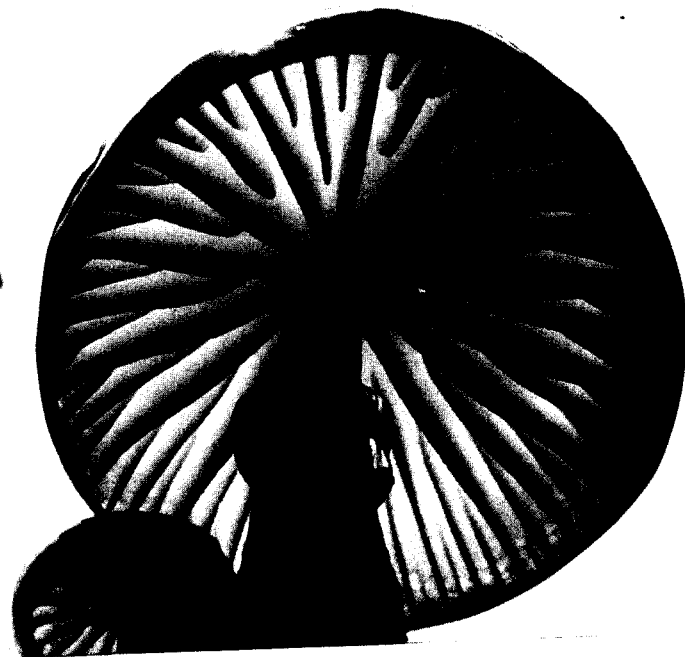


syngenta

Syngenta

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**Board of Directors**

S.D. Kulkarni

*Chairman*

D.R. Taylor

*Vice Chairman*

P.K. Apte

*President & Managing Director*

M.R. Lal

Max Riggenschach

D.S. Gokhale

*Alternate to Max Riggenschach***Company Secretary**

D.S. Desai

**Auditors**

M/s. S.R. Batliboi &amp; Co.

**Bankers**

BNP Paribas

Citibank

Deutsche Bank

Union Bank of India

**Registered Office**

Royal Insurance Building

14, J. Tata Road,

Mumbai - 400 020

**Works**

Santa Monica Works

Corlim, Ilhas,

Goa 403 110

**Registrars & Transfer Agents**

Messrs Sharepro Services

Satam Estate, 3rd Floor,

Cardinal Gracias Road,

Chakala, Andheri (East)

Mumbai 400 099

**Annual General Meeting**

3:30 p.m., 30th May, 2003

Y.B. Chavan Auditorium, Gen. J. Bhosale Marg,

Next to Sachivalaya Gymkhana,

Mumbai 400 021

Members are requested to bring their copy of the Annual Report to the meeting. Members are also requested to direct all correspondence relating to shares to the Company's Registrars and Transfer Agents, Messrs Sharepro Services, at the address above quoting their folio numbers and in case their shares are held in dematerialised form, quoting the Client ID Number and the DP ID Number.

## Notice

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of Syngenta India Limited will be held at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 on Friday, 30<sup>th</sup> May 2003 at 3.30 p.m. to transact the following business:

1. To receive, consider and adopt the audited Profit and Loss Account for the nine month period ended 31<sup>st</sup> December 2002 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend for the nine month period ended 31<sup>st</sup> December 2002.
3. To elect a Director in place of Mr. S.D.Kulkarni, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. D.R.Taylor, who retires by rotation and being eligible, offers himself for re-election.
5. To re-appoint Messrs.S.R. Batliboi & Co., Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Registered Office:

Royal Insurance Building  
14, J.Tata Road  
Mumbai 400 020

Mumbai,  
24<sup>th</sup> March 2003

By Order of the Board of Directors  
SYNGENTA INDIA LIMITED

**D.S.Desai**  
Company Secretary

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members/Proxies should fill in the Attendance Slip for attending the Meeting.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 10 a.m. and 12 noon on all days, except Saturdays, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
4. The additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking election is furnished herewith.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> May 2003 to 30<sup>th</sup> May 2003 (both days inclusive).
6. Dividend, if declared, will be paid on or after 10<sup>th</sup> June 2003, to those Members/Beneficial Owners whose names stand on the Register of Members of the Company as at 19<sup>th</sup> May 2003.
7. Securities & Exchange Board of India has made trading in the shares of the Company compulsory in dematerialized form for all investors. Members are requested to open an account with a Depository Participant, if not done so far.
8. With a view to providing protection against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to provide, if not already provided earlier, their bank account number, name and address of the Bank Branch to the Company's Registrars and Transfer Agents, Messrs. Sharepro Services, quoting their folio numbers to enable the Company to incorporate the said details on the dividend warrants. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of the dividend warrants.
9. Members are requested to notify any change in their address/Bank Mandate immediately to the Company's Registrars and Transfer Agents, Messrs. Sharepro Services at Satam Estate, 3<sup>rd</sup> Floor, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai 400 099 and in case their shares are held in demat form, this information should be sent to the Depository Participant with whom they hold their account.
10. Members are entitled to make nomination in respect of shares held by them. Members desirous of making nominations are requested to send Form No.2B (which can be downloaded from the Company's website [www.syngenta.co.in](http://www.syngenta.co.in)) duly filled in and signed by them to the Company's Registrars & Transfer Agents in

case the shares are held in physical form and to the Depository Participants in case the shares are held in electronic form.

11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least seven days before the date of the meeting so that the information may be made available at the meeting.

**Additional Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking re-election**

**Item No.3**

Mr. S.D.Kulkarni was appointed as a Director at the 2nd Annual General Meeting held on 25th September, 2001 and is the non-executive Chairman of the Board. Mr.Kulkarni is a Fellow of the Institute of Chartered Accountants of India and possesses vast experience in the field of finance, accounts and management. He retired from Larsen & Toubro Limited as Managing Director and Chief Executive Officer in April 1999. He is also on the Board of the following Companies.

S.No.	Name of the Company /Firm	Nature of Interest	Chairmanship/ Membership of Committee/Board
1	Feedback First Urban Infrastructure Development Company Limited	Director	Member-Audit Committee
2	Sesa Goa Limited	Chairman	Member- Audit Committee Member- Remuneration Com.
3	ITC Hotels Limited	Director	Member – Nomination & Remuneration Committees
4	Sicom Capital Management Limited	Chairman	Member- Audit Committee
5	Novartis India Limited	Director	Chairman – Investor Relation Committee
6	Bharat Forge Limited	Director	Chairman – Remuneration Com.
7	Voltas Limited	Director	Member- Audit Committee
8	Mastek Limited	Director	Member – Audit Committee

**Item No.4**

Mr. D.R.Taylor was appointed as a Director at the 2nd Annual General Meeting held on 25th September, 2001 and is the Vice-Chairman of the Board. Mr.Taylor is a Mathematics Graduate of Leicester University and has held senior positions in Ciba-Geigy subsidiaries in various countries. Currently he is the Head of Syngenta's Crop Protection Division for Asia Pacific region. He is also a Director of the following Companies:

S.No.	Name of the Company/Firm	Nature of Interest	Remarks
1	Syngenta Crop Protection Pty Ltd., Australia	Director	-
2	Syngenta (China) Investment Co. Ltd.	Chairman	-
3	Syngenta Nantong Crop Protection Co. Ltd., China	Chairman	-
4	Syngenta (Suzhou) Crop Protection Co. Ltd., China	Chairman	-
5	Syngenta Asia Pacific Ltd., Hong Kong	Chairman	-
6	Syngenta Crop Protection Ltd., Hong Kong	Chairman	-
7	Syngenta Japan KK	Vice Chairman	-
8	Tomono Agrica Co. Ltd., Japan	Chairman	-
9	Syngenta Korea Ltd.	Director	-
10	Syngenta Crop Protection Sdn. Bhd., Malaysia	Director	-
11	Syngenta Crop Protection Ltd., Japan	Director	-
12	Syngenta Pakistan Ltd.	Chairman	-
13	Syngenta Taiwan Ltd.	Chairman	-
14	Syntenta Crop Protection Ltd., Thailand	Director	-
15	Syngenta Vietnam Ltd.	Director	-
16	Syngenta Singapore Pte Ltd.	Director	-

By Order of the Board of Directors  
SYNGENTA INDIA LIMITED

Mumbai,  
24<sup>th</sup> March 2003

**D.S.Desai**  
Company Secretary

## Report of The Board of Directors

The Directors have pleasure in presenting the Fourth Annual Report on the accounts and operations of the Company for the nine month period ended 31<sup>st</sup> December 2002.

### FINANCIAL RESULTS

	(Rupees '000)			
	Nine months ended 31.12.02	Nine months ended 31.12.01	Three months ended 31.03.02	Year ended 31.03.02
Sales (excluding Excise Duty)	3,420,284	3,160,900	534,954	3,695,854
Other Income	75,204	47,400	19,985	67,385
Total	3,495,488	3,208,300	554,939	3,763,239
Operating Profits before Interest, Depreciation and Tax	677,086	534,200	(30,716)	503,484
Interest	19,680	12,700	10,957	23,657
Depreciation	90,198	111,600	33,491	145,091
Provision for taxation	147,340	124,200	(32,657)	91,543
Profit after tax	419,868	285,700	(42,507)	243,193
Balance brought forward from previous year	60,060	-	-	45,625
Available for appropriation	479,928	285,700	(42,507)	288,818
<b>Directors recommend the following appropriations:</b>				
Dividend (Proposed)	44,606	-	-	55,758
Tax on distributed profits	5,715	-	-	-
Transfer to General Reserve	360,000	-	-	173,000
Carry forward	69,607	-	-	60,060

	Nine months ended 31.12.02	Nine months ended 31.12.01	Three months ended 31.03.02	Year ended 31.03.02
<b>Sales</b>				
CP	2,677,159	2,570,900	363,417	2,934,317
Seeds	542,330	451,124	98,386	549,510
Exports – (CP+Seeds)	200,795	138,876	73,151	212,027
Total Sales	3,420,284	3,160,900	534,954	3,695,854

The figures for the previous year are for a 12 month period and to enhance their comparability, the figures have been broken into periods of 9 months & 3 months respectively.

### Dividend

Your Directors recommend a dividend @ 28% (Rs. 1.40 per Equity Share on 31861664 Equity Shares of Rs.5/- each) for the period ended 31<sup>st</sup> December, 2002, which, if approved at the forthcoming Annual General Meeting, will be paid to the shareholders whose names appear in the Register of Members as on 19<sup>th</sup> May 2003.

### Business Operations :

#### Crop Protection Division:

The Division's sales increased marginally during the period ended 31<sup>st</sup> December, 2002 over the corresponding 9 month period ended 31<sup>st</sup> December, 2001 despite the worst drought in 12 years and the introduction of genetically modified cotton seeds in the Western & Southern parts of the country. However, the profit of the Division recorded a modest increase mainly due to the changes in the product portfolio with the share of core products (i.e. products introduced after 1995) now accounting for 60% of the turnover. The Division was also able to significantly increase its export sales which grew by about 57% over the corresponding period of the previous year. The Division also undertook some contract manufacturing activities which resulted in better capacity utilization and added to the revenue.



SCORE, a new fungicide brand was launched in the States of Gujarat, Maharashtra, Karnataka, Kerala and Tamil Nadu, which has been well received.

#### **Seeds Division:**

The increase in sales over the previous year was mainly because of a better product mix and increase in the sale of sunflower seeds due to increase in the acreage under oilseeds. The sales performance of the Division was also adversely affected due to the widespread use of genetically modified Bt cotton seeds in the Western & Southern parts of the country and the drought-like conditions in major parts of the country.

#### **Prospects & Profitability**

The wide acceptance of new products has given the Company the confidence to phase out some of the products which have now become generic. This exercise of focusing on the new chemistry products with crop solutions to farmers coupled with the initiative on promoting a high performance environment is likely to ensure profitable operations for the Company.

#### **Open Offer by Syngenta South Asia AG to acquire the shares of the Company**

Syngenta South Asia AG, a wholly owned subsidiary of Syngenta AG Switzerland and a member of the SYNGENTA Group made a voluntary offer to the public shareholders of the Company to acquire upto 1,56,15,214 fully paid up shares of Rs.5/- each, representing 49.01% of the paid up share capital of the Company, being the balance outstanding equity share capital with the public, at a price of Rs.130/- per share payable in cash. The offer opened on 30<sup>th</sup> December 2002 and closed on 28<sup>th</sup> January 2003. Shareholders holding 33.03% of the paid up share capital of the Company tendered their shares in pursuance of the Offer, thereby increasing the shareholding of the SYNGENTA Group in the Company to 84.02%.

#### **Directors' Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed that:

- (a) in the preparation of the Annual Accounts for the period ended 31<sup>st</sup> December 2002, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.;
- (b) the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> December 2002 and of the profit of the Company for the said period.;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) the financial statements are prepared on a going concern basis.

#### **Particulars of Employees**

The information required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Members, without the Statement of Particulars under Section 217(2A). Any Member, interested in obtaining a copy of this Statement, may write to the Company Secretary at the Registered Office of the Company.

#### **Directors**

Mr.R.Steiblin resigned as Director of the Company with effect from 24<sup>th</sup> October 2002; consequently Mr. D.S. Gokhale ceased to be alternate Director.

The Board places on record its appreciation of the services rendered by Mr. R. Steiblin and Mr. D.S.Gokhale during their tenure as Directors of the Company.

Mr. Max Riggerbach was appointed as Director of the Company with effect from 24<sup>th</sup> October 2002 in the casual vacancy created by the resignation of Mr.R.Steiblin. Mr. Riggerbach, an Economist, joined Sandoz in the group auditing team in 1980. He has held senior management positions in the area of Finance and Information Technology in the Construction and Chemicals Business of Sandoz Holding Companies in Holland and the Group's Seeds Business. He is at present the Head of Finance and Control of Syngenta

Crop Protection AG in Basel, Switzerland and is also on the Board of Syngenta Supply AG.

In accordance with the provisions of Section 313 of the Companies Act, 1956 and Article 178 of the Articles of Association of the Company, Mr.D. S. Gokhale was appointed as Alternate Director to Mr.Max Riggerbach with effect from 24<sup>th</sup> October 2002.

In accordance with Article 194 of the Articles of Association of the Company, Mr.S.D.Kulkarni and Mr.D.R.Taylor retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.

#### **Fixed Deposits**

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

#### **Environment Health and Safety**

The Company is conscious of its responsibility towards protection of the environment and has adopted a Health, Safety and Environment (HSE) Policy which applies to all employees and activities. The Company endeavours to be a responsible member of society committed to continuous improvement in HSE. It seeks to develop a culture which encourages employees to take personal responsibility for HSE and that commitment to HSE will be a criteria while considering the career advancement of an employee.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters forms part of this report and is annexed hereto.

#### **Corporate Governance and Management's Discussion and Analysis Reports**

The Corporate.Governance and Management's Discussion and Analysis Reports, which form an integral part of this report are set out as separate Annexures to this Report together with the certificate from the auditors of the Company certifying compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges.

#### **Cost Auditors**

The Govt. of India has accorded its approval under Section 233 B of the Companies Act, 1956 to the appointment of Messrs N.I. Mehta & Co., Cost Accountants, to conduct the audit of the cost accounts of the Company in respect of its insecticides business for the period ended 31<sup>st</sup> December, 2002 and for the year ending 31<sup>st</sup> December, 2003.

#### **Statutory Auditors**

Messrs S.R.Batliboi & Co. were appointed Auditors of the Company to hold office until the conclusion of the fourth Annual General Meeting and being eligible, offer themselves for re-appointment.

#### **Acknowledgements**

The Directors acknowledge the guidance and support received from time to time from the promoters and sincerely thank all the employees of the Company for their contribution. The Directors also express their gratitude to the distributors and dealers for their continued support in promoting the Company's products.

The Directors would also like to acknowledge the support received from the Bankers, the Central Government and the Departments of Agriculture of the States, the Indian Council of Agricultural Research and other universities and research organizations, business associates, investors and last but not the least, the innumerable farmers who have reposed their trust and confidence in the Company and its products.

On behalf of the Board of Directors  
SYNGENTA INDIA LIMITED

Mumbai,  
24<sup>th</sup> March 2003

**S. D. Kulkarni**  
Chairman



**Annexure to the Report of the Board of Directors**

(Particulars required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the period ended 31<sup>st</sup> December 2002)

**Conservation of Energy****Measures taken, additional investments and impact on reduction of energy consumption**

Conservation of energy continues to be one of the important objectives of the Company, particularly in production operations. Regular plant maintenance, review of energy generation and consumption are some of the measures adopted in this regard.

**FORM A****FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

		<b>Nine months ended 31<sup>st</sup> December 2002</b>	<b>April 2001 to March 2002</b>
<b>A. Power &amp; Fuel Consumption</b>			
1. Electricity			
(a) Purchased			
Units ('000 Kwh)	5,483	13,512	
Total Amount (Rs. '000)	20,546	51,252	
Rate/Unit (Rs.)	3.75	3.79	
(b) Own Generation			
(i) Through Diesel Generator			
Unit ('000 Kwh)	4,539	3,213	
Units per ltr. of diesel oil (Kwh)	3.58	3.40	
Cost/Unit (Rs.)	5.00	5.14	
(ii) Through steam turbine/generator	N.A.	N.A.	
2. Coal	N.A.	N.A.	
3. Furnace Oil & LSHS			
Quantity (K.Ltr.)	1965	3148	
Total Cost (Rs. '000)	22,509	30,746	
Average Rate (Rs./K.Ltr.)	11,457	9,767	

**Notes:** 1. The figures for the previous year are for 12 months and hence not comparable.

2. The units of electricity purchased for part of the previous year includes consumption by Ciba Specialty Chemicals (I) Ltd.

3. The reduction in the rate is on account of the reduction in basic rate from April 2002 by Re.0.4 per Kwh. However, the contract demand charges (minimum charges) have increased from Rs.125/KVA to Rs.150/KVA. Since the units purchased as compared to previous year are less, the average rate (basic+contract demand charges) has not reduced proportionately.

4. The cost of generated electricity per unit has reduced because the Company has started using LDO (which is cheaper than HSD) since August 2002.

**B. Consumption per unit of production**

The Company manufactures a wide range of products which pass through various operations before reaching the finishing stage. It is, therefore, not feasible to furnish the information in respect of consumption per unit of production.

## FORM B

## FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

## Research &amp; Development (R&amp;D)

## 1. Specific areas in which R&amp;D is carried out by the Company

The scope of activities cover facilities for formulations, packaging and process development in the areas of Crop Protection chemicals and Seeds.

The Government of India in the Ministry of Science and Technology has accorded recognition to the in-house R&D facilities of the Company at Aurangabad and Pune.

## 2. Benefits derived from R&amp;D:

- Improvements in quality and techniques of applications to suit Indian conditions.
- Improvement in process performance and packaging to suit local requirements.
- Enhancement of safety in product applications and better environmental protection.

## 3. Future plan of action:

R&D in the relevant areas of business operations will continue. Emphasis will be on adapting products and processes to improve performance, be more environment-friendly with a view to meeting customer needs.

## 4. Expenditure on R&amp;D:

	(Rupees '000)	
	9 months ended 2001-02	Dec. 2002
(a) Capital	5,973	3,249
(b) Revenue	71,826	61,594
(c) Total	<u>77,799</u>	<u>64,843</u>
(d) Total R&D expenditure as a percentage of total turnover	<u>2.05%</u>	<u>1.54 %</u>

## Technology Absorption, Adaptation and Innovation

## 1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company has been granted a licence by the Syngenta Group to use basic technology and technical know-how for introduction of new products, process and formulation development. The R&D unit is engaged in developmental activities like import substitution of raw materials, batch cycle time reduction and process stabilisation.

## 2. Benefits derived as a result of the above efforts:

New products and process development, quality improvement, safety standards, environmental protection measures and conservation of energy.

## 3. Technology imported:

The Syngenta Group has licensed the technical know-how and technology to the Company. This is further supplemented by exchange of technical personnel for discussion, guidance and training.

## Foreign Exchange earnings and outgo

The information in this regard is provided in Note No. 7(f) to (i) of Schedule 18 to the Accounts.

On behalf of the Board of Directors  
SYNGENTA INDIA LIMITED

Mumbai,  
24<sup>th</sup> March 2003

S. D. Kulkarni  
Chairman