers' productivity and the safe use & handling of crop protection products.

In line with its policy of "Zero tolerance for child labour," the Company only works with growers who conform by contract not to employ children in their fields.

In order to ensure 'zero child labour' production farms, a number of monitoring teams check the entire production area without prior warning several times per season. Should children be found to be working on cotton seed contract farms, growers are warned and educated. In repeated or severe cases of contract violation, farmers will ultimately face the termination of their supply contract.

As a part of its incentives & sanctions scheme, all growers who do not employ children during the crop season receive a bonus on top of the normal procurement price for their seeds.



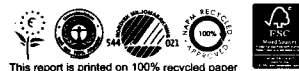
learning for life

A Bayer CropScience Initiative





# Bayer CropScience



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## Bayer CropScience Limited Annual Report 2008-09

### 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 B. 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 6656 8484  
Fax No. 91 22 6656 8494

### Factories

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

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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 Fifty-First Annual General Meeting of Bayer CropScience Limited will be held on Tuesday, 8<sup>th</sup> September, 2009 at 11.00 a.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 Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Mr. Johannes Dietsch, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sharad M. Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

6. Re-appointment of Mr. Stephan Gerlich as Vice Chairman & Managing Director and revision/payment of remuneration

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

"RESOLVED THAT pursuant to the provision of Sections 198, 269, 309, 311, 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 revision in remuneration payable to Mr. Stephan Gerlich, Vice Chairman & Managing Director with effect from 1<sup>st</sup> April, 2009, as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 316, 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 re-appointment of Mr. Stephan Gerlich as the Vice Chairman & Managing Director of the Company for a period of five years commencing from 1<sup>st</sup> July, 2009 and payment of remuneration on the terms, conditions and stipulations as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the remuneration, aforesaid, including expressly the benefits and amenities aforesaid, shall be paid and provided as minimum remuneration to Mr. Stephan Gerlich, 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 Vice Chairman & Managing 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 Vice Chairman & Managing 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, if required of the Central Government, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Stephan Gerlich, 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. Stephan Gerlich functions as Vice Chairman & Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Mr. Stephan Gerlich shall not be liable to retire by rotation during his tenure as Vice Chairman & Managing Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."

7. Variation in terms and conditions of appointment of Mr. Kaikobad B. Mistry

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 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if applicable, the Company hereby accords its approval to vary the terms and conditions of the appointment of Mr. Kaikobad B. Mistry, Whole-time Director with effect from 1<sup>st</sup> April, 2009 as set out under Item No.7 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."

**Notice to Shareholders (Contd.)****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. Proxies submitted on behalf of the Companies, Societies etc. must be supported by appropriate resolutions / authority, as applicable, issued on behalf of the nominating organisation.
- (b) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (the Act), in respect of the Special 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 forms part of the Corporate Governance Report.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 25<sup>th</sup> August, 2009 to Tuesday, 8<sup>th</sup> September, 2009 (both days inclusive).
- (d) The dividend of Rs. 2.80 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 51<sup>st</sup> Annual General Meeting to be held on 8<sup>th</sup> September, 2009, will be paid at par within 30 days of 8<sup>th</sup> September, 2009:
- 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, 8<sup>th</sup> September, 2009.
  - In respect of shares held in electronic form, to the beneficial owners of the shares as at the close of business hours on Tuesday, 25<sup>th</sup> August, 2009, as per the 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 24<sup>th</sup> August, 2009, to facilitate better service:
- any change in their address/mandate/bank details;
  - particulars of their bank account in case the same have not been sent earlier; and
  - 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 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 &amp; Company Secretary

Mumbai, 30<sup>th</sup> June, 2009  
 Registered Office:  
 Bayer House, Central Avenue,  
 Hiranandani Gardens, Powai,  
 Mumbai - 400 076.

## Notice to Shareholders

NOTICE is hereby given that the Fifty-First Annual General Meeting of Bayer CropScience Limited will be held on Tuesday, 8<sup>th</sup> September, 2009 at 11.00 a.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 Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Mr. Johannes Dietsch, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sharad M. Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

6. Re-appointment of Mr. Stephan Gerlich as Vice Chairman & Managing Director and revision/payment of remuneration  
To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Sections 198, 269, 309, 311, 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 revision in remuneration payable to Mr. Stephan Gerlich, Vice Chairman & Managing Director with effect from 1<sup>st</sup> April, 2009, as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 316, 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 re-appointment of Mr. Stephan Gerlich as the Vice Chairman & Managing Director of the Company for a period of five years commencing from 1<sup>st</sup> July, 2009 and payment of remuneration on the terms, conditions and stipulations as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the remuneration, aforesaid, including expressly the benefits and amenities aforesaid, shall be paid and provided as minimum remuneration to Mr. Stephan Gerlich, 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 Vice Chairman & Managing 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 Vice Chairman & Managing 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, if required of the Central Government, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Stephan Gerlich, 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. Stephan Gerlich functions as Vice Chairman & Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Mr. Stephan Gerlich shall not be liable to retire by rotation during his tenure as Vice Chairman & Managing Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."

7. Variation in terms and conditions of appointment of Mr. Kaikobad B. Mistry

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 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if applicable, the Company hereby accords its approval to vary the terms and conditions of the appointment of Mr. Kaikobad B. Mistry, Whole-time Director with effect from 1<sup>st</sup> April, 2009 as set out under Item No.7 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."



**Annexure to Notice (Contd.)**

The agreement entered into with Mr. Gerlich 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. An 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 re-appointment of Mr. Gerlich as the Vice Chairman & Managing Director of the Company for a period of five years from 1<sup>st</sup> July, 2009. Except Mr. Gerlich, no Director is concerned or interested in the passing of this resolution.

**Item No. 7**

Mr. Kaikobad B. Mistry was appointed as the Whole-time Director of the Company for a period of five years from 1<sup>st</sup> July 2008. It is now proposed to vary the terms and conditions of appointment of Mr. Kaikobad B. Mistry, with effect from 1<sup>st</sup> April 2009, as set out hereunder:

**Total Salary Grade (Rs.)** Rs. 1,48,00,000 per annum to Rs. 2,00,00,000 per annum

The aforesaid variation in terms of appointment of Mr. Kaikobad B. Mistry as the Whole-time Director of the Company has been approved at the Meeting of the Remuneration Committee and the Board of Directors and are within the limits as prescribed under Schedule XIII of the Companies Act, 1956.

An 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 variation in terms and conditions of appointment of Mr. Mistry. Except Mr. 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, 30<sup>th</sup> June, 2009

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



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty-First Annual Report on the business and operations of the Company together with the audited Accounts along with the Report of the Auditors for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL PERFORMANCE:

Particulars	Rs. Million	
	1.4.2008 to 31.3.2009	1.1.2007 to 31.3.2008
Net Sales and Other Operating Income	14,825.91	12,383.20
Other Income	215.63	230.41
<b>Total Income</b>	<b>15,041.54</b>	<b>12,613.61</b>
Profit before Interest, Depreciation, Impairment Loss, Exceptional Items and Taxation	1,856.18	1,112.28
Less: Interest	(107.99)	(58.91)
Profit before Depreciation, Impairment Loss, Exceptional Items and Taxation	1,748.19	1,053.37
Less: Depreciation (including Amortisation and Impairment)	(239.92)	(262.84)
Profit for the Period before Exceptional Items and Taxation	1,508.27	790.53
Less: Exceptional Items (Net)	—	(110.97)
<b>Profit for the year Before Tax</b>	<b>1,508.27</b>	<b>679.56</b>
Less: Current Tax	(510.84)	(284.06)
Less: Deferred Tax	(21.03)	139.39
Less: Fringe Benefit Tax	(31.81)	(43.86)
<b>Profit for the year After Tax</b>	<b>944.59</b>	<b>491.03</b>
Add: Profit & Loss balance brought forward from previous period	2,350.25	2,019.23
<b>Amount available for Appropriation</b>	<b>3,294.84</b>	<b>2,510.26</b>
Appropriations:		
Proposed Dividend	110.60	94.80
Provision for Taxation on Proposed Dividend	18.80	16.11
Transferred to General Reserve	94.46	49.10
Profit & Loss balance carried forward	3,070.98	2,350.25

### Operations:

The Company's profit after tax increased to Rs. 944.59 million during the year ended 31<sup>st</sup> March, 2009 as compared to Rs. 491.03 million in the previous period, an increase of 92.37%.

### Dividend:

The Board of Directors is pleased to recommend the payment of dividend of Rs. 2.80 per Equity Share of Rs. 10/- each for the year ended 31<sup>st</sup> March, 2009 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. 110.60 million. The Register of Members will remain closed from 25<sup>th</sup> August, 2009 to 8<sup>th</sup> September, 2009 both days inclusive.

### Exports:

The Company is a recognised Export House. The export turnover (FOB) during the year ended 31<sup>st</sup> March, 2009 is Rs.1,695.43 million compared to Rs. 1,423.62 million achieved during the previous period.

### Public Deposits:

The Company discontinued its Public Deposit Scheme in the year 2003. A sum of Rs. 3,21,000 relating to 13 deposits remained unclaimed as on 31<sup>st</sup> March, 2009. No interest is payable on such unclaimed deposits after the maturity dates.

### Insurance:

The Company's assets continue to be adequately insured against the risk of fire, riot, earthquake, terrorism and the risk of loss of profits, among other things.

In addition to the above, adequate coverage has been taken to cover public liability and product liability claims. Also, all the employees are covered against the risk of hospitalisation and personal accident.