

Our Values

Bayer's corporate culture is an important factor in the company's success. Central to this culture are our values: Leadership, Integrity, Flexibility and Efficiency - or LIFE for short. They provide us with guidance for our daily work as we seek solutions to the major challenges of our time, in line with our mission "Bayer: Science For A Better Life."

LIFE

L LEADERSHIP

- Be passionate for people and performance
- Show personal drive, inspire and motivate others
- Be accountable for actions and results, successes and failures
- Treat others fairly and with respect
- Give clear, candid and timely feedback
- Manage conflicts constructively
- Create value for all our stakeholders

I INTEGRITY

- Be a role model
- Comply with laws, regulations and good business practices
- Trust others and build trustful relationships
- Be honest and reliable
- Listen attentively and communicate appropriately
- Ensure sustainability: balance short-term results with long-term requirements
- Care about people, safety and the environment

F FLEXIBILITY

- Drive change actively
- Be ready to adapt to future trends and needs
- Challenge the status quo
- Think and act with customers in mind
- Seek out opportunities and take calculated risks
- Be open-minded
- Embrace lifelong learning

E EFFICIENCY

- Manage resources smartly
- Focus on activities that create value
- Do things simply and effectively
- Deliver with appropriate costs, speed and quality
- Speed up good decision-making
- Be accountable for consistent execution
- Collaborate for better solutions

Bayer CropScience Limited
53rd Annual Report
April 2010 - March 2011



Science For A Better Life

Bayer CropScience strives to be the global innovation leader, providing sustainable crop solutions from seed to harvest.

We help farmers worldwide meet the ever-increasing demand for affordable and high quality food, feed, fiber and energy crops. At Bayer CropScience, we share a passion for discovering new approaches - anywhere in our company. Thus we help shape the future of agriculture and create value for our customers and society.

This is how we live Science For A Better Life every day.

From left to right:

Johannes Dietsch
Non-Executive Director

Vimal Bhandari
Non-Executive
Independent Director

A K R Nedungadi
Non-Executive
Independent Director

Kaikobad B Mistry
Whole-time Director

Dr. Vijay Mallya
Chairman

Shirin V Balsara
Vice President
Legal & Company
Secretary

Sharad M Kulkarni
Non-Executive
Independent Director

Stephan Gerlich
Vice Chairman &
Managing Director

Bernd Naaf
Non-Executive Director

**Seed²
Harvest**

**Launches
2010-2011**



Solitude®
A herbicide that rids weeds
from soyabean fields



Ricestar™
An excellent weedicide used
to control grassy weeds in rice crop



Arize® Swift
A short duration hybrid that assures
heavy weight grain and high yield



Arize® 6444 Gold
Power of protection against
Bacterial Leaf Blight



SurPass® Aasha
SP 1171 BG II
A high yielding hybrid of cotton seed



Bayer CropScience Limited Annual Report 2010-11

Directors	Dr. Vijay Mallya Mr. Stephan Gerlich Mr. Sharad M. Kulkarni Mr. Johannes Dietsch Mr. A. K. R. Nedungadi Mr. Bernd Naaf Mr. Vimal Bhandari Mr. Kaikobad B. Mistry	– Chairman – Vice Chairman & Managing Director – Whole-time Director
Vice President - Legal & Company Secretary	Shirin V. Balsara	
Bankers	Bank of America BNP Paribas Central Bank of India Citibank N.A. Credit Agricole Corporate and Investment Bank Deutsche Bank HDFC Bank Limited Societe Generale Standard Chartered Bank 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 & Share Transfer Agents	TSR Darashaw Limited (TSRDL) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011. Tel. No. 91 22 6656 8484 Fax No. 91 22 6656 8494	
Factories	(1) Plot Nos. 6008 - 10 & 6301 - 10A, G.I.D.C. Industrial Estate, Ankleshwar - 393 002, Gujarat. (2) Plot Nos. 66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.	

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Members are requested to:

- direct all shares related correspondence to TSRDL.
- bring their copy of the Annual Report to the Annual General Meeting.
- send their queries, if any, relating to the accounts of the Company, at least 10 days before the Annual General Meeting, so that the necessary information can be made available at the Meeting.



NOTICE

NOTICE is hereby given that the 53rd Annual General Meeting of Bayer CropScience Limited will be held on Thursday, 25th August, 2011 at 12.00 noon at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale 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 31st March, 2011 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 31st March, 2011.
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.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of the Section 225(1) and other applicable provisions, if any, of the Companies Act, 1956, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 301112E), be and are hereby appointed as Auditors of the Company, in place of M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 007568S), the retiring Auditors, to hold office from the conclusion of this Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this 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. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate Resolution / Authority, as applicable, issued on behalf of the nominating organisation.
- (b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, 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 Thursday, 11th August, 2011 to Thursday, 25th August, 2011 (both days inclusive).
- (d) The dividend of ₹ 4 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 53rd Annual General Meeting to be held on Thursday, 25th August, 2011 will be paid at par within 30 days of the said date:
 - (i) 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 Thursday, 25th August, 2011.
 - (ii) In respect of shares held in electronic form, to the Beneficial Owners of the shares as at the close of business hours on Wednesday, 10th August, 2011, as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- (e) Members are requested to direct all shares related correspondence to TSRDL at the following address:
TSR Darashaw Limited,
Unit : Bayer CropScience Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
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 TSRDL on or before Wednesday, 10th August, 2011 in order 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.

NOTICE (contd.)

- (g) Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, NECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant only and not to the Company/ TSRDL. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and TSRDL 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, dividends remaining unclaimed for 7 years from the date they were transferred to the unpaid dividend account are required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956. Members shall not be able to claim any unpaid or unclaimed dividend from IEPF or the Company thereafter.
- (i) **The members are requested to note that the dividend declared in June, 2005 is due to be transferred to IEPF in July, 2012.**
- (j) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to TSRDL.
- (k) Members can avail 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 TSRDL, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
- (l) 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.
- (m) The Ministry of Corporate Affairs (MCA), Government of India, vide its circular nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents to the members electronically as a part of its 'Green Initiative in Corporate Governance'. In line with the aforesaid circulars, the Company proposes to send documents like the Notice governing the general meetings, financial statements, Directors' Report, Auditors' Report etc. to the email address provided by you to your depositories. Accordingly, members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address alongwith details of name, address, Folio No., shares held:
 - i) To the Registrars and Share Transfer Agents, TSRDL for shares held in physical form and;
 - ii) In respect of shares held in demat mode, also provide DP ID/Client ID with the above details and register the same with their respective Depository Participants.

By Order of the Board of Directors
For Bayer CropScience Limited

Shirin V. Balsara
Vice President - Legal & Company Secretary

Leverkusen, Germany, 19th May, 2011

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 No. 5 in the accompanying Notice dated 19th May, 2011:

Explanatory Statement

Item No. 5

The Auditors of the Company, M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 007568S) retire at the ensuing Annual General Meeting of the Company, but have expressed their unwillingness to be re-appointed as Auditors of the Company for the financial year 2011-12.

The Directors have, on recommendation of the Audit Committee, proposed appointment of M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), as the Auditors of the Company, to conduct audit for the financial year 2011-12.

The Company has received a special notice from a member of the Company, in terms of provisions of Section 225 of the Companies Act, 1956, read with Section 190, proposing the appointment of M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) as the Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. M/s. Price Waterhouse (Firm Registration No. 301112E) have signified their consent vide their letter dated 12th May, 2011 to act as Auditors of the Company, if appointed.

The members' approval is being sought for the appointment of M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), as the Auditors and to authorise the Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

The Board recommends this resolution for approval by the Members.

None of the Directors are concerned or interested in the passing of this resolution.

By Order of the Board of Directors
For Bayer CropScience Limited

Shirin V. Balsara
Vice President - Legal & Company Secretary

Leverkusen, Germany, 19th May, 2011

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

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 53rd 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 financial year ended 31st March, 2011.

Financial Performance:

₹ in million

Particulars	2010-11	2009-10
Net Sales and Other Operating Income	21,392.71	17,241.06
Other Income	184.96	252.53
Total Income	21,577.67	17,493.59
Profit before Interest, Depreciation, Exceptional Items and Taxation	2,433.44	2,430.15
Less : Interest	(79.11)	(114.50)
Less : Depreciation/ Amortisation	(326.89)	(264.42)
Profit before Exceptional Items and Taxation	2,027.44	2,051.23
Less : Exceptional Items	(37.78)	(86.78)
Profit for the year Before Tax	1,989.66	1,964.45
Less : Taxes	(674.22)	(691.91)
Profit for the year After Tax	1,315.44	1,272.54
Add : Profit & Loss balance brought forward from previous year	4,032.03	3,070.98
Amount available for Appropriation	5,347.47	4,343.52
Appropriations:		
Proposed Dividend	158.00	158.00
Taxation on Proposed Dividend	25.63	26.24
Transferred to General Reserve	131.54	127.25
Profit & Loss Balance Carried Forward	5,032.30	4,032.03

Operations:

Your Company's profit after tax increased to ₹ 1,315.44 million during the year ended 31st March, 2011 as compared to ₹ 1,272.54 million in the previous year, an increase of 3.37%.

Dividend:

The Board of Directors is pleased to recommend the payment of dividend of ₹ 4 per Equity Share of ₹ 10 each for the financial year ended 31st March, 2011, subject to the approval of members (previous year ₹ 4 per Equity Share of ₹ 10 each). The proposed dividend will absorb a sum of ₹ 158 million. The Register of Members will remain closed from Thursday, 11th August, 2011 to Thursday, 25th August, 2011 (both days inclusive).

Exports:

Your Company is a recognised Export House. The export sales (FOB) for the year ended 31st March, 2011 was ₹ 2,362.89 million compared to ₹ 1,518.46 million during the previous year.

Public Deposits:

A sum of ₹ 15,000 relating to 1 deposit, which was claimed, but not encashed, remained balance as on 31st March, 2011. No interest is payable on such unclaimed deposit after the maturity date. During the year under review, your Company has not accepted any public deposits.

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.

Foreign Exchange Management:

The Company's exposure to foreign exchange risk comprises the risk of a foreign currency versus the local currency. The goal is to reduce the negative impact of the risks arising from fluctuations in exchange rates in the earnings. The majority of the Forex transactions are denominated in US dollar. To mitigate the currency fluctuations, the net exposure of the Bayer Group is hedged after taking advantage of the natural hedge at the end of each month. Foreign currency loans including interest are completely hedged.



DIRECTORS' REPORT (contd.)

Directors' Responsibility Statement:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief;

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the profit of the Company for the financial year ended 31st March, 2011;
3. proper and sufficient care has been taken 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; and
4. the annual accounts have been prepared on a going concern basis.

Responsible Care and Quality:

Your Company was awarded "The Best Green Belt Award" from the Chief Minister of Gujarat for its Ankleshwar plant.

Your Company observed National Safety week and Fire Prevention week and conducted various activities throughout the week to spread awareness amongst its employees.

Your Company, covering all the manufacturing units, all India business operations and supporting services, was audited on Quality Management System by TUV India Private Limited (TUV) and the Company was recertified to ISO 9001:2008 certificate. The Environmental Management System for Himatnagar and Ankleshwar plants was audited by TUV and was recommended continuation of ISO 14001:2004 certificate.

Continual improvement and sustainability resulted in conservation of energy, reduction in waste generation, recycling of resources and cost savings.

Your Company accords high priority to health, safety and environment.

Material Developments during the financial year:

In follow up to the incident that occurred at the Ankleshwar site, Gujarat, on 11th March 2010, the Company on 11th April, 2011 was granted permanent re-instatement of all permissions for production of all products, except Ethoprophos from the relevant authorities' in Gujarat. Subsequently permanent re-instatement of permission for production of Ethoprophos was granted on 20th April, 2011.

Your Company's Board had approved the sale of around 100 acres of land at Thane. The Company has entered into a non-binding and exclusive agreement, for the proposed sale of the land, with Agile Real Estate Private Limited. The Company has received an earnest amount of ₹ 2,600 million for this exclusive arrangement. The Conveyance, Transfer, Sale and Possession of the said Thane land will be completed at a future date, subject to relevant approvals and permissions from the Government & other Statutory Authorities, as may be deemed necessary.

Corporate Sustainability and Social Responsibility:

The Bayer Group believes that its technical and commercial expertise entails a duty to contribute to sustainable development. The main areas that Bayer in India is involved in include Learning & Child Education, Youth Environmental Partnerships, Emergency Response, Partnerships with Associations to combat social and environmental problems and activities in the vicinity of the sites where Bayer has operations.

Making Science Make Sense Program (MSMS)

MSMS is an initiative that advances science literacy among students through hands-on, inquiry-based science learning. The program is designed in a specific way that includes live demonstrations, experiments, audio-visual tools and interactive sessions to enhance the learning experience and make sure that science is taught in a way that's enjoyable and fun. Currently, 20 schools in Mumbai and 4 schools in Ankleshwar participated in this program.

Bayer Young Environmental Envoy Program

As a research-based enterprise, Bayer also places great emphasis on promoting science education for the youth and has, therefore, been committed to promoting youth environmental programs for many years. In cooperation with the United Nations Environment Program, Bayer organises and promotes a number of specific projects which aim to improve knowledge about the environment among the youth and support them in their environmental commitment. Under the Bayer Young Environment Envoy Program, the participating students win a chance to represent India, alongwith youth delegates from other countries on an 'all - expense' paid study trip to Germany every year. The week long study trip gives students the unique opportunity to gain a first hand experience of best environmental protection practices by the Company, people and Government in industrialised countries.

Child Care Program (CCP): A social intervention model for tackling child labour and protecting their right to education

The CCP is one of the most successful initiatives of Bayer in India. No children in the hybrid cotton seed fields - that's the principle of Bayer. For the past 5 years, Bayer has worked effectively to implement a comprehensive multilevel CCP. The program has been rolled out in Andhra Pradesh, Karnataka and Tamil Nadu where Bayer has contract cotton seed production. It aims at getting children off the fields of contract farmers and into schools.

DIRECTORS' REPORT (contd.)

Learning for Life project - Impacting lives

A key component of the CCP is the educational module under the broader 'Learning for Life' initiative. It provides out-of-school children from cotton seed production farms with an access to education.

The Bayer-Ramanaidu Vignana Jyothi School of Agriculture was established as a part of the 'Learning for Life' strategy to foster education. This is a first-of-its-kind model developed and successfully implemented in an industry with a farm-based supply chain.

Your Company remains committed to Social Responsibility by continuing to be involved in community projects. The Bayer Group also undertakes several initiatives around the sites where it has operations. For example your Company organised transport and books for the differently abled children of Holy Cross Convent School, Thane and also distributed school uniforms, medicines and other school supplies to schools in the vicinity of Ankleshwar and Thane. Over the years, tree plantation drives have also been successfully implemented.

As an extension of the Company's activities in Sustainable Development and Climate Program, Bayer in India has enrolled itself as an invitational member with The Energy and Resources Institute – Business Council for Sustainable Development (TERI - BCSD). TERI-BCSD India is an independent and credible platform for corporate leaders to address issues related to sustainable development and promote leadership in environmental management, social responsibility and economic performance.

Bayer considers sustainable development to be the central model for companies in the 21st century. As a result, Bayer is committed to structuring its business processes in such a way that they meet the economic, ecological and social needs of society without compromising on development opportunities for future generations.

Human Resources:

This year, the employees of your Company participated in the Bayer Employee Survey and achieved excellent results. The survey was held across the Bayer Group Companies worldwide and Bayer CropScience in India showed significantly higher engagement scores. The engagement score of Bayer CropScience in India was 97%.

The importance of personal growth was reaffirmed with the launch of 26 different training and development initiatives to help the employees find their bearings in an increasingly challenging and complex work environment. More than 900 employees participated in 26 training initiatives and 72 participants were nominated for 37 external training programs.

In line with Bayer's philosophy of "Grow from Within", a large number of employees went through Assessment Center exercise during the year and qualified for promotion at National Level. The Assessment Center was conducted based on the specific skills and competencies identified in the XCEDO (BCS Training Academy).

In continuation to last year's efforts towards providing opportunities for Learning and Development to the employees, the second batch of Bayer Management Program "NEIV" was rolled out in October 2010 with 32 participants from across the Bayer Group in India.

An extension of BCS Training Academy – Kalpavruksh Prabodhini continued with providing training programs focusing on our Industrial Operations Group.

Your Company further continued its strong Employer Branding initiatives and built upon its Corporate Image in the market.

Employee relations during the year were harmonious and cordial.

Information pursuant to Section 217(2A) of the Companies Act, 1956:

The information as prescribed by Section 217(2A) of the Companies Act, 1956, read along with the Companies (Particulars of Employees) Rules, 1975, as amended is set out as an annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to the members excluding the statement giving particulars of employees under Section 217(2A). Any member interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information required under Section 217(1)(e) of the Companies Act, 1956 read along with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters forms part of this Report and is annexed hereto.

Corporate Governance:

Your Company believes in transparency and has always maintained a very high level of Corporate Governance. As required by Clause 49 of the Listing Agreement, a detailed Report on Corporate Governance is given as an Annexure to this Report. Your Company is in full compliance with the requirements and disclosures that have to be made in this regard. A certificate from a Company Secretary in whole-time practice confirming compliance of the Corporate Governance requirements by the Company is attached to the Corporate Governance Report.

Management Discussion and Analysis:

A detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion & Analysis Report.



DIRECTORS' REPORT (contd.)

Directors:

Dr. Vijay Mallya and Mr. A.K.R. Nedungadi retire by rotation and being eligible, offer themselves for re-appointment. A brief profile of Dr. Mallya and Mr. Nedungadi is given under the Corporate Governance Report.

Cost Audit:

In accordance with the directive received from the Central Government, every year, an audit of the cost accounts relating to Insecticides manufactured by the Company is required to be conducted by an auditor with the requisite qualifications as prescribed under Section 233B of the Companies Act, 1956.

The Board of Directors has appointed M/s. N. I. Mehta and Co., qualified Cost Accountants for the conduct of the audit of Insecticides – Technical Grade for the year ending 31st March, 2012. The requisite approval from the Central Government for their appointment has been received. In terms of the Cost Audit Report Rules, 2001 the Cost Audit Report is required to be filed within 180 days from the end of the financial year. Your Company filed the Cost Audit Report for the year ended 31st March, 2010 on 19th September, 2010. The Cost Audit Report for the year ended 31st March, 2011 will be filed on or before 30th September, 2011.

Auditors:

M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 007568S) retire as Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. M/s. Price Waterhouse, (Firm Registration No. 007568S) have communicated their unwillingness to be re-appointed as Auditors. The Board of Directors has on recommendation of the Audit Committee proposed the appointment of M/s. Price Waterhouse (Firm Registration No. 301112E) for the approval of the members at the ensuing Annual General Meeting. The Company has received a special notice from a member, in terms of provisions of Section 225 of the Companies Act, 1956, read with Section 190, proposing the appointment of M/s. Price Waterhouse (Firm Registration No. 301112E) as the Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. Members are requested to consider and appoint M/s. Price Waterhouse (Firm Registration No. 301112E) as the Auditors of the Company for the year ending 31st March, 2012.

A certificate from them has been received, to the effect that their appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Acknowledgements:

The Board places on record its sincere appreciation for the dedicated services rendered by employees at all levels and the constructive cooperation extended by the staff unions and the officers' association. Your Directors would like to express their grateful appreciation for the assistance and support extended by all customers, government authorities, financial institutions, banks, shareholders, suppliers and other business associates. We also acknowledge the continual support and guidance from Bayer AG, Bayer CropScience AG and Bayer SAS.

For and on behalf of the Board of Directors
Bayer CropScience Limited

Dr. Vijay Mallya
Chairman

Leverkusen, Germany, 19th May, 2011