

2015-16
Annual Report



Enriching Lives,
Empowering Communities.

Monsanto India Limited

MONSANTO



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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.

INDIA HAS BECOME ONE OF THE FASTEST GROWING ECONOMIES GLOBALLY DUE TO YEARS OF PERSISTENT PLANNING AND FOCUSED APPROACH.

WITH ITS PER CAPITA INCOME GROWING AT AN AVERAGE OF 6% ANNUALLY, THE NATION'S FOCUS IS TO DRIVE INCLUSIVE GROWTH THEREBY HELPING IMPROVE THE COUNTRY'S HUMAN DEVELOPMENT INDEX. THIS CAN BE DONE BY PROVIDING ACCESS TO BASIC AMENITIES (CLEAN WATER, HYGIENE AND SANITATION) FOR PEOPLE IN RURAL INDIA, ENHANCING EDUCATION LEVELS AND PROMOTING FEMALE LABOUR PARTICIPATION ETC. THESE STEPS WOULD IMMENSELY HELP IN ADVANCING THE STANDARDS OF LIVING OF INDIVIDUALS IN INDIA'S RURAL INDIA AND THEREBY ALSO CONTRIBUTING TO THE COUNTRY'S GROWTH.



1 million

no. of farmers registered
with us for farm advisory
services

The agriculture sector has phenomenal opportunities for development – right from enhancing farm output to covering more area under irrigation to educating farmers with modern agricultural practices to increasing use of mechanisation in farms and most importantly, enhancing farmers' profitability.

The Government of India is concertedly working towards these objectives by rolling out favourable policies to generate jobs in rural India, boosting agricultural growth and improving farmers' condition. Sharing the joy and aspirations of rural India, we, at Monsanto, are also pro-actively addressing the challenges by –

- Providing high-yielding seeds and crop protection solutions that economically benefits over 1.5 million farmers across India,
- Providing farm advisory services that provides customised services and timely agriculture, crops and climate related information to over 4 million registered farmers,
- Associating with NGOs for supporting nutritional and educational programmes benefiting 1.1 lakh students and undertaking infrastructure and community development activities benefiting 61,000 villagers.

We believe in inclusive growth – where on one hand we grow as Company and on the other we help the community grow. We shall continue these initiatives with a focus on

Enriching Lives and Empowering Communities.

MONSANTO AT A GLANCE

FORTUNE 500 COMPANY

Headquarters:

St. Louis, Missouri,
United States

Globally (2015):

- 21,183 + employees
 - 404+ facilities
 - Operations in over 66 countries
-

Monsanto is a sustainable agriculture company. 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 corn, cotton, oilseeds, fruits and vegetables. We also produce leading in-the-seed trait technologies for farmers, which are aimed at protecting their yields, supporting their on-farm efficiencies and reducing their on-farm costs.

We strive to make our products available to farmers throughout the world by broadly licensing our seed and trait technologies to other companies. In addition to our seeds and traits business, we also manufacture Roundup® and other herbicides used by farmers, consumers and lawn-and-garden professionals.

Products:

- Biotechnology
 - Plant Breeding
 - Precision Agriculture
 - Crop Protection (Chemistry, BioDirect, Microbials)
-

THAT'S MONSANTO GLOBAL FOR YOU.

Monsanto could not exist without farmers. They are our customers, the lifeblood of our Company. More important, they are the support system of the world's economy, working day in and day out to feed, clothe and provide energy for our world.

Research and development

Monsanto specialises in research and development activities that focus on developing innovative and sustainable products for helping farmers improve yields while using minimum resources. We continuously adapt to the evolving needs of farmers to help them deliver relevant and improved products. Globally, Monsanto has invested more than USD 1.5 billion in the last fiscal towards R&D researching new tools for the farmers.

Our R&D activities are mostly concentrated on new biotech traits, elite germplasm, breeding and genomics research. We also focus on further developing the Company's current product portfolio and improving formulation of Roundup® herbicide.



Global recognition

- Featured in FORTUNE magazine's 2015 list of World's Most Admired Companies
- Featured in CR magazine's 2015 list of 100 Best Corporate Citizens
- Received Distinction Award in 2015 from WorldatWork Alliance for Work Life Progress
- CIO Magazine recognised Monsanto with 2015 CIO 100 Award
- Featured in Computerworld magazine's 2015 list for best places to work for in IT
- Recognised as Canada's top 100 employers in 2015
- Featured in Diversity Inc magazine's 2015 list of top 50 companies for diversity
- Recognised by Human Rights Campaign Foundation as the Best Place to Work for LGBT equality in 2015
- Recognised by Glassdoor as the Best Places to Work for in 2015
- Recognised by "GREAT PLACE TO WORK®" in 2015 as the World's Best Multinational Workplaces and Best Companies to Work for in India
- Monsanto India Annual Report 2014-15 was conferred with a Platinum award in Agribusiness category at the League of American Communications Professionals LLC (LACP), held in 2015



MONSANTO INDIA LIMITED

MONSANTO INDIA LIMITED (MIL) - A SUBSIDIARY OF THE MONSANTO COMPANY, USA - IS THE ONLY PUBLICLY LISTED MONSANTO ENTITY OUTSIDE USA. WE HAVE BEEN IN INDIA SINCE 1949 AND HAVE DEVELOPED A LASTING PARTNERSHIP WITH INDIA'S FARMERS BASED ON DEEP-ROOTED TRUST.

MIL is committed to help the Indian farmers produce more sustainably and to be successful. MIL focusses on maize (Dekalb®, India's largest selling hybrid maize seed brand) and agricultural productivity (Roundup®, the world, as well as India's largest selling glyphosate herbicide).

Monsanto started operations in India in 1975 through Monsanto India Limited (MIL) and is headquartered in Mumbai, Maharashtra, India. The Company also provides advisory services to farmers on better agronomic practices to help improve their crop yields and quality through its Monsanto Farm AgVisory Services (MFAS®).

MIL is focussed on improving the agriculture scenario in India and enriching the lives of the farmers through its advanced research and development, breeding technology and techniques, extensive agronomic activities and on-farm technology development.

The Company, over the years, has partnered with various state governments, agricultural universities and NGOs to provide the farmers necessary support for a successful harvest to enrich their lives and gain their trust.

Key Numbers

541.57

Net sales (₹ cr)

101.25

PAT (₹ cr)

2,863.43

Market capitalisation (₹ cr)

122.05

EBITDA (₹ cr)

290

Team size

413.25

Net Worth (₹ cr)

Presence

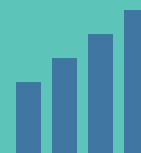
- Offices in Mumbai, Kolkata, Coimbatore, Chandigarh, Hyderabad, Hubli, Siliguri
- Maize breeding stations at Udaipur, Bengaluru and a satellite breeding station at Jalandhar
- Manufacturing facilities in Silvassa (herbicide plant), Shamirpet (maize conditioning plant) and Eluru (seed processing plant)
- Quality assurance laboratory at Hyderabad

Accreditations

- ISO 14001 for environment safety
- OHSAS 18001 for ESH (environment, safety and health) management system

Products portfolio and services

- 27 variants of hybrid maize seeds sold under Dekalb® brand
- Weed control glyphosate sold under Roundup® brand
- Monsanto Farm AgVisory Services (MFAS®) an IT-based mobile platform as an after sales service aimed at providing farmers with advisory offerings on better agronomic practices to help improve their crop yields and quality



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 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.



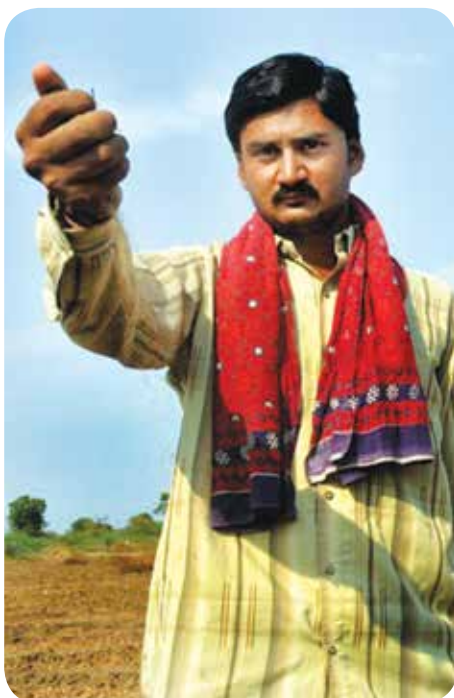
Conserving more

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 improved 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 futures fuelled by more robust local economies.



OUR PLEDGE

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.

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.



CHAIRMAN'S STATEMENT

“

The current need of the hour is efficient utilisation of inputs and better exploitation of potential in rain-fed areas. The past two years have been quite difficult for our farmers as low rainfall, drought-like scenarios in many areas and warm winters led to lower than expected crop yields.



Sekhar Natarajan
Chairman



We constantly strive to enhance the quality of our maize hybrid seeds and weed management herbicide products along with offering farmers the much-needed agronomic information.

The Indian agricultural sector has grown impressively in the past few decades to keep up pace with the rising food demand. Most of the growth in agricultural production has come from improving productivity as land area under agriculture has been declining over the years. As we are aware, the major problems with agriculture in India are the highly fragmented farming lands, high dependency on monsoon, lack of skilled labours and crop losses. The good news is that our country still has a lot of potential to enhance its farm output if the farmers are provided with the necessary knowledge and support. The current need of the hour is efficient utilisation of inputs and better exploitation of potential in rain-fed areas. The past two years have been quite difficult for our farmers as low rainfall, drought-like scenarios in many areas and warm winters led to lower than expected crop yields. Despite this, the strong determination and persistent efforts of the farmers led to the growth of the sector in the last fiscal.

The Union Budget 2016-17 has laid significant importance on improving agriculture and farmer scenario of the country. Implementation of these strategies would provide the much-needed boost to the sector and enhance farmer motivation.

Most of the agricultural challenges have researched solutions. We, however, need to provide our farmers the correct know-how on better resource management, production improvement, yield increase and augment the marketability of the produce. These steps can help all farmers, including smallholder farmers, enhance their incomes.

At Monsanto India, we undertake the responsibility of helping out farmers and work towards the goal of sustainable agricultural growth. We constantly strive to enhance the quality of our maize hybrid seeds and weed management herbicide products along with offering farmers the much-needed agronomic information. Engaging with farmers, providing them necessary farm information and demonstrating better farming practices is one of the key components of our business. Our products empower farmers to produce more from their land while conserving more of the world's natural resources such as water and energy.

Apart from our direct involvement with farmers, we have also undertaken a lot of community development, education enhancement and employment generation activities across several villages in India. We also adhere to strict human rights policies and employee safety initiatives.

We believe in inclusive growth where all our stakeholders (i.e. the farmers, community, employees and supply chain partners) grow and prosper.

We are proud of our association with the farming community in India. We are happy of being with them in their quest for prosperity. We shall continue our work of developing products and services that can revolutionise the agricultural sector and make our farmers successful.

Yours sincerely,

Sekhar Natarajan
Chairman

MESSAGE FROM THE MANAGING DIRECTOR



Shilpa Shridhar Divekar
Managing Director

Dear shareholders,

Our country has now witnessed two consecutive years of over 7 percent GDP growth. As citizens, all of us eagerly hope that a double-digit growth trajectory for India becomes a reality in the near future. This will entail bold reforms to attract investments and drive momentum across sectors. With the second largest arable area in the world, 15.3 per cent share of the Gross Value Added in 2015-16 and over 50 per cent of the population dependent for their livelihood and 100 per cent for food needs... agriculture has a unique and pivotal role to play in making this reality possible. Your company has always believed that our farmers make invaluable contributions to our nation... and that their prosperity will guide our country's economic momentum. And therein lies our purpose – 'Partner the Indian farmer and nation's quest for prosperity and progress'. For your company, the best reward is a bountiful

harvest for our farmers which meets the dreams and aspirations of their families.

The year at a glance...

The financial year 2015-16 witnessed a second consecutive drought with a 14 per cent rainfall deficit, among the worst in three decades. This had a wide ranging impact on agriculture and farm livelihoods. Our steadfast commitment to make a difference to farmers continued through our products, services and handholding them during and beyond the difficult crop season. We also focused on farming communities with focus on health, nutrition and education initiatives. We focused on Enriching Lives and Empowering Communities and drew strength from our farmers, trade partners and team of talented people who reposed their trust in us. This gave us the strength to deliver the best results we could in an extremely challenging year.

Your company achieved ₹ 541.57 crores of sales and ₹ 101.25 crores of PAT in 2015-16. With the difficulties faced during the year and two of our key states, Maharashtra and Karnataka being the most affected by the drought, our results make for a strong performance even with marginal decline of 2.67 per cent and 9.39 percent in Sales and PAT respectively. The DEKALB® business, with a slow start in kharif, gained significant momentum in the rabi and spring seasons with success across key corn growing states. Wide acceptance by farmers of the new hybrids launched by your Company had an unparalleled contribution to this performance. It was a very tough year for the Roundup® business and sales were adversely impacted owing to the drought

and pressure from declining global glyphosate prices. However, we continue to remain one of the leading and most trusted herbicide players in India.

Continuing to build on a robust foundation...

- Launched six new hybrids to provide farmers better products with stress tolerance and yield potential.
- Increased research and development activities focus to reduce lead times in hybrid development and enhance consistency in product performance from specific attributes.
- Refreshed the brand communication with contemporary design and leveraged product packaging, marketing campaigns, audio-visuals and point of sales communication to create a distinct brand identity and association.
- Sharpened focus in key corn growing markets through integrated marketing campaigns in target villages.
- Enhanced direct relationship building efforts with farmers, retailers and distributors through a combination of in-person and digital connect initiatives.
- Increased demonstration of products and better agronomic practices through our Centres of Excellence.
- Developed new IT tools with capabilities to provide timely information to farmers and enhance operational efficiency.