

MONSANTO



Years of
Commitment
to
AGRICULTURE

ANNUAL REPORT 2014 | 15
MONSANTO INDIA LIMITED

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Forward Looking Statements



In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed 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 achievement of results is 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 bear 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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Sustainable development is not an option! It is the only path that allows all of humanity to share a decent life on this, one planet”

– SHA ZUKANG,

Secretary-General of the Rio+20 Conference

40 Years of Commitment to Agriculture

The year 2015 marks an important milestone in our journey, a point from where we look back at all the good times and the tough ones, and celebrate our many successes. February 27, 1975, was when we received a license to sell Machete in India, and it signalled the beginning of our journey in Indian agriculture. The past 40 years have been a testament to our commitment to the nation, its farmers and to its agriculture.

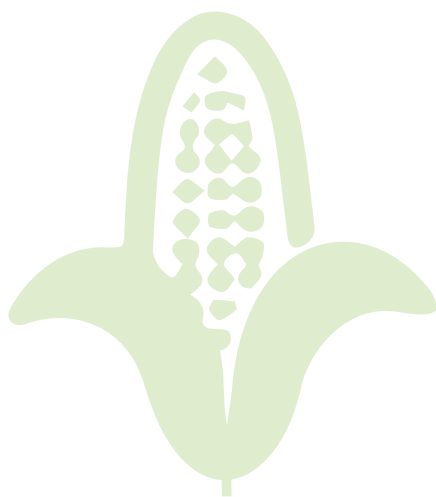
Forty years ago, we made a choice. We committed ourselves to helping the nation's farmers make agriculture sustainable through which they could chart a course towards a better future. Even as many nations around the world weighed their options on the best possible way to a better tomorrow, we realised the importance of investing in India's agriculture and its farmers as a meaningful way of supporting the nation's progress. And we embarked on a journey to transform lives through a collaborative and partnership-led approach, with inclusive growth as the overarching goal.

Growing enough food for all using natural resources responsibly and ensuring that our farmers are empowered with improved

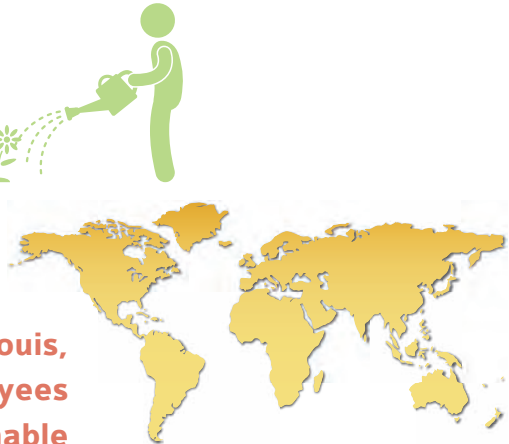
standards of living – our quest for a better tomorrow traverses many challenging milestones, which we continue to cross as we march forward on this journey. Steered by a vision of holistic progress, we bring optimal solutions to farmers across India as we partner them on their voyage of sustainable development.

In farmers' success lies our success.

When we introduced our first product in India 40 years ago, we embarked on a journey to serve the nation and its farmers through science and innovation. India's farmers have continuously reposed their trust in us and our products over the past four decades and we are committed to providing them with the best-in-class innovation in agriculture and support them to be globally competitive. We work with 90 lakh farmers each day, understanding their needs and helping them find solutions to the many challenges that they face in an increasingly uncertain agro-climatic environment. Without their unstinted support and trust in us, the journey over the past 40 years would not have been as satisfying as it feels today. It provides us with the energy and focus to undertake the next 40 years of our journey.



Monsanto at a Glance



Monsanto Company

A Fortune 500 company, headquartered at St. Louis, Missouri (USA), we are more than 20,000 employees committed to pursuing a broad range of sustainable agriculture solutions to help nourish our growing world. We deliver agricultural products that support farmers all around the world.

We are focussed on empowering farmers – large and small – to produce more from their land, while conserving more of our world's natural resources such as water and energy. We do this with our leading seed brands in crops like maize, cotton, oilseeds, fruits and vegetables. We also produce leading in-the-seed trait technologies for farmers, which are aimed at protecting their yield, supporting their on-farm efficiency and reducing their on-farm costs. Through programmes and partnerships, we collaborate with farmers, researchers, non-profit organisations, universities and others to help tackle some of the important farming challenges.

Research & Development

In line with the evolving needs of farmers around the world, we are continuously upgrading and enhancing our Research & Development (R&D) focus to deliver more

relevant and improved products. We focus on delivering innovative and sustainable products to farmers around the world that help to improve yields while using fewer inputs.

As farmer needs evolve, so does our research and development pipeline. Today, we are focussed on delivering systems of products that work together to address the challenges farmers face and maximise their yield potential.

Globally, Monsanto invested more than US\$1.5 billion last fiscal year researching new tools for farmers. The Company concentrates the vast majority of its R&D efforts on new biotech traits, elite germplasm, breeding, new variety and hybrid development, and genomics research. Other R&D projects support the Company's current products, including improved formulations of Roundup® herbicide.

Global Recognitions

Monsanto CEO Hugh Grant named a Glassdoor Highest Rated CEO

CIO Magazine recognised Monsanto with 2015 CIO 100 Award

Monsanto named among the Best Multinational Workplaces in Europe in 2015

Monsanto ranked #10 on 2015 List of The Best Multinationals in Latin America

Monsanto ranks #43 on 2015 Top 50 Companies for Diversity

Monsanto featured in FORTUNE magazine's 2015 list of World's Most Admired Companies

Fact-sheet



21,183

employees



404

facilities in 66 countries



US\$ 13.5

billion Global Revenues

Global Product Portfolio

- Agricultural and Vegetable Seeds
- Plant Biotechnology Traits
- Crop Protection Chemicals

Monsanto India Limited

The only listed entity of Monsanto outside the USA, Monsanto India Limited (MIL) has made a difference to lives of farmers in India since 1975.

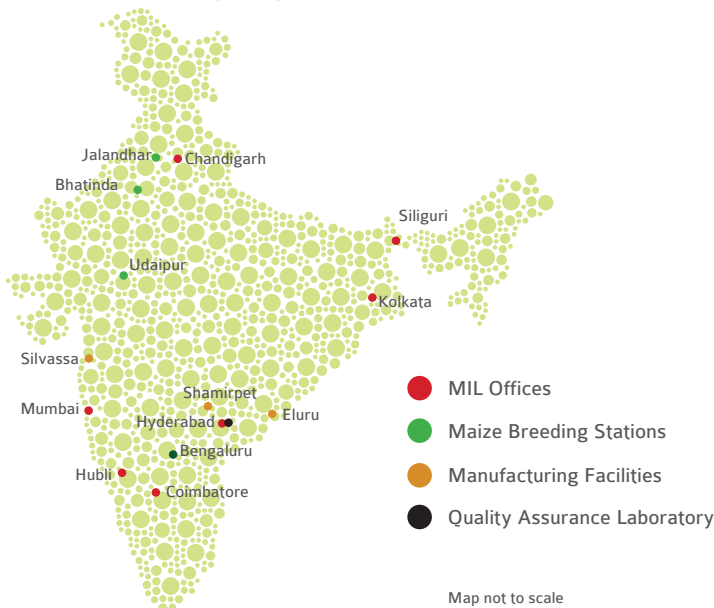
With a team of 352 dedicated members, the Company operates in key businesses of high-yielding hybrid maize seeds, marketed as brand **DEKALB®**, and crop protection herbicide brand **Roundup®**. The Monsanto Farm AgVisory Services (**MFAS®**) supports these businesses to provide farmers with advisory offerings on better agronomic practices to help improve their crop yields and quality.

MIL is focussed on improving crop productivity through its 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.

Rooted in trust and committed to sustainable agriculture, we work closely with farmers through various partnerships and associations to nurture their dreams of a better life. Our partnerships extend across NGOs, State Governments and Agricultural Universities.

Strong reach and presence

- Presence spans Mumbai, Kolkata, Coimbatore, Chandigarh, Hyderabad, Hubli, Siliguri
- Maize Breeding Stations at Udaipur, Bengaluru and a Satellite Breeding Station at Jalandhar
- Manufacturing Facilities at Silvassa (Herbicide plant), Shamirpet (Maize Conditioning plant), Eluru (Seed Processing plant)
- Quality Assurance Laboratory at Hyderabad



Product Profile

DEKALB®
Hybrid Maize Seeds



ROUNDUP®
Glyphosate-based Herbicide



Key Numbers


₹546.63

Net Sales in Crores


₹106.30

Net Profit in Crores


₹36.00

Total Dividend per share


₹374.33

Net Worth in Crores

Stock Ticker



BSE Code: 524084

NSE Symbol: MONSANTO

Our Commitment to Sustainable Agriculture



Our vision for sustainable agriculture strives to meet the needs of a growing population, to protect and preserve this planet we all call home, and to help improve lives everywhere. In 2008, Monsanto made a commitment to sustainable agriculture – pledging to produce more, conserve more, and improve farmers' lives by 2030.

At Monsanto, our commitment goes beyond fields and farms. Our focus is to make agriculture sustainable. By helping farmers in producing more and conserving more, we sustain both farms and farmers. By harvesting more success, we make agriculture more viable and rewarding.

People around the world depend on agriculture and the hard work of farmers for their most basic needs. With global population expected to grow by 40 percent in the next few decades, agriculture will

need to become more productive and more sustainable in order to keep pace with rapidly increasing demands.

We are committed to developing technologies that enable farmers to produce more crops while conserving more of the natural resources that are essential to their success.

Producing more. Conserving more. Improving lives. That's Sustainable Agriculture. And that's what Monsanto is all about.

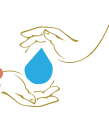


Producing More



Monsanto works with farmers from around the world to make agriculture more productive and sustainable. Our technologies enable farmers to get more from every acre of farmland. These yield gains come from a combination of advanced plant breeding, biotechnology, and improved farm-management practices.

Conserving More



We've strengthened our goal to double crop yields by committing to doing it with one-third fewer resources such as land, water, and energy per unit produced. We continue to develop better seeds and improve on-farm practices that enable farmers to better manage weeds, pests, and environmental stresses. We work with partners to develop conservation systems that are better for the plant. We make these tools of innovation available to the people who have the most direct relationship with the land - the millions of farmers around the world.

Improving Lives



The technology we use to develop better seeds and the partnerships we nurture to develop new agronomic practices, can drive big increases in yield and productivity. For all the world's farmers who raise themselves from poverty to prosperity, many more people will also prosper, through healthier diets, greater educational opportunities, and brighter future fuelled by more robust local economies.



Our Pledge



Integrity



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

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.

Dialogue



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

Respect



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

Transparency



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

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 responsibility for achieving agreed upon results.

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.

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 recognise our people.

The Monsanto Pledge is our commitment to how we do business. It is a declaration that compels us to listen more, to consider our actions and their impact broadly, and to lead responsibly. It helps us convert our values into actions, and to make clear who we are and what we champion.

Chairman's Communiqué



Sekhar Natarajan - Chairman

Dear Shareholders,

Indian farmers and the agriculture sector have been in the news and discussions in recent months. This large group of the rural population and the agriculture sector remain important areas of Government focus despite the increased thrust on manufacturing and "Make in India".

Notwithstanding its criticality to the Indian economy, the agricultural sector is faced with many bottlenecks and continues to suffer from the vagaries of the weather, small and fragmented land-holdings, depleting soil productivity, lack of mechanization and lack of timely access to credit at reasonable costs. Irrigation also remains a matter of serious concern; although India is the second largest irrigated country of the world after China, only one-third of the cropped area is under irrigation, adversely impacting yield and productivity.

Fortunately, the Indian Government, led by Prime Minister Narendra Modi, has taken due cognizance of the various problems plaguing the sector. The Government has, in recent months, initiated a series of measures to boost productivity and address the long-standing needs of the farming community. The Prime Minister has clearly prioritised agriculture as a key area of India's growth strategy with his development mantras for the sector. While his '**Per Drop, More Crop**' call for improved irrigation to increase crop productivity envisages a bigger role for technology, his "**Kam zameen, kam samay, zyaada upaj**" (Less land, shorter time, more productivity) statement is aimed at empowering the small farmers, who play a significant role in the country's agricultural progress.

The Union Budget for 2014-15 also lays out the roadmap for actioning upon these mantras. The Government is clearly committed to the progress of the farmers and the development of the sector, raising optimism about the future prospects for this vital segment of national growth.

Enhanced institutional credit to farmers and improved access to irrigation through the *Pradhan Mantri Krishi Sicchayee Yojana*, are significant budget interventions that are likely to create a better environment to nurture the farming community. The budget also provides for development of the much-needed scientific warehousing infrastructure, including cold storages and cold chains in the country for increasing shelf-life of agricultural produce. Soil health, price stabilisation and agri-tech infrastructure have also received due focus in the budget to make farming competitive and profitable.

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We need Indian agriculture to grow and contribute to farm income and National GDP. With both the Government and the Private Sector players willing to play their rightful role, the future scenario for India's agricultural progress seems highly positive. We too are fully geared to partner the Government in its strategic charter for the growth of this sector.

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Farm technology is another core area of the Government's agenda to boost productivity. Inaugurating Doordarshan's Kisan Channel recently, the Prime Minister underlined the need to take technology to farms. Emphasising the need for change in agriculture, he noted that this could be done through the use of various technologies, including space technology which could give accurate weather forecasts. For Monsanto, which has always been at the forefront of transforming agriculture through technology, these words encourage us to continue with technological interventions to boost sustainable agriculture.

The seed sector is an important part of the overall agriculture sector. Steered by our strong commitment to sustainable agriculture, we have consistently partnered with the farmers, government and other stakeholders to improve the productivity of maize through the correct propagation and use of high quality hybrid maize seeds. As a result of the work done by the seed industry, overall maize production in India has grown by 63% during the last decade from 14.98 million tonnes in 2003-04 to 24.35 million metric tonnes in 2013-14. Good quality seed use driving maize yield is an important part of this equation, as the overall maize acreage during this same period has increased only by 1.9 million Ha from 7.5 million Ha in 2003-04 to 9.43 million Ha in 2013-14.

We need Indian agriculture to grow and contribute to farm income and national GDP. With both the Government and the Private Sector players willing to play their rightful role, the future scenario for India's agricultural progress seems highly positive. We too are fully geared to partner the Government in its strategic charter for the growth of this sector.

Your Company has been committed to sustainable agricultural growth in India for over four decades now. We look forward to continuing this contribution with our

high-quality maize hybrid seeds and weed management herbicide products along with our new technological initiatives. We have been effectively using Information Technology (IT) to support the farming community with agronomic and other advisory services and shall strengthen this platform further to reach out to more and more farmers across an expanding geographical area. Farmer engagement has been a key component of our business structure and, with our partnership approach, we shall continue to deepen our connect with the farming community.

As FAO's 'Food Security in the World 2015' report points out, enhancing the productivity of resources held by smallholder family farmers, fisherfolk and forest communities, and promoting their rural economic integration through well-functioning markets, are essential elements of inclusive growth. We are committed to such inclusive growth and are continuously working towards bringing such farming communities into the ambit of our strategic framework for development.

We, at Monsanto, have always looked at farmers as partners in India's progress and as an extension of our family. We have spent the last 40 years in building close relationships with them; we look forward to further cementing these relations in the coming years.

Yours sincerely,

Sekhar Natarajan
Chairman

Message from the Managing Director



Shilpa Shridhar Divekar - Managing Director

Dear Shareholders,

Forty years ago, we made our beginning with India's farmers – one with deep-rooted commitment to make a lasting difference to their lives, to the agriculture economy and to the nation. Your Company's strategic vision was focussed on developing sustainable agriculture solutions and contributing to all-round progress of farming communities across the country. Today, we look back with satisfaction, humility and pride at the many milestones along this journey. We remember all those who have made these possible – our farmers for their unstinted acceptance of our innovation, our partners for helping bring our vision to life and our team of people with the unique passion they have brought to work each day during their association with the Company. We look ahead with excitement, challenge and agility to continue to evolve your Company to be future-ready in the wake of changes in global and Indian agriculture.

Our journey during this milestone year

The year gone by reminded us of the realities which confront agriculture globally and the potential implications for the evolution of the sector. Global economic slowdown, high inventory positions for agricultural commodities and resultant low commodity price tables are the realities faced by businesses engaged in agriculture. These forces impacted crop preferences by farmers and resulted in crop shifts – for instance, maize planting was down, while soybean planting went up. In India, weather vagaries in terms of delayed and deficient rainfall during *Kharif* and unseasonal rainfall at other times of the year severely impacted agriculture in general, and your Company's maize and Roundup® businesses. The maize seed business was further impacted by high carryover maize grain and low maize commodity prices ahead of both planting seasons. Our Roundup® business faced headwinds at mid-year owing to a drop in global acid prices for glyphosate. In light of a challenging external environment, the team regrouped, increased focus on controllable factors, responded with agility and delivered a relatively strong performance in a tough year.

While focussing on delivering business results, your Company continued its focus on research efforts towards improving the maize seed pipeline to meet changing climate patterns and respond to the changing needs of farmers in our country. New product launches and introduction of a new packaging renewed focus on enhancing brand equity for DEKALB® in the hearts and minds of our maize farmers. We are excited at the growth