

MONSANTO




**Farmer's Progress.
India's Pride.**

MONSANTO INDIA LIMITED
Annual Report 2011-2012

Forward Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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FROM DREAMS, COMES FARMER'S PROGRESS, INDIA'S PRIDE.

We have a majority of our people living in rural areas, mostly farming communities, many of them in abject poverty. We as a Nation can reach our aspirations of fast and inclusive growth and truly feel proud only if agriculture becomes remunerative and farmers' incomes increase to give them and their children a better life. This is an economic and moral imperative and something that cannot wait.

Access to better technology, seeds and agronomic practices will help make significant progress towards these complex objectives. When Farmers make true progress, more than 50% of India will make progress, and when that happens, India's GDP growth will begin to match its aspirations and lift millions out of poverty and towards a better life. When the basic needs of every Indian are met, we can claim true progress...and pride.

Thus...Farmer's Progress, India's Pride.

Progress means different things to different people, but a common thread is "moving towards a better life" – and in the context of our farmers, this inevitably means making the farmer get more from his land, improving his yield and ensuring he gets a better return for his toil. As yields improve, so will the farmer's income and India's food security and our Nation's ability to become a Global Agriculture powerhouse.

As an agriculture company, we take great pride in being one of the enablers in helping realize the dreams of millions of India's farmers and in playing a small role in helping our farmers progress.

With progress will come pride and the ability to hold our heads high...

...high, with an improved quality of life for our farmers through sustainable and profitable agriculture, most importantly low levels of farm debts and greater confidence in their land.

Making a farmer's child want to become a farmer – by choice.

Making their tomorrow better than yesterday.

Progress, Prosperity, Plenty on our farms will make India Proud.

**Farmer's progress.
India's pride.**

The Monsanto Pledge

The 'Monsanto Pledge' represents the values guiding our business approach, helping us measure progress in key sustainability areas. Integrity is the foundation of all that we do. The Monsanto Pledge is our commitment to how we do business. Through excellence, engagement and integrity, Monsanto is committed to ensure its obligation towards ethical, environmental and legal responsibility.

Integrity

Integrity is the foundation of all that we do. Integrity includes honesty, decency, consistency and courage. Building on these values, we are committed to:



Dialogue

We will listen carefully to diverse points of view and engage in thoughtful dialogues. We will broaden our understanding of issues in order to better address the needs and concerns of the society and of each other.



Transparency

We will ensure that information is available, accessible and understandable at all times.



Sharing

We will share our knowledge and technology to advance scientific understanding, improve agriculture and the environment, improve crops and help farmers in the developing countries.



Benefits

We will use innovative science and thoughtful and effective stewardship to deliver high-quality products that will be beneficial to our customers and to the environment.



Respect

We will respect the religious, cultural and ethical concerns of people around the world. The safety of our employees, the communities where we operate, our customers, consumers and the environment will always be our highest priority.



Act as Owners to Achieve Results

We will create clarity of direction, roles and accountability; build strong relationships with our customers and external partners; make wise decisions; steward our company resources; and take full responsibility to achieve agreed-upon results.



Create a Great Place to Work

We will ensure diversity of people and thought; foster innovation, creativity and learning; practice inclusive teamwork; and reward and recognize our people.

Committed to Sustainable Agriculture

Corporate Overview
Strategic Review
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The Challenge...

Meeting the needs of today, while preserving the planet for tomorrow



Our Solutions...



Producing more

By getting more from every seed

Despite the rapid increase in the world's population, the fact remains that only a small fraction of the earth's land area is suitable for growing crops. In order to keep up with rising demand, we need to produce more food in the next few decades than we ever have in history. But this growth in production will not be sustainable unless we make drastic improvisation in farm productivity.

Monsanto works with farmers around the world to make agriculture more productive and sustainable. Our improved technology enables farmers to extract more from every acre of farmland.

On a global level, we are working towards producing double yields in our three core crops – cotton, maize and soybean – by 2030. We plan to make this possible through a combination of advanced plant breeding, biotechnology and improved farm-management practices.

These and other innovations will enable us to meet the ever-increasing demand for food, clothing and energy posed by the world's growing populace. That, in turn, will help produce more security and a more stable, healthy, prosperous and progressive future for Indian farmers – leading to India's pride.



Conserving more

By growing more with less

In an intricate network such as the earth's ecosystem, an imbalance in one area directly or indirectly affects many others. Depletion of rivers and aquifers leads to crop failure and desertification of formerly arable land. Similarly, burning of fossil fuel generates greenhouse gasses which can lead to acid rain and contribute to climate change.

For this reason we've strengthened our goal of doubling crop yields by committing ourselves to utilizing one-third fewer resources such as land, water and energy per unit produced.

We constantly aim to develop better seeds and improved on-farm practices that can enable farmers to better manage weeds, pests and environmental stresses. We are also working with our partners to develop better conservation systems.

And we are working to make these tools of innovation available to people who have the most direct relationship with the land – millions of farmers around the world, creating a stepping stone for their progress.



Improving lives

By using best for more

The technology we use to develop better seeds and the partnerships we nurture to develop new agronomic practices increase yield productivity.

For every farmer in the world who raises himself from poverty to prosperity, there are many more that progress and prosper through healthier diets, greater educational opportunities and brighter futures, fuelled by robust local economies.

So whatever the world looks like from where you stand, the truth is we are all in this together. We truly believe that by working together, we can create a brighter and more sustainable world for all of us.

And that is exactly what we, at Monsanto, are working towards every day.

We are driving farmers' progress to enhance India's pride.

Pride of Parentage



(Map not to scale)

USA, Asia-Pacific, Canada, China, Europe, Middle East, Africa, Latin America (North), Latin America (South), India

QUICK FACTS

Headquarters

St. Louis, Missouri,
United States

Products

- ✿ Agricultural and vegetable seeds
- ✿ Plant biotechnology traits
- ✿ Crop protection chemicals

Global Net Sales (2011)

US\$ 11,822 Million

Monsanto Company

Headquartered in St. Louis, Missouri, Monsanto Company is a leading global provider of technology-based solutions and agricultural products aimed at improving farm productivity and food quality. The Company is committed to enabling small and large farmers in producing more, while conserving more of the world's natural resources. The Company is a leading producer of seed brands in crops such as maize, cotton, oilseeds (soybeans and canola) and vegetables.

Monsanto also produces leading in-the-seed trait technologies for farmers aimed at protecting their yields, supporting their on-farm efficiency and reducing costs. The Company is also dedicated to broadly licensing seed and trait technologies to other companies around the world. This approach ensures farmers can access these products in the varieties that mean the most to their farm. In addition to the seeds and traits business, the Company manufactures Roundup®, the world's largest-selling herbicide brand, besides other herbicides used by farmers, consumers and lawn-and-garden professionals.

WHAT WE TAKE PRIDE IN

- ✿ A Fortune 500 company
- ✿ Ranked by Forbes Magazine among Top 10 of the World's Most Innovative Companies
- ✿ CEO Hugh Grant was ranked No. 10 by Harvard Business Review among its list of World's 100 best-performing CEOs
- ✿ Selected among '100 Best Corporate Citizens 2010' by Corporate Responsibility Magazine
- ✿ Voted as 'Company of the Year' in 2009 by Forbes Magazine
- ✿ Ranked amongst 'World's 10 Most Influential Companies' in 2008 by Business Week



(Map not to scale)

Headquarters Mumbai, India

QUICK FACTS

Products

Hybrid maize seeds – Dekalb®
Glyphosate herbicide – Roundup®

Facilities

- ✿ 2 seed research breeding stations
- ✿ 1 seed processing facility
- ✿ 1 quality assurance laboratory
- ✿ 1 chemistry plant

India Presence

Over six decades of presence
357 employees

Listed on

Bombay Stock Exchange
(BSE code – 524084)
National Stock Exchange
(NSE code – MONSANTO)

Monsanto India Limited

Monsanto India Limited (MIL), a subsidiary of Monsanto Company, USA, is the only publicly listed Monsanto entity outside of United States.

Incorporated in 1949, MIL is committed to helping Indian farmers produce more, while conserving sustainably. It focuses on maize (Dekalb®, India's largest selling hybrid maize seed brand) and agricultural productivity (Roundup®, the world's as well as India's largest selling glyphosate herbicide), touching the lives of Indian farmers and promoting their progress.

MIL endeavors to boost crop productivity through advanced research in maize cultivation, access to a wide library of global maize germplasm, breeding technology and techniques, new high-yielding hybrid seeds, best-in-class manufacturing facilities, extensive agronomic activities and on-farm technology development.

During 2011-12, MIL recorded net sales of Rs. 367.98 crores, while investment in R&D was Rs. 17.27 crores.

WHAT WE TAKE PRIDE IN...

- ✿ The Great Places to Work (GPTW) Institute featured Monsanto India as one of the Top 100 among 'India's Best Companies to Work, 2011'
- ✿ Recognized among the best employers in 8 out of last 9 years (GPTW: 2003, 2008, 2009, 2010 & 2011; Hewitt Associates 2004, 2005 & 2007)

Chairman's Message

“

The Indian agricultural sector is on the brink of transformation owing to the structural change in the Indian economy during the past few decades. Agriculture is demographically the broadest economic sector and plays a significant role in India's overall socio-economic fabric.

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Sekhar Natarajan, *Chairman*

DEAR SHAREHOLDERS,

“True progress is making farmers' tomorrow better than their yesterday.” In developed countries, there is a growing recognition that smallholder farmers and rural communities are a crucial element of the solution to the challenges posed by food insecurity and poverty. A study conducted by the International Fund for Agricultural Development (IFAD) indicates, a healthy agricultural sector acts as a multiplier in local economies, spurring higher incomes and increasing access to markets – both for the farmer and the society. “Agriculture, irrespective of the size of the farm, generates business, and every entrepreneur, whether it is a smallholder farmer or a large commercial farmer, needs or wants to make money,”

IFAD's President Kanayo F. Nwanze emphasized in his speech at the World Economic Forum in 2010.

World population is expected to increase from 7 billion to 9 billion between now and 2050 (*Source: The Economist*). To keep pace with this growth, the United Nations' Food and Agriculture Organization (FAO) reckons grain output will have to rise considerably. The world will need at least 70% more food by 2050, while food production in developing countries will need to double. This may be difficult, considering growth in agricultural yield has slowed down, but it is not impossible.

In India, agriculture has a significant history. Today, India ranks second worldwide in farm output, with a majority of its workforce continuing to depend on agriculture. In rural areas, the dependence on agriculture is more, as nearly 50% of the total population is employed directly or indirectly in agriculture. The Indian agricultural sector is on the brink of transformation owing to the structural change in the Indian economy during the past few decades. Agriculture is demographically the broadest economic sector and plays a significant role in India's overall socio-economic fabric. This, in turn, requires a renewed focus on agriculture from all stakeholders. Fostering in rapid, sustained and broad-based growth in this sector remains a key priority for our government.



However, what remains of prime concern is that the economic contribution of agriculture to India's Gross Domestic Product (GDP) is steadily declining, despite its broad-based economic growth. The share of agriculture, including forestry and fishing, has declined as growth in industrial (mining, manufacturing, electricity, construction) and services sector has far outpaced the agricultural sector. This will have to be corrected with increased agricultural outputs while ensuring both food and nutrition security.

From where we stand today, the need of the hour is modernization in all agricultural inputs; reduction in post-harvest wastage, increased corporate participation and higher investments in agriculture. As a country we need to usher in improved R&D and expertise, which will result in better seeds, nutrients and agricultural practices. Much of this is already happening at the grassroot level, thanks to investments by agro-based companies.

Another huge and critically important change is happening at the farmers' end. Farmers' awareness levels are slowly rising and they are beginning to view farming as an economically viable profession. They are also gaining access to better inputs, infrastructure and are keen to effectively participate in the changing markets.

At MIL, we are happy to be a part of this agricultural revolution as we realize that with farmers' progress will stem the pride of India. We are happy to have played our role in raising the productivity levels of maize, protecting crop yields through our herbicides and to have contributed to improving the overall landscape of Indian farmers. We've also introduced innovative and technologically-advanced products in the market, living up to our commitment of making agriculture sustainable. Several of our initiatives engaging the farming communities stand testimony to our overwhelming trust and confidence in our mission of improving the farmers' lives – directly or indirectly.

MIL's goal continues to be to increase crop productivity through better products. The very foundation of our business is food security as well as sustainable and profitable agriculture. We will continue our endeavour to nurture sustained growth and development in agriculture, with appropriate support from the industry, government and other stakeholders – all working together.

Today, as we move ahead, I see an urgent need for an enabling and appropriate policy environment that encourages all companies to invest in better research, cutting-edge technology and innovative agricultural inputs. As the demand for adoption of modern agronomic practices and farming techniques to improve farming yield continue to rise, the industry should be willing and ready to play its important role.

In our Annual Report 2011-12, we demonstrate our commitment to overcome the challenges that face Indian agriculture and help in transforming the lives of Indian farmers. This vision is strengthened by our strong belief that farmers' progress enhances India's pride.

And MIL is proud to be the catalyst for this progress made by farmers – in making their tomorrow better than yesterday.

Farmer's Progress is indeed India's Pride.

Regards,

Sekhar Natarajan, *Chairman*

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From where we stand today, the need of the hour is modernization in all agricultural inputs; reduction in post-harvest wastage, increased corporate participation and higher investments in agriculture.

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Managing Director's Message



Amitabh Jaipuria, Managing Director

To dream big is hard, but to work towards attaining those dreams is infinitely harder. We have been working on our dreams to help the Indian Farmer realize his. Through these efforts; the efforts of the State and countless others, and most importantly through the farmers' own efforts, we see them make steady progress.



DEAR SHAREOWNERS,

Let me start with a small recap of our last year's Annual Report theme – *Inspired by Dreams*, where we had said:

“A dream is a powerful instrument of change and transformation. If pursued with diligence, dreams can lead to far reaching and profound change for the good.” We are aware that not all dreams are easy to achieve. At MIL, we see our role as facilitators of our farmers' dreams. And through them contribute to fulfilling our national vision for farmers and agriculture in India. At MIL, we dream with our eyes open – to ensure that we deliver on them.”

To dream big is hard, but to work towards attaining those dreams is infinitely harder. We have been working on our dreams to help the Indian Farmer realize his. Through these efforts; the efforts of the State and countless others, and most importantly through the farmers' own efforts, we see them make steady progress. As they do so, we cannot help but be filled with immense pride. Much remains to be done and this is just the start, but as farmers progress, all of India takes pride. Therefore, moving a few paces ahead from last year our theme for 2011-12 is *Farmer's Progress, India's Pride*.