

MONSANTO CHEMICALS OF INDIA LIMITED

REPORT & ACCOUNTS 1998-99

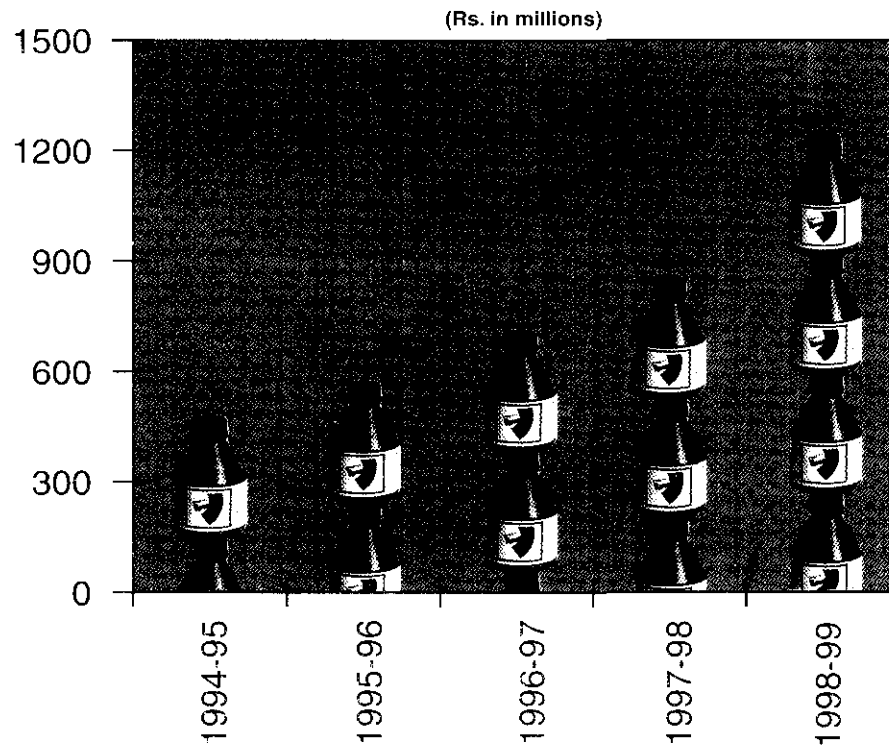


MONSANTO

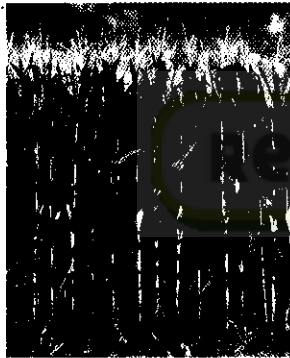
Food • Health • Hope™



TURNOVER (GROSS RECEIPTS)



Our Focus Crops



Corn



Wheat

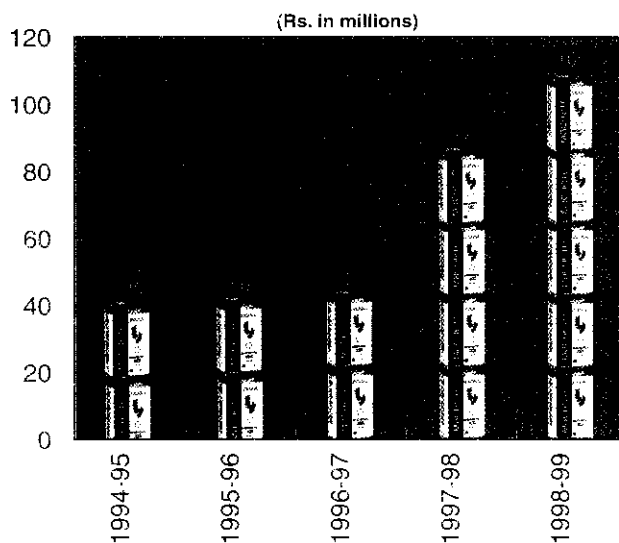


Soyabean

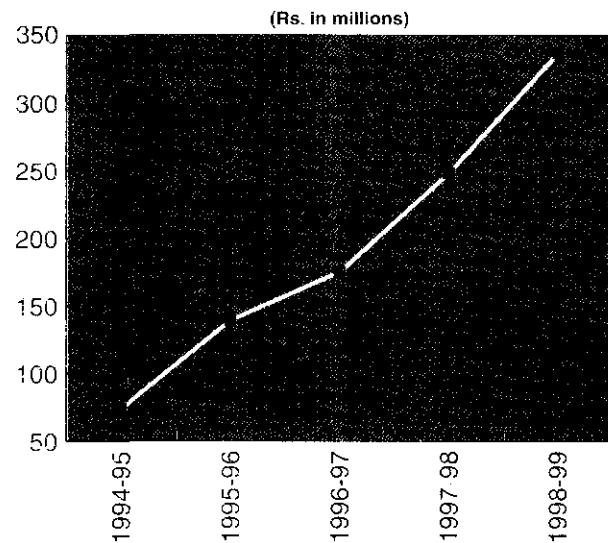


Rice

PROFIT AFTER TAX



SHAREHOLDER'S FUNDS



COMPANY SECRETARY

Ajai Jain

AUDITORS

Ford, Rhodes, Parks & Co.,
Mumbai

BANKER

Citibank N.A.

BOARD OF DIRECTORS

Terry J. Bunn
Chairman

Sekhar Natarajan
Managing Director

Dr. S. P. Adarkar

H. C. Asher

R. C. Khanna

Robert A. Paley

C. Y. Wong

REGISTERED OFFICE

Wakefield House,
11, Sproff Road,
Ballard Estate,
Mumbai-400 038.

ADMINISTRATIVE OFFICE

Ahura Centre, 5th Floor,
96, Mahakali Caves Road,
Andheri (East),
Mumbai-400 093.

FACTORIES

- 1) 4 & 5 Madhuban Industrial Estate,
Village : Rakholi,
Silvassa-396 240.
Union Territory of Dadra & Nagar
Haveli.
- 2) 50/51, Lonavla Industrial Estate
Nagargaon, Lonavla-410 401.
Maharashtra.

REGISTRAR AND SHARE TRANSFER AGENTS

Intime Spectrum Registry Pvt. Ltd.
Shree Ganesh Industrial House,
1st Floor, 'B' Wing,
W.T.P. Marg,
Chembur,
Mumbai-400 071.

49TH ANNUAL GENERAL MEETING

Date : 22nd July, 1999
Time : 10.30 a.m.
Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building,
2nd Floor, 18/20, Kaikhushru Dubash Marg,
Mumbai - 400 001.

MONSANTO COMPANY-USA

"CREATIVITY IS THE ENTIRE PROCESS BY WHICH IDEAS ARE GENERATED, DEVELOPED, AND TRANSFORMED INTO VALUE"

- Bob Shapiro, Chairman and Chief Executive Officer, Monsanto Company, USA.

EMERGENCE AS A LEADING LIFE SCIENCE COMPANY

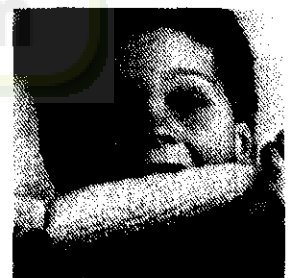
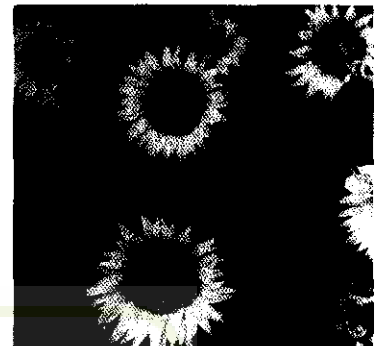
In 1997, Monsanto completed an era in the company's history and made long strides towards another.



The era which began with the founding of the company in 1901, ended in September 1997 with the spin-off of its Chemical business. The new era is one of Monsanto's evolving into a Life Science company.

Monsanto became a Life Science company because its key business sectors - Agriculture (Agrochemical & Seeds), Nutrition and Pharmaceuticals - have now begun to share common technologies and common goals.

Agriculture, Nutrition and Pharmaceuticals have a common foundation in biotechnology, which realizes the potential of living systems through an understanding of their genetic structure and function. Monsanto's emphasis is on GENOMICS which holds the promise of solving fundamental agricultural problems (disease, drought, poor soil conditions) and improving the yields using genetically improved seeds. The corporate goal is to help people around the world lead longer and healthier lives, at costs that they can afford and without continued environmental degradation.



AGRICULTURE

A portfolio of strong products in seeds and herbicides continues to generate increased earnings that support increased reinvestment in growth. Monsanto scientist, Mr. John Franz discovered GLYPHOSATE - the active ingredient in Roundup® in 1970. Roundup® has proved to be a blockbuster, and is the flagship brand of Monsanto.



MONSANTO COMPANY-USA

Monsanto introduced Roundup® to the world a quarter century ago and created a movement that changed cultivation and weed control practices. Roundup® is a broad spectrum, non-selective, translocated and postemergent herbicide that provides unparalleled weed control.

Monsanto continues to invest appropriately worldwide to maintain its position as the highest quality and lowest cost producer of herbicides.

In addition to providing high quality seeds and herbicides, Monsanto has been a pioneer in agricultural biotechnology product launches. Monsanto has developed and launched products like Roundup Ready® for herbicide tolerance and Bollgard® and Yieldgard® for insect resistance. Worldwide, more and more farmers are using this technology to control insects and weeds more effectively, at lower costs and in an environmentally sustainable manner.



NUTRITION

Monsanto maintains leadership in a solid niche of food ingredient market. Canderal®, Equal® and Nutra Sweet® Tabletop sweeteners have made Monsanto the global leader in the low calorie tabletop sweeteners market segment. They are used in more than hundred countries to sweeten food and beverages.



In addition, its biopolymers like Xanthan® gums and Gellan® Gums are used extensively as texturizing, suspending, emulsifying and controlled releasing agents in the food, pharmaceutical and oil industries.

PHARMACEUTICALS

The goal of the modern society is to ensure a disease free and healthier life to the common man and Monsanto has accepted this challenge by introducing new medicines that help in this effort. CELEBREX®, has been launched as a new treatment alternative, for the relief of the signs and symptoms of osteoarthritis and adult rheumatoid arthritis. Celebrex® is a major innovation in drug therapy for the world's 355 million arthritis sufferers.



"Celebrex represents a significant innovation, and we're preparing to bring it to market in the most powerful manner possible."

Other products include Ambien®, a short term treatment for insomnia, Calan® and Covera-HS®, a calcium channel blocker and Cytotech®, an ulcer preventive drug.

GOLDEN JUBILEE YEAR FOR MONSANTO IN INDIA.

December, 1949 witnessed the setting up of Monsanto Chemicals of India Pvt. Ltd. in Mumbai. Initially it was engaged in trading activities in speciality chemicals and acted as indenting agent for a range of products from Monsanto Company, USA.

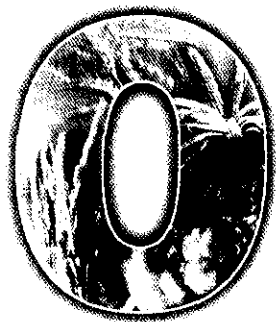
Manufacture of advanced technology agrochemicals began with the establishment of the first Monsanto plant in early 1970s in Lonavla. Extensive market development activities were undertaken by Monsanto to introduce the concept of weed control with "Herbicides". This effort supported the Green Revolution in India.

Machete® was the first rice herbicide in India and to this day plays an important part in Indian rice cultivation. This year, Machete® celebrates 25 years of its successful battle against weeds and continues its contribution towards substantial increases in rice production and farmer prosperity.

Lasso® was introduced in India in early 1980's, as a broad spectrum, pre-emergent herbicide. It's major use today is for weed control in Soyabeans. Monsanto, through its market development efforts, expanded the concept of selective herbicide like Lasso® in states like Madhya Pradesh, Rajasthan and Maharashtra. Control of weeds in Soyabeans fields can increase yield up to 30-70%. Lasso® also offers excellent pre-emergent weed control in corn, groundnut, sugarcane, potato and transplanted crops like onion, chillies and cabbage.

Monsanto registered Roundup® in 1992 in India to control the menace of weeds in numerous crop and non-crop situations. As a broad spectrum, post emergent herbicide, this unique formulation of Roundup® kills weeds totally-including roots. This provides an effective weed management solution in coffee and tea plantations, waterways, airports and railways or just about any place where undesired vegetation grows. It also helps as a pre-plant weed management tool and in "No-Till" and "Conservation-Tillage" situations, helping farmers prepare their fields without the need for excessive cultivation.





Avadex BW® is another herbicide introduced by Monsanto in India for use in wheat crop. This herbicide is very effective for controlling “Wild Oat” weeds in the wheat fields and therefore improving wheat yields.

Monsanto actively participates in farmer meetings, technical demonstrations and Kissan Melas to educate farmers and understand the changing needs of the farmers.

The year 1989 was another milestone for Monsanto with the listing of shares of Monsanto Chemicals of India Limited on the Stock Exchanges of Bombay and New Delhi.



To service the needs of the farmers better, a new manufacturing plant was constructed and commissioned at Silvassa. It is a zero emission, environment friendly agrochemical formulation plant. An additional manufacturing unit was set up in April 1999 in Silvassa to meet the enhanced market requirement of the company's products.

To ensure that high Environmental, Safety & Health (ESH) standards are maintained, adequate measures have been adopted. The safety standards at the plant is commensurate with global standards and all guidelines are strictly adhered to.

In line with the parent company's Restructuring as a Life Science Company, Monsanto spun off its industrial chemical business in March 1999.

The successful completion of 50 years in India has been possible owing to a team of dedicated employees who relentlessly make endeavours to educate the farmers about the economic benefits of the new technologies. Developing products and technologies to ensure increased agricultural production is a complex and exciting challenge. Monsanto has accepted this challenge of developing new markets to ensure increased agriculture production without degradation and loss to environment, soil and animals.

Monsanto will continue its commitment to Indian agriculture over the next millennium.

MANUFACTURING FACILITY AT SILVASSA

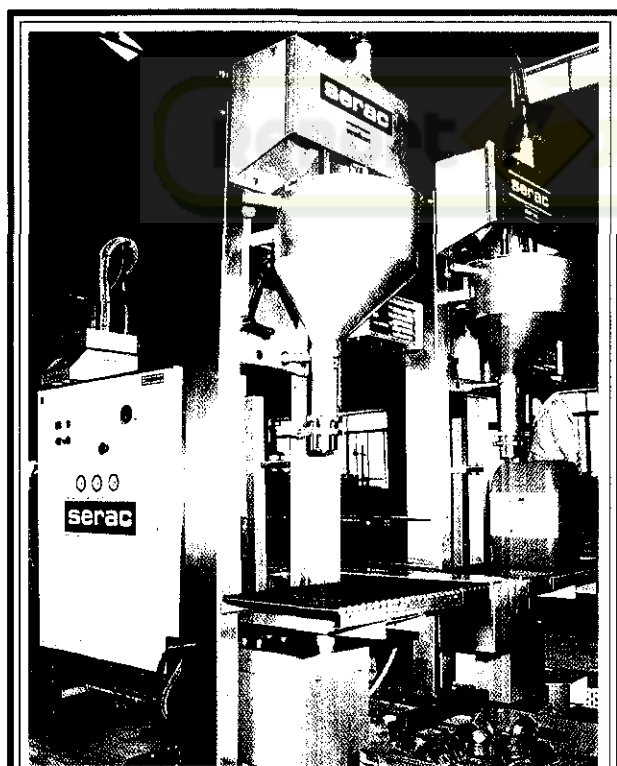
Monsanto Chemicals of India Ltd. has a unique manufacturing facility at Silvassa where agrochemical formulations are manufactured since November 1996. This plant is located 175 kms. from Bombay and the nearest railway station is Vapi on the Bombay - Ahmedabad route.

The plant was constructed and commissioned in record time with the granulation facility starting up in November 1996 and the liquid formulation facility in January 1997. The project was funded through a combination of internal accruals and equity share capital raised by way of Rights Issue. In April 1999 another manufacturing unit has been set up at the same location and funded totally with internal accruals. The combined manufacturing capacity of both the units will support the market demands of the Company's products in the coming years.

The production unit has a closed system which ensures that no



Aerial view of the plant



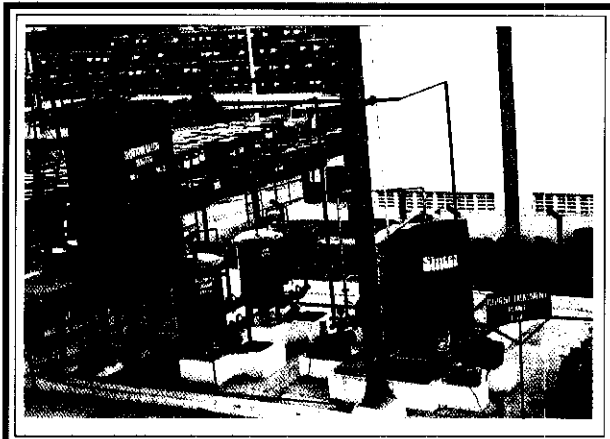
SERAC filling line



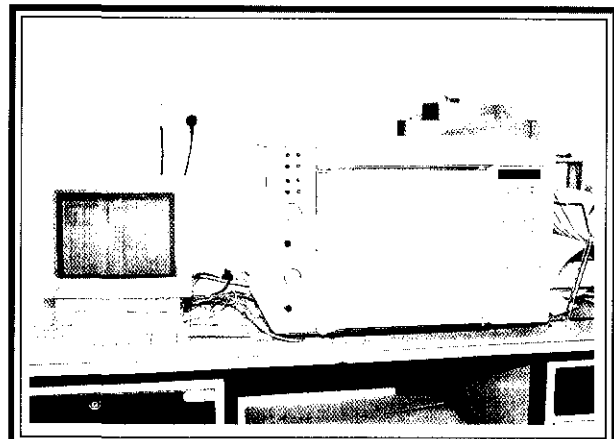
Manufacturing unit-2

spillage occurs during production. In fact, all the equipments have curbs around them to catch any accidental spills. A carbon treatment facility has been set up to treat liquid waste and this water is analysed and its quality is maintained fit for

MANUFACTURING FACILITY AT SILVASSA



Effluent Treatment Plant

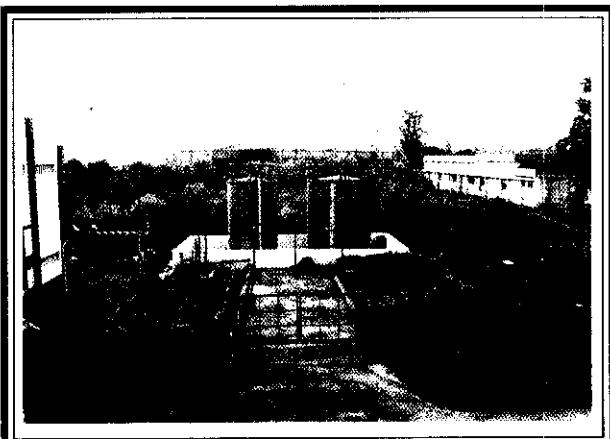


Gas Chromatograph at the Laboratory

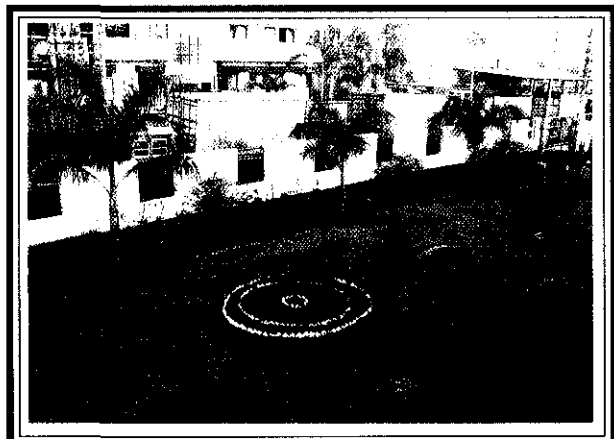
gardening. The plant has a unique system of minimising contamination and environmental pollution in case of any accidents like fire. Safety at the plant is of the highest global standards and in conformity with Monsanto's global norms.

We are committed to the well being and future of both our employees and environment. The modern effluent treatment plants, the well maintained gardens and trees, the safety and health awareness programmes for employees, reflect our commitment to this endeavour.

The plant has the most sophisticated laboratory for quality control, equipped with modern apparatus and equipments.

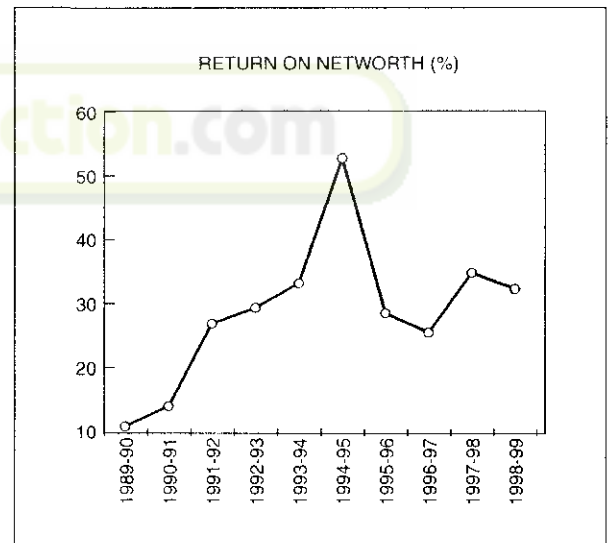
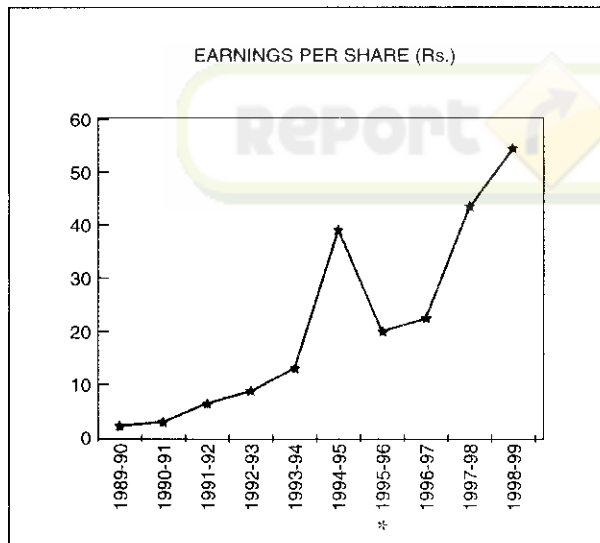
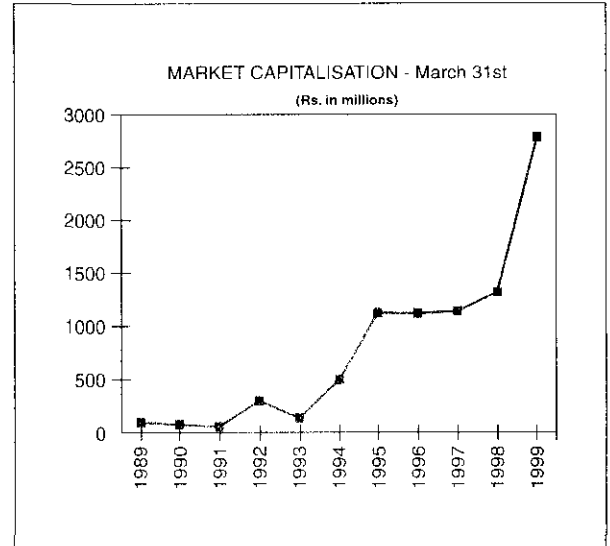
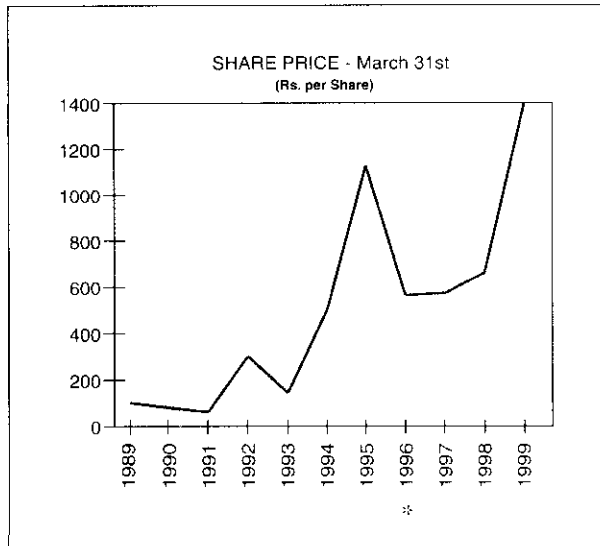


Solvent Tanks



Garden maintained at the plant

CREATING SHAREHOLDER'S VALUE ... A DECADE OF PROGRESS



* Year of Rights Issue in the ratio of 1:1