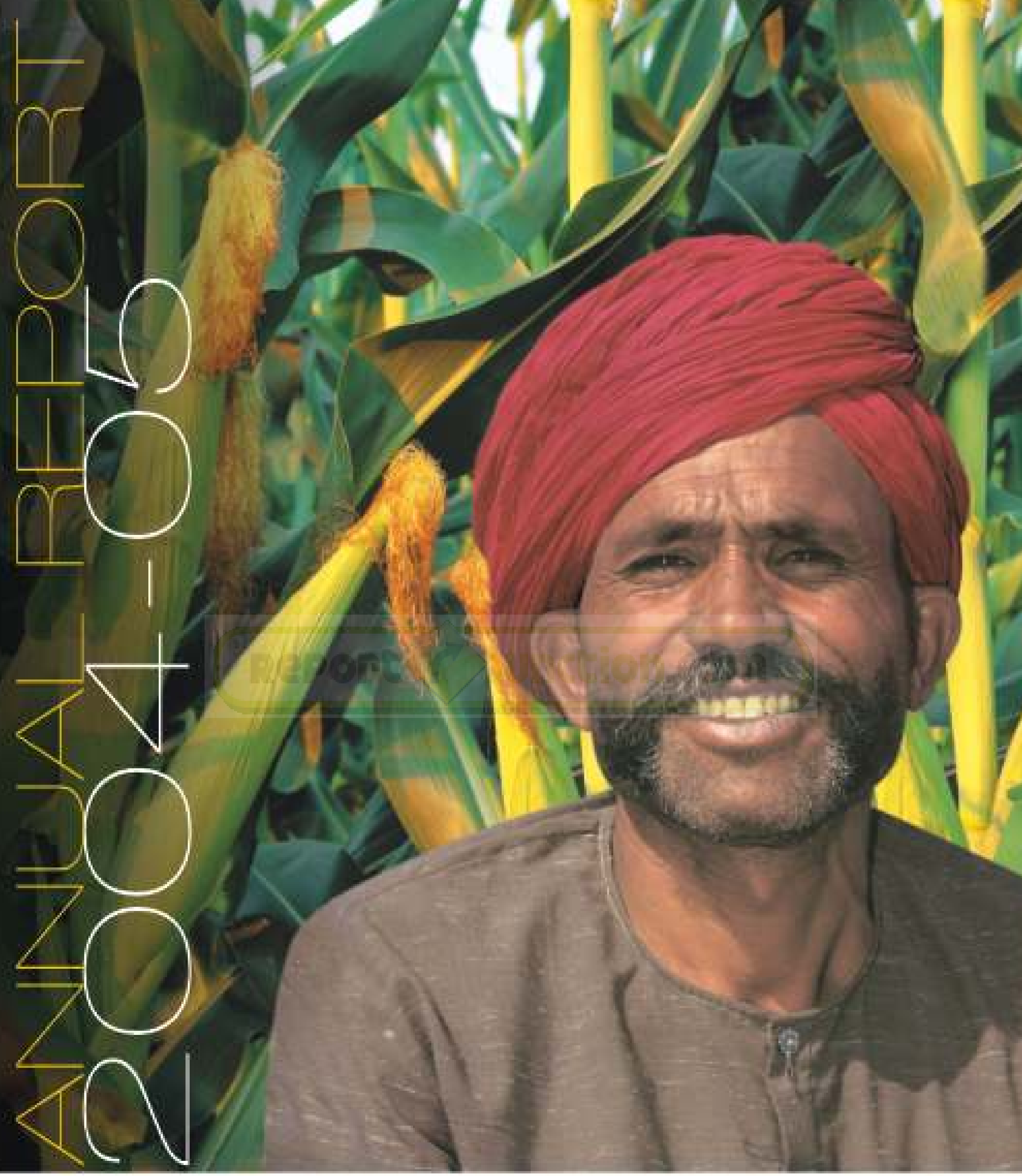

Monsanto India Limited

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Mr. Felipe Osorio, Managing Director

Mr. R.C. Khanna

Mr. H.C. Asher

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Mr. Ajai Jain

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2) Moka Road, Srivara Village
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3) Bapirajagudem Village
Pedavegi Mandal, Vijaya Rai Post
West Godavari Dist. 534 475, Andhra Pradesh

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55th ANNUAL GENERAL MEETING
Date : Thursday, September 8, 2005
Time : 10.30 a.m.
Venue : M.C. Ghia Hall, Bhogilal Hargovindas Building
2nd Floor, 18/20, Kaikhushru Dubash Marg
Mumbai 400 001

FROM THE CHAIRPERSON

It gives me great pleasure to present this report to you, our shareholders.

When I look at this year's results, I am really pleased at the financial summary (Page 10) that shows your Company's results for the last ten years. Your Company has lived up to your trust. It has been steady in its performance and growth over the past decade. On a compounded basis, during this period, your Company has grown its sales by 13.6%, increased its profit after tax by 34% and enhanced net worth by 39%.

In the year just gone by, Monsanto India Limited has continued its profit growth on the strength of positive all-round business performance, despite an erratic monsoon that had a negative impact on agricultural production. Our sales rose from Rs 333 crores to Rs 379 crores, and profit after tax from Rs 69 crores to Rs 77 crores. Accordingly, dividend per share is up from Rs 20 to Rs 23.

As we move forward, we are enthused by the Rs 1,074 billion "Bharat Nirman" project that Prime Minister Manmohan Singh has recently launched. To be implemented over four years, this new focus on rural India will cover six critical areas of rural infrastructure. Prime Minister Singh described it as the "most important initiative of the United Progressive Alliance (UPA) Government".

The project will bring an additional 10 million hectares under assured irrigation and connect all villages that have a population of 1,000 (or 500 in hilly, tribal areas) by road. It entails construction of six million houses for the poor. It will provide drinking water to over 74,000 new habitations, electricity to 125,000 villages that still lack it, wire 22 million households for power supply and provide telephone connectivity to 67,000 villages. The Prime Minister has emphasised that the project will focus on outcomes, not outlays.

There are other steps that the Government is taking, which promise a better future for India's vast countryside. One of these is encouraging farmers to look at crop diversification. The challenge of feeding India's growing population has so far put the focus on "self reliance" in food grain production, including cereals and pulses. Since that challenge has now been met, farmers have the option of selecting crop diversification – a mix of food grain and commercial crops.

This is a welcome step. It will enable farmers to reduce the risk of dependence on the monsoon and tackle the water and soil problems that are developing in some regions. Coupled with increased rural credit from financial institutions and encouragement from food processing industries – two other thrust areas of the Government – this will encourage them to look at value addition.

There is another reason why the Government's efforts are timely. The share of the agriculture sector in the total GDP has been declining steadily – from 34.8% in 1980-81, to 24.2% today. By 2020, the share of agriculture in the total GDP of the country is likely to be reduced to 15 per cent due to faster development of non-agriculture sectors.

The agriculture sector at present employs 60% of the country's work force. This is expected to come down to 45-50% of the population by 2020. Development of alternative sources of employment in rural areas through agro industries and other projects will facilitate this process.

Indian agriculture has made tremendous strides over the years. India is now the largest producer of wheat, fruits, cashew nut, milk and tea in the world and the second largest producer of vegetables and fruits. It is the largest producer, consumer and exporter of spices in the world and the largest exporter of cashew. Food grain production has increased four-fold in 50 years to over 200 million tonnes today.

The transition from traditional technology to the use of modern inputs and high-yielding rice and wheat varieties through the Green Revolution in the '60 and '70s has been smooth. India's agriculture has gained in strength and now has the resilience to take on the challenges of economic and trade liberalization. The Bharat Nirman programme, especially the development of rural infrastructure, should see Indian agriculture through its next phase of growth and development.

Monsanto is an agricultural company. Globally, we apply innovation and technology to make farmers all over the world more productive and profitable by improving the way in which they can produce food, feed and fibre. Our products set the standard in the field. The strength of our products is measured in the marketplace. In India, our strategy is built on bringing farmers new choices and helping farmers, processors and food companies be as efficient as possible in producing more food and feed.

We are confident that with the Government's renewed emphasis on agriculture, and the fact that our people have long been in the fields alongside the farmer, we are uniquely positioned to help India's farmers make the next quantum jump, after the Green Revolution, to modern agricultural systems. Farmers have long been our customers and our focus. Monsanto succeeds when the farmer succeeds.

The business results for 2004-05 speak for themselves. In the year under review, among other things we sharpened our marketing focus to understand our customers better in the face of new and aggressive competition, and to re-energise our time-tested and proven brands. The results of our new understanding of our customers' perceptions and the imagery of our brands are self-evident.

The next three to five years will be challenging for the Company. We aim to be the preferred provider to India's farmers of the best corn hybrids, enhanced with biotechnology at a later date. We are confident that we have the right human resources and the technologies to achieve this. Let me end by thanking all of you for your continued support over the past decade. You will agree that we have lived up to your confidence in us. We are also grateful to our customers, our dealers, our business partners and our employees for their wholehearted commitment and involvement in our efforts. Finally, I thank our Directors for their sagacious counsel and Monsanto Company in St Louis, USA for its ongoing support.

Nicole M. Ringenberg

General Overview

The financial year 2004-05 is significant for the new approach Monsanto India Limited (MIL) has taken to strengthen its processes and presence in an increasingly competitive market.

Our key efforts during the year were targeted on two fronts: to understand our customers better in the face of new and aggressive competition, and to re-energise our time-tested and proven brands.

We gave our marketing a more strategic focus, using professional research and advertising agencies to drive new campaigns based on more information and deeper knowledge about our customers and our markets. This new understanding of customers' perceptions and the imagery of our brands resulted in redesigning of processes to develop and deliver the most appropriate marketing strategies to grow the business. It resulted in building a whole new brand imagery in the marketplace using every possible medium.

We continued our transition from a business based solely on herbicides to one of herbicides and seeds, with the focus mainly on corn. Our main thrust was on our pioneering work of bringing quality corn hybrids to the market and helping farmers move from Open Pollinated Variety (OPV) and Low Value Hybrids (LVH) to High Value Hybrids (HVH) that offer them higher income.

Monsanto India launched three new projects during the year as part of that effort:

- **Project HOPE** - to assist farmers who are traditional growers of corn. We helped them transit from OPV and LVH to HVH that will bring them greater income.
- **Project LINK** - to link corn farmers with end-users and ensure significant benefits for all, since corn is a relatively undeveloped market, and farmers do not know how to get the best value for the corn they have started growing. Monsanto has initiated a dialogue between corn farmers and end-users such as poultry feed manufacturers.
- **Project SHIFT** - to help farmers move from crops they have been growing, like sugarcane, rice, sorghum and bajra to corn, since market dynamics across the country are inducing farmers to shift to crops with greater market value.

Management Changes

Towards the end of the financial year, Sekhar Natarajan, Managing Director since October 1997, moved to the parent company's headquarters in St Louis to join the Corporate Strategy Group. Effective March 1, 2005, Felipe Osorio (previously Marketing Director for Monsanto's Brazil operations) has succeeded Sekhar Natarajan as MIL's new Managing Director.

Felipe joined Monsanto Colombia in 1992 as Product Manager and has assumed management positions with ever-increasing responsibility in the agricultural business. These include Commercial Manager for the Andean Region, General Manager for the Caribbean and Business Manager for Mexico where he led the seeds business from 1999 to 2001.

He was named Marketing Director for Brazil in 2001 and held this position till he moved to India. Felipe has been a key member of the leadership team in driving Monsanto's Brazilian business to achieve outstanding results. He has also been instrumental in implementing the unique value capture system for soybean in Brazil. We welcome him to India and rely on his vast experience to take this organisation to newer heights.

Sekhar is the latest from MIL to become part of the team at our global headquarters. Others include D Narain, our former Chief Financial Officer, and Raj Ambekar from Training & Organisational Development. Their presence in the global team is an indication of the growing importance of MIL in Monsanto Company's global strategy. It is also proof of Monsanto's strength as a professional company that recognises and leverages talent on a global basis, and of India's contribution to that resource base.

Two other developments at our parent company during the year under review have been the acquisition in January-February 2005 of Seminis, Inc., a leading U.S. vegetable and fruit seed company, and Emergent Genetics, Inc., the third largest cotton seed company in the US.

MARKET INITIATIVES FOR SEEDS IN 2004-05

CORN

Farmers and traders are increasingly seeing value in corn because of the bigger demand from the poultry sector for feed, and from the starch industry.

With consumption of chicken growing 8-10% per year and red meat being expensive and perceived as harmful to health, the prospects for increased demand for corn as poultry feed are bright. Another major benefit of corn cultivation is that it requires only a third of the water needed for rice cultivation. It is a good crop for dryland farming.

In the year under review, we expanded our market reach considerably, developing new corn growing areas in Orissa, Chattisgarh, North Bengal and neighbouring Bangladesh. Monsanto also implemented training and extension programmes for corn farmers in Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh and Bihar.

We began our market expansion programme with an in-depth study of corn in the four regions of the country - north, east, west and south - to understand the diversity of our corn farmers and their needs, and to customise our packages to match their expectations.

Bihar, for instance, needs hybrids with cold tolerance to plant early - so we introduced Sheetal. Prior to this, we had entered the rain-fed market with Prabal and All-Rounder. We increased focus on the benefits of Prabal, which grows well in rain-fed conditions.

In coastal Andhra Pradesh and Tamil Nadu, water is becoming scarce, especially in rice-growing pockets like Guntur, Krishna, Tanjore and Trichy. It takes 5,000 litres of water to produce a kilo of rice. With farmers in these pockets facing a major crisis, Monsanto identified 180 villages where the soil was suitable for a shift to corn cultivation. We organised farmer-training camps on corn agronomic practices and organised 350 demonstration plots where there were two crop seasons. This helped us convert 30,000 acres of rice fallow land to corn, harvesting 30-35 quintals per acre.

Farmers choose Monsanto corn hybrids because of their deep orange colour, which the feed industry prefers, and also the glossy look and longer storage life. This benefits farmers who can wait till prices rise – our cobs can be stored longer because moisture levels in them are low due to the compact husk cover.

Essentially, we looked at the diverse needs of farmers - their knowledge of farming techniques, soil problems and other challenges specific to their region - and then customised the product, message and information to those needs. The challenge was to manage and customise to the expectations of the farmer on a state-to-state basis and we met this challenge successfully.

Project HOPE, represented by a logo of a corncob looking skywards, embodies what Monsanto wants to accomplish - sustaining business growth while translating farmers' hopes for better lives into reality. It targets the OPV and LVH areas for conversion to Monsanto's mid-priced and premium hybrids.

Promotion of a hybrid suited to an OPV/LVH district and guiding farmers on the benefits of converting to our hybrid is crucial to the programme. Our focus this year was on farmers along the Yamuna and Narmada rivers.

Project LINK provides an opportunity for Monsanto to solidify its position among farmers, not only as a seller of quality hybrids but also as an integrated solutions provider, by responding to specific needs like financing and/or assured after-harvest purchase. It brings together in one place farmers, corn buyers/traders, users, feed millers, feed companies and Monsanto - all of whom stand to gain significant benefits from the project.

LINK is relevant in areas where farmers of a certain crop (sugarcane, rice, sorghum or bajra) want to shift to corn, the trigger being the assurance of purchase. One of the major hurdles for farmers making the shift to new crops is the poor marketing infrastructure. LINK features active collaborative efforts with national, regional and local industry players. Companies with national scope include Godrej and Venky's Chicken, with whom we have tied up, while local sales teams have identified participating regional and local feed millers to ensure farmers have a ready market for their new crop.

LINK will also be needed in some areas where hybrid upgradation from LVH would entail financing and/or contract growing arrangements. During the year under review, we focused on farms in the Cauvery, Tungabhadra, Krishna and Godavari basins.

Project SHIFT aims at crop conversion, which has emerged as a promising source of growth for Monsanto. SHIFT was launched in kharif '04 and is a good example of how we worked to expand our seed business.

Market dynamics in farming across the country is bringing about conversion from one crop to another. Corn is expected to experience a decline in areas where other crops have performed strongly in the previous season, but in other areas there is an opportunity for corn to expand because of its fit with local agronomic conditions. SHIFT will therefore play a major role in sustaining the growth of Monsanto's corn business in identified areas, with the conversion from sugarcane, rice, sorghum, bajra and other crops as its main objective.

SHIFT demands a thorough knowledge of local market conditions. From this base, an effective and intensive crop conversion promotional campaign is rolled out. Here again our focus is on farms in the Tungabhadra, Krishna, Godavari and Yamuna basins.

We made special market development efforts to help farmers make the shift from rice or local corn varieties to corn hybrids and also to improve corn productivity through better agronomic practices like high density planting, fertiliser and nutrition management and plant protection - all of which helped increase productivity by 8-10%.

We also increased market share through detailed segmentation of leading corn markets and identified opportunities to grow the hybrids market through new initiatives in distribution and specific market development and promotion programmes directed towards capturing market share from generic competition.

1. We organised demonstration and field days because seeing is believing for farmers. They must be careful in making a decision as seed is the most precious input. Thousands of farmers attended field days and witnessed crop performance, and we motivated them to convert to Monsanto hybrids.
2. Value selling in Bihar promoted flagship brand Super 900M on the basis of higher kernel count. We organised as many as 530 farmer meetings where farmers witnessed the benefits of Super 900M, which showed a higher physical seed count of 28-30% per kilo of seed used, as compared to competitor seed products. This helped Super 900M to grow our market share by 10%.
3. Farmers in Maharashtra and Andhra Pradesh received free schoolbags for their children on purchase of ten kg of corn seed.
4. Having a good hybrid is not enough, seed quality can make a big difference. We updated farmers about the benefits of gas dried corncobs. Corncobs have to be dried to 12% moisture level. Sun drying in the field is not uniform; hence a gas drying plant for uniform drying is of great benefit as it improves seed vigour and storage life and enables seeds to withstand higher levels of stress.

India's corn statistics

India produces 13 million tonnes of corn annually, enough to meet demand, which means there is hardly any surplus. Nearly 60-70% of the crop is used for poultry and animal feed, 15% for industrial starch and 10% for food.

Of the 6.4 million hectares under corn plantation in India, the major acreage is in Rajasthan, UP, MP, Bihar, Karnataka, Andhra Pradesh, Tamil Nadu, Punjab and Himachal Pradesh.

Nearly 80% of the corn is grown in the kharif season and the rest in the rabi season.

40% of corn in India is under hybrid cultivation - we aim to increase it to 100% and bring greater income and value to farmers.

Hybrid cultivation varies from state to state. In UP and Rajasthan 20% of corn is under hybrids, while in MP it is just 15%. In Karnataka, Andhra Pradesh, Tamil Nadu, Punjab and Bihar hybrids constitute 80% of corn cultivation.

Hybridisation has grown by 1½ - 2% in the past 15 years and farmers see more value in growing hybrids.
Still, there are major barriers because of the perception that hybrids require extra fertiliser and have poor adaptability to the soil.

Our hybrids account for more than 50% of the corn grown on irrigated land, while in the rain-fed kharif market we have less than 10% of the market. So we have launched two new products in the rain-fed areas - Prabal and Apoorva hybrids. Since they are also drought-tolerant, they do well in rain-fed conditions. We have also scaled up the volume of All-Rounder, which grows well in all conditions. Here too, we have grown our market share substantially.

We ventured into Punjab with our corn hybrids only in 2000, but have grown ten times in the last three years with Hishell (which is now the number one player) and Double. The reason: farmers have experienced the value of our seeds which have helped them increase production to 20 quintals against 15-18 quintals earlier. This translates into an additional Rs 1,000 per acre.

Farmer Karampal Singh, the sarpanch of Majaari Sahiba village in Punjab, switched from paddy to corn on his two-acre plot in 2004. He says he not only saved substantially on water but also got a bumper yield of 37 quintals of corn per acre, which earned him an additional profit of about Rs. 3,000 as compared to paddy.

Our market share has also grown in Rajasthan where the value of Monsanto's hybrids was demonstrated during the erratic monsoon season last year. Not only was the rain delayed by 20-25 days, resulting in farmers having to sow again, but there was unseasonal rain at the end of the season when it was time to harvest the crop. Local hybrids yielded a poor harvest but Monsanto's All-Rounder hybrids stood up well and showed increased tolerance to the erratic rainfall. Farmers who had sowed All-Rounder benefited greatly.

Monsanto also offers the farmer rice hybrids. We sold around 100 tonnes of seed last year in Punjab and Haryana. The benefits to the farmer are two-fold:

1) short duration, which means he can plant late and save water;
2) the long slender grain fetches a better price in the market. It is most beneficial for potato farmers seeking a second short-duration crop.

Meet **Renu Bhatt,** Territory Manager, Aurangabad

Women are making inroads into the once male bastions in Monsanto. Your Company now has two women Territory Managers - Renu Bhatt in Aurangabad and Poonam Verma in Baroda. We also have Sunita Yadav, Technology Development Manager in Udaipur. She provides the link between scientific institutions, research and sales, by carrying out trials and testing and generating data for product development and to support marketing.

Renu Bhatt joined Monsanto in January 2004. She worked in Beed district for five months before moving to Aurangabad in the Marathwada region of Maharashtra. Aurangabad is certainly a long way from home for this MBA from the College of Agribusiness Management, G.B. Pant University of Agriculture and Technology, in Uttaranchal. But Renu has no regrets. "I wanted a dynamic and challenging career and I am enjoying every minute of it," she says.

> Renu believes in doing what she likes best – offering farmers new hope against centuries-old challenges.

She drives a Bolero, leaving home at 7 a.m. daily and returning by sunset. Mornings are spent talking to farmers, afternoons with the trade and on market days she stops by the local mandis before returning home. It's not an easy life - she's on the road 12 hours a day, six days most weeks, and seven days a week in peak season. "You must be there when the farmer needs you most," she says.

Most of the time Renu is alone, driving to villages that she has planned to visit. Very rarely does a field assistant accompany her. In this part of the country, the sight of a woman driving alone in a Bolero stops male drivers, scooter riders and bullock cart owners dead in their tracks! Most days she skips lunch because, unlike in big cities, a woman can't walk into what passes for local restaurants for a meal without causing comment.

What made her take up this career? "The challenge of bringing hope to farmers – I love talking to farmers. I studied agribusiness and also did some work in organic farming while doing my M.Sc. But it's really challenging to be out in the fields, listening to the farmers and their problems and trying to help them. And it's not a one-way street. I learn a lot from them too as we share our knowledge. I love talking about technology to farmers, about the technology in a seed that Monsanto offers, be it a corn hybrid or an insect-tolerant Bollgard seed. What's most rewarding for me is the gleam of hope I see in their eyes when I tell them about the promises of new technologies. You feel good inside when you see that hope in their eyes, hope at overcoming the challenges they face and at benefiting from the value we create for them."

Language is no barrier for Renu. The farmers in Marathwada follow Hindi quite well and she is fast learning to understand Marathi. She rarely gets to meet the local women though. "They work in the fields and do all the domestic work. But they are rather shy and conservative unlike in Uttaranchal where women work outside the home too and are more advanced than the men, even though they are not decision-makers."

Renu is all praise for her colleagues who are always concerned about her safety - "most helpful and ever ready to help". They also ensure that she gets home on time. Initially, in their first meetings, farmers were surprised and distributors sceptical on encountering a woman Territory Manager, but that phase is over now. It's business as usual - "except on the road where they can't believe their eyes when they see a woman at the wheel of a Bolero! But it's different in Monsanto. Everyone has been most cooperative. Overall, mine is a great job and Monsanto is a great company with great technologies."

Renu gives her parents all credit for her success. "They have always stood by me and have been a great motivating factor." However, parents being parents, they are concerned that she is so far from home and keep badgering her to "come back home". But Renu believes in doing what she likes best - offering farmers new hope against centuries-old challenges.

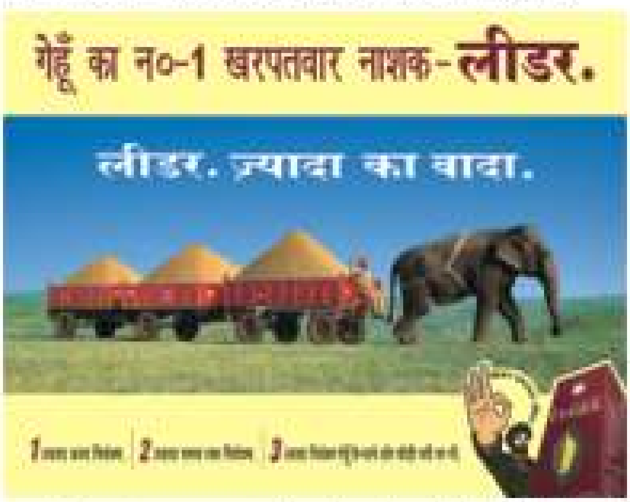
HERBICIDE INITIATIVES

LEADER AND ROUNDUP

Here again, we began the process scientifically by hiring an independent market research agency to do an in-depth brand equity and imagery study of our key brands. We used the results of that survey to reposition our brands, building on their strengths to highlight their uniqueness.

In the case of Leader, our wheat herbicide, we developed the Triple Action Leader positioning. Leader offered farmers the most effective control of mandoosi or phalaris minor through three-way action: early weed control that facilitates better yields, longer duration weed control that prevents the second and third flush of the weed, and control of other broad leaf weeds along with phalaris minor. In the process, it also built up a triple equity of trust, efficacy, and reliability.

We used this knowledge to build the platform of the farmer wanting more out of life and how Leader delivered more on its promise - Zyada ka Vaada - so much so that he would need an elephant to carry the grain to the market! We then built a whole new brand image in the



marketplace using every possible media and contact points like the mandis and village meetings.

We rolled out the campaign with great fanfare in villages and mandis, beginning with announcements about what Leader had in store for the farmer before the season began. We used novel approaches to create excitement and hype and ensure that Leader and Zyada ka Vaada became the talk of the village/mandi.

During the season, a Leader-branded cavalcade led by an elephant went around the mandis, before it positioned itself in front of our distributor. This ensured that Leader was the most seen and most recalled brand in the market. It helped cut through the clutter to aid farmers select Leader as their brand of choice when purchasing herbicides. We also had wall images, cut-outs and innovative dealer displays on shutters of dealers' stores.

To deliver increased value to farmers, we tied up for co-marketing with Castrol, Bajaj fans, Kinetic Engineering, and M&M tractors and ensured that various needs of farmers could be met through co-promotion with our partners. Thus, a farmer who bought Leader could expect a booklet of coupons that offered him discounts on goods ranging from fans to motorcycles, lubes, free tractor service and even a lucky draw for a trip to Canada - all aimed at living up to our promise of Zyada ka Vaada.

Since the image of Leader in the market is that of a solutions provider, when we learnt that a new weed called rumex was troubling farmers, we addressed the problem with a product called Sumo that we provided along with Leader. This is in line with our thrust as a company that fully understands a farmer's needs and challenges.

We have also grown the market for Leader in the UP hinterland where we have been promoting it for the last two years. Additionally, we are selling Leader in bulk form to other formulators to retain market share. The results are reflected in your Company's annual report.

Machete is one of our oldest and best-known rice herbicides. To highlight its heritage of high reliability and trust, we introduced Apna Machete, a photo frame for the whole family. The message: become part of a rice-growing farmers' family.

We have impressive growth in numbers for Roundup too, even though the market has become generic. To ensure differentiation, we created strong imagery for the brand, projecting Roundup as a tiger that eats all weeds.

Conservation Tillage helps farmers cut costs

One of the major concerns for farmers in today's increasingly competitive world is reducing the costs of raising a crop. Mechanisation reduces labour and the time needed for preparing a field for sowing, but the rising cost of fuel is offsetting this. Scientists have found that one solution is Conservation Tillage (CT) or reduced ploughing, also termed as Zero Tillage.

In this system, after the rice harvest the residual moisture in the field is used for sowing the next crop. The idea came from forests and forage crops where no ploughing is done. In CT, the initial field preparation activities are reduced substantially. A weedicide is sprayed to clear the field of weeds and the seed is sowed without any ploughing. The major benefit is that the farmer can plant early, especially in places like Bihar where the field is very wet after the rice harvest in October, and planting of corn for the rabi crop can get delayed by up to a fortnight.

We started with a pilot project in Bihar on 700 acres. Initially, nobody believed one could raise a crop without ploughing. But farmers who took the plunge discovered a triple benefit:

- Convenience and 15 days saved because they could plant immediately, without waiting for the field to dry
- Saving of cost of ploughing, which is Rs 2,000 per acre, plus the

cost of weeding. The problem of the weed, phalaris minor, from the earlier crop is also reduced because weed seeds lying at lower depths don't come to the surface without ploughing

- Reduced irrigation costs; since the soil is not ploughed, it takes less time to irrigate the field and allows the water to spread easily. This reduces costs where pumpsets are used for irrigation

All this not only saved farmers time and money, it also earned them an additional Rs 2,500-3,000 per acre and made the project a huge success. The total benefit at the 61 sites we studied showed a net benefit of about Rs 3,700 per acre to the farmer.

Farmers in coastal Andhra Pradesh have now taken to CT in a big way. They planted corn on 30,000 acres using CT methods for the first time in November 2004. These farmers found that the cob size was larger and the grain colour brighter, and lodging or seeds falling off, was also less prevalent in CT fields.

Conservation Tillage is ideal for small farmers, most of whom are tenant farmers and for whom any saving is a big financial benefit. We plan to focus on the CT initiative in a big way because it makes the farmer competitive by keeping his costs down, ensures increased output from current land resources and ultimately, means more income for the farmer. Another big advantage of CT is the saving of soil and nutrients that are otherwise lost when the water runs off during ploughing. Zero tillage is therefore environmentally friendly, as it helps protect organic matter content, reduce soil erosion and improve soil health.

HUMAN RESOURCE INITIATIVES

2004-05 was an action-packed year for HR. We augmented our field force by 10% to promote the seeds business, retained our top key talent and initiated several projects to motivate people to put in their best.

Monsanto is a company that invests extensively in training. We nominated senior managers for a Management Development Programme in Singapore on developing coaching skills. We also conducted several training programmes for field staff and those at manufacturing sites, throughout the year.

We continue to focus on career development for our staff and move them to more important positions through internal promotions. As business expanded, we created more opportunities for promotions. We did a corporate Employee Satisfaction Survey (ESS) and based on the results we are working on a well-designed action plan to promote satisfaction across the Company.

We are also focused on developing a diverse organisation and that effort, now in its third year, continues. Our emphasis is on being an inclusive organisation that helps create better value and quality decision-making processes.

Our People Review Process is very robust and we use it to manage talent and take care of succession planning in the organisation. Our talent pool is also very rich. All this helped retain key talent and motivate people to extend the limits of their involvement in the Company.

Our Development Performance and Reward (DPR) system sets targets for the year. We also set goals for development apart from our business goals. Every manager has a 25% weightage for people development and every employee has 25% for self-development. Being a technology development company, we need to develop our own people to be successful in the marketplace. This is a business requirement and we have included a subsidised tuition and education policy to help drive DPR.

A major milestone for us during 2004-05 was Monsanto featuring in the top 25 "Great Places to Work" in India for the year 2004, among 179 companies. This prestigious survey was conducted by the Grow Talent Company Limited in partnership with Great Place to Work® Institute of the US and Businessworld. Monsanto was ranked 23rd on the list.

GREAT PLACES TO WORK INDIA

Grow Talent Company Limited

The study uses a unique employee-centric methodology and measures the levels of trust, pride and camaraderie present in an organization. Our ambition has always been to be a truly "Great Place to Work" and this study is yet another great recognition for us, marking another important step towards strengthening our position as an employer of choice in India.

Our parent company was also among the "100 Best Companies to Work For" in Fortune magazine's January 2005 listing. Monsanto ranked 83 in this list and at No. 30 among 34 mid-sized companies. Fortune selects companies from its evaluation of the policies and culture of each company and surveys of the company's employees.

Fortune wrote: Team building – with activities like snowshoe softball – is a major focus for this agricultural products manufacturer. At several sites, "people teams" of staffers are charged with designing employee bonding activities. Monsanto was noted for its team-building activities as well as its 3.15% turnover rate.

We are also pleased to tell our shareholders that Monsanto India Ltd. was recognised with the Award for "the Organization that creates Fun and Joy at Work" at the 2nd Deccan Herald Avenues Awards for HR Excellence.

MONSANTO INDIA TEAM WINS PLEDGE AWARD FOR THIRD TIME

Monsanto India won one of the company's global Pledge Awards for 2004, for the third year in succession. The winner this time was a team from the Silvassa-based Manufacturing Plant, which went beyond the daily scope of work to help colleagues in the field to reach and educate farmers.

The Monsanto Pledge Awards are among the highest honours in Monsanto and are given to employees who undertake initiatives that demonstrate extraordinary commitment to the Monsanto Pledge. The Monsanto Pledge is a set of values that defines Monsanto as a company. With Integrity being the foundation of all that we do, the seven Pledge elements are Dialogue, Transparency, Respect, Sharing, Delivering Benefits, Taking Ownership for Results and Creating a Great Place to Work. The Monsanto Pledge was introduced in November 2000 and since then has created a great cultural shift in the Company.

The Pledge Awards are a tribute to employees whose efforts best exemplify the spirit of the elements of the Monsanto Pledge and how Monsanto employees applied an element in the Pledge to their communities and workplaces. The Silvassa winners were picked from among 200 entries received from teams around the world, based on how well the Pledge values were used in the achievement of the goal, and the environmental, economic or societal benefit created.

The winning team demonstrated the influence of the "Acting as Owners to Achieve Results" element of the Monsanto Pledge. They went beyond their daily scope of work to help run numerous meetings and discussions with farmers.

Says Shailesh Lanke, Supply Chain Lead for Monsanto India and member of the winning team: "Despite non-sales and non-farming backgrounds, the agricultural chemicals manufacturing employees assumed the responsibility of ownership to help the field teams. The opportunity to work with farmers from different areas enriched their work experience."

The winning team will use the Rs 6.5 lacs cash award to upgrade facilities at the Madhuban School in Silvassa, which we have been supporting for the last eight years. The money will go towards developing a playground, providing seven blackboards, 75 desks, two computers and building four toilet blocks. Drinking water supply will be augmented by installing a pump and digging a bore well.

We are also pleased that S Rajagopalan – CFO South Asia, was selected as one of India's 14 Best CFOs in a survey conducted by Business Today. Mr P Chidambaram, Union Finance Minister, presented him the award on April 8, 2005. This is a recognition for Raj and for Monsanto India, and reflects a further consolidation of our position among India's best companies.

MONSANTO'S SUPPORT TO HUMANITARIAN RELIEF EFFORTS

Monsanto Company, USA committed Rs 5.2 crores for emergency aid and long-term rebuilding of the areas in Asia affected by the earthquake and tsunami on December 26, 2004. Said Hugh Grant, chief executive officer for Monsanto, "Monsanto has a tradition of supporting disaster relief efforts and it is our hope that this contribution will further enable vital assistance to the hundreds of thousands of families affected by the devastation." Monsanto also donated Rs 43.5 lacs to the Friends of the World Food Program, the United Nations' frontline agency in the fight against global hunger.

Monsanto India Ltd contributed Rs 50 lacs through United Way, a prominent non-governmental organization, for the rehabilitation and livelihood rebuilding of tsunami victims in Chennai's Nagapattinam district. Our employees supplemented the organisation's effort with a contribution of two days' salary.

COMMUNITY OUTREACH

Our Silvassa team has been very active in reaching out to the community in which it works. It has been involved in the National Drive on Pulse Polio in villages, creating awareness about this dreaded disease and visiting remote villages to ensure children receive their polio dose. It has also been supporting the local Madhuban School in several ways and has participated in numerous blood donation camps.