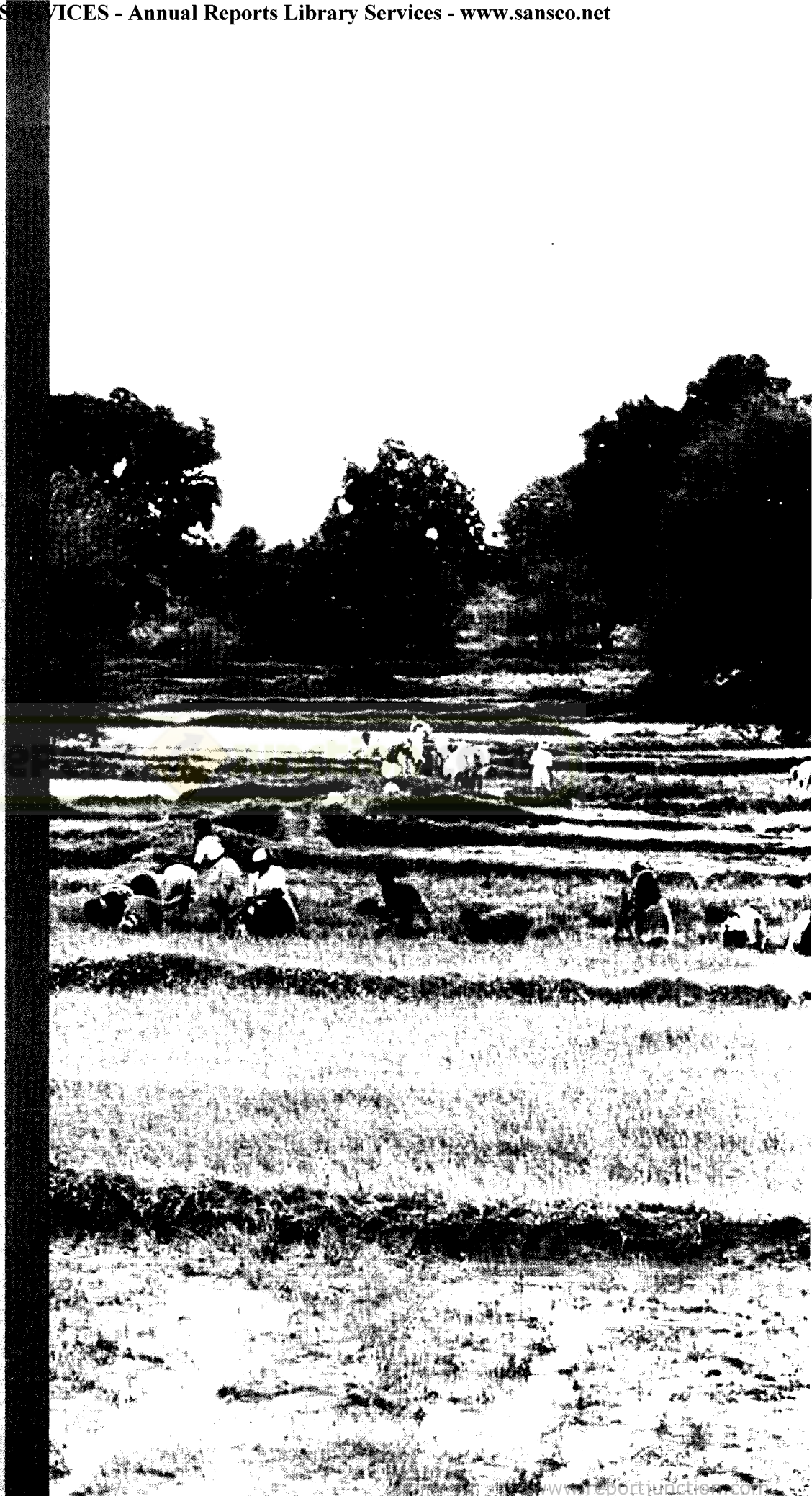


Syngenta India Limited
Annual Report 2006

syngenta

REPORT



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Board of Directors	S.D.Kulkarni	<i>Chairman</i>
	Davor Pisk	<i>Vice Chairman</i>
	P.K.Apte	<i>President & Managing Director</i>
	M.R.Lal	
	Max Riggengbach	
	D.S.Gokhale	

Company Secretary D.S.Desai

Auditors M/s. S.R.Batliboi & Co.

Bankers BNP Paribas
Citibank
Deutsche Bank

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

Works Santa Monica Works
Corlim, Ilhas
Goa 403 110

Registrars & Transfer Agents M/s. Sharepro Services (India) Private Limited
Satam Estate, 3rd Floor
Cardinal Gracias Road
Chakala, Andheri (E)
Mumbai 400 099
Tel Nos.: 28215168, 28329828, 28300262
E-mail : sharepro@vsnl.com

Annual General Meeting

**Wednesday, 25th April, 2007 at 3:30 p.m.,
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 (India) Private Limited, at the address above, quoting their folio numbers and in case their shares are held in dematerialized form, quoting the Client ID Number and the DP ID Number.

NOTICE

NOTICE is hereby given that the Eighth 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 Wednesday, 25th April 2007 at 3:30 p.m. to transact the following business:

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 31st December 2006, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend for the year ended 31st December 2006.
3. To elect a Director in place of Mr. Davor Pisk, who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Mr. D. S. Gokhale, who retires by rotation and being eligible, offers himself for re-appointment.
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.

By Order of the Board of Directors
SYNGENTA INDIA LIMITED

D.S.Desai
Company Secretary

Registered Office:

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

Mumbai
12th February 2007

Report Junction.com

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. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 14th April 2007 to Wednesday, 25th April 2007 (both days inclusive).
4. Dividend, on equity shares for the year ended 31st December 2006, if declared at the Meeting will be paid on and from 3rd May 2007:
 - (i) in respect of shares held in physical form, to those Members whose names appear on the Register of Members of the Company at the close of business hours on 25th April 2007, after giving effect to all valid transfers in physical form lodged with the Company or its Registrars & Transfer Agents on or before 13th April 2007; and
 - (ii) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 13th April 2007.
5. Securities & Exchange Board of India has made trading in the shares of the Company compulsory in dematerialised form for all investors. Members are requested to open an account with a Depository Participant, if not done so far and dematerialise their shareholding to avoid inconvenience in future.
6. With a view to providing protection against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to furnish to the Company's Registrars and Transfer Agents, Messrs. Sharepro

Services (India) Private Limited, at Satam Estate, 3rd Floor, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai 400 099, under the signature of the Sole/First joint holder, the name and address of their Bank, Branch, Pin code number and particulars of bank account quoting their folio number to enable the Company to incorporate the said details in the dividend warrant. Members holding shares in electronic form are advised that address/ bank details as furnished to the Company by the respective Depositories viz. NSDL & CDSL, will be printed on the dividend warrant. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants.

7. Members holding shares in physical form are requested to immediately notify any change in their address/Bank Mandate/ Bank account particulars to the Company's Registrars and Transfer Agents, Messrs. Sharepro Services (India) Private Limited, at Satam Estate, 3rd Floor, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai 400 099 and in case their shares are held in electronic form, this information should be sent to the Depository Participant with whom they hold their account.
8. 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) 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 concerned Depository Participant in case the shares are held in electronic form.
9. Members desirous of obtaining any information on 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.
10. The additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking re-appointment is furnished hereunder:
 - (i) Item 3 of the Notice – Re-appointment of Mr. Davor Pisk

Mr. Davor Pisk was appointed as a Director of the Company with effect from 24th July 2003 and pursuant to the provisions of Section 262 of the Companies Act, 1956, was appointed as Director by the Members at the Annual General Meeting held on 21st April 2005. Mr Pisk has done his MA in International Relations from the University of California (USA) and BA with Economics from Exeter University (UK). He joined the erstwhile ICI Agrochemicals UK in the year 1984 and has held several positions in the group. Currently he is Head of Syngenta's Crop Protection Division for Asia Pacific Region and he is based at Singapore. He is Vice-Chairman of the Board of Directors of the Company and he is also on the Board of the following companies overseas:-

S.No.	Name of the Company/Firm
1	Syngenta Crop Protection Pty. Ltd, Australia
2	Syngenta (Suzhou) Crop Protection Co.Ltd, China
3	Syngenta Nantong Crop Protection Co. Ltd, China
4	Syngenta (China) Investment Co. Ltd, China
5	Syngenta Asia Pacific Ltd, Hong Kong
6	Syngenta Crop Protection Ltd, Hong Kong
7	Syngenta Korea Ltd, Korea
8	Syngenta Crop Protection Sdn. Bhd, Malaysia
9	Syngenta Crop Protection Ltd, New Zealand
10	Syngenta Japan KK, Japan
11	Syngenta Vietnam Ltd, Vietnam
12	Syngenta Taiwan Ltd, Taiwan
13	Syngenta Philippines Inc, Philippines
14	Syngenta Pakistan Ltd.
15	Farm Chemicals (Private) Limited
16	P T Syngenta Indonesia
17	Syngenta Bangladesh Ltd.

(ii) Item 4 of the Notice – Re-appointment of Mr. D.S. Gokhale

Mr. D. S. Gokhale was appointed as an Additional Director on 15th September 2004, and pursuant to provisions of section 260 of the Companies Act, 1956, was appointed as Director by the Members at the Annual General Meeting held on 21st April 2005. Mr Gokhale is a Post Graduate in Management having over 32 year's experience in Agri-business. At present he is the Regional Head of the Seeds business and based at Bangkok. He is also on the Board of the following companies overseas:-

S.No.	Name of the Company/Firm
1	Syngenta Seeds Ltd, Thailand
2	Novartis Crop Protection (Thailand) Ltd.
3	Syngenta Seeds Co Ltd, Korea
4	Syngenta Seeds K.K. Japan
5	Syngenta Seeds (Beijing) Co. Ltd, China
6	Shouguang Syngenta Seeds Co. Ltd, China



Directors' Report

The Directors are pleased to present the Eighth Annual Report and the Audited Accounts of the Company for the year ended 31st December 2006.

FINANCIAL RESULTS

(Rupees '000)

	JAN-DEC 06	JAN-DEC 05
Sales (excluding Excise Duty)	8,313,631	7,671,304
Other Income	76,726	86,799
Total	8,390,357	7,758,103
Operating Profits before Interest, Depreciation, Tax and Exceptional Income	1,152,317	1,165,359
Exceptional income	42,000	-
Interest	45,900	39,029
Depreciation	200,227	(30,550)
Provision for taxation	316,493	354,659
Profit after tax	631,697	802,221
Balance brought forward from previous year	819,826	558,255
Available for appropriation	1,451,523	1,360,476
Directors recommend the following appropriations:		
Dividend (Proposed)	238,962	398,270
Tax on distributed profits	33,515	57,380
Transfer to General Reserve	79,000	85,000
Carry forward	1,100,046	819,826

Dividend

Your Directors recommend a dividend @ 150% (Rs. 7.50 per equity share on 3,18,61,664 Equity Shares of Rs.5/- each) for the year ended 31st December 2006, which if approved at the forthcoming Annual General Meeting, will be paid to those Members whose names appear on the Register of Members as on 25th April 2007.

Business Operations

The Company's performance for the year 2006 shows good growth in sales, but profits were impacted by increased generic competition, significant price erosion and rising cost pressures in the Crop Protection business. The Sales for the year ended 31st December 2006 were Rs. 8314 mio as against Rs. 7671 mio for the previous year recording a growth of about 8.4%. During the year, the cotton seed business was globally divested by Syngenta and the profits of Rs. 42 mio. from such divestment are included under exceptional items.

Crop Protection Division

The total sales of Crop Protection (CP) products for the year 2006 were at Rs. 6776 mio. as against Rs. 6567 mio. in 2005, reflecting an increase of about 3.2%. The domestic sales of CP products during the year was Rs.4261 mio. as against Rs. 3407 mio. in the previous year, registering an increase of about 25%. The Company added a few products to its range to provide wider choice to the growers and these have been well received. This growth in the domestic market compares favorably when viewed in the perspective of only modest growth expected in the overall CP market. The total exports at Rs. 2515 mio. reflect a decline of 20% over the exports of Rs. 3160 mio. recorded last year, impacted by lower demand for certain products in the importing countries.

Seeds Division

The performance of Seeds Division improved significantly with sales growing by 39% to Rs.1538 mio. against Rs. 1105 mio. in the previous year. The growth was once again led by Sunflower, Vegetables and Corn. The rice hybrid variety also registered an impressive growth.

Projects

The project for installation of state-of-the-art Thermal Oxidizer at Goa was completed and commissioned during the year at a cost of Rs. 272 mio.

Prospects & Profitability

The Company with its large product portfolio and introduction of new researched molecules in the local market is able to offer crop solutions and therefore well positioned to grow in the domestic CP market. Generic competition is also increasing for many new products with the resultant impact on prices and profitability. There are good growth prospects for the Company's Seeds business, especially in hybrid seeds of field crops, corn and vegetables. However our business prospects are highly dependent on the weather and rains.

The Company's exports are dependent on export orders from Syngenta Group to meet some of its global requirements, which in turn depend on market conditions in the importing countries.

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts for the year ended 31st December 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December 2006 and of the profit of the Company for the year ended 31st December 2006; during the previous year, the Directors had reviewed and changed the accounting policies in respect of depreciation and inventory valuation (refer note no 1(a) of Notes to Accounts at Schedule 17);
- (iii) 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;
- (iv) the annual accounts have been 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 provision 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 u/s 217 (2A). Any member interested in obtaining a copy of the Statement, may write to the Company Secretary at the Registered Office of the Company.

Directors

Mr. Davor Pisk and Mr. D. S. Gokhale retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment. The information as required under clause 49 of the Listing Agreement pertaining to the Directors who are to be re-appointed, is furnished in the Notes to the Notice of the ensuing Annual General Meeting.

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.

Health, Safety and Environment (HSE)

The Company has adopted global standards for protection of the environment and to provide the employees a safe and hazard-free work place. Safety training and programmes are conducted on an ongoing basis.

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 Discussion & Analysis Reports

The Corporate Governance and Management Discussion & Analysis Reports, which form an integral part of this Report are set out as separate Annexures, together with the certificate from the auditors of the Company confirming compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

Cost Auditors

The Board of Directors, in pursuance of an order under Section 233B of the Companies Act, 1956 issued by the Government, have appointed Messrs. N.I. Mehta & Co., Cost Accountants, Mumbai, as Cost Auditors to conduct

the audit of the cost accounts maintained by the Company in respect of its insecticides business for the year ending 31st December 2006.

Statutory Auditors

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

With reference to the remarks in the attached Auditors Report, the service tax payment delays occurred due to lack of interpretative clarity on service tax on cost sharing arrangements. As a measure of abundant caution, the company has paid service tax on such arrangements with appropriate interest as provided by law.

Acknowledgements

The Directors express their sincere appreciation of the commitment and dedication displayed by all the employees of the Company, which has enabled the Company to consistently maintain a high level of performance year after year.

The Directors place on record their appreciation of the support from 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 the farming community who have reposed their trust and confidence in the Company's products.

The Directors also place on record their appreciation of the continued support received from the Syngenta Group.

On behalf of the Board of Directors
SYNGENTA INDIA LIMITED

Mumbai
12th February 2007

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 year ended 31st December 2006.)

Conservation of Energy

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

The Company continued its policy of giving priority to energy conservation measures by regular review of energy generation, distribution & consumption and effective control on utilization of energy.

FORM A

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Year ended 31st December 2006	Year ended 31st December 2005
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units ('000 Kwh)	19,536	20,763
Total Amount (Rs. '000)	1,43,085	1,01,083
Rate/Unit (Rs.)	7.32	4.87
(b) Own Generation		
(i) Through Diesel Generator		
Unit ('000 Kwh)	36	49
Units per ltr. of diesel oil (Kwh)	2.66	2.41
Cost/Unit (Rs.)	33.81	27.15
(ii) Through steam turbine/generator	N.A	N.A.
2. Coal	N.A	N.A.
3. Furnace Oil		
Quantity (K.Ltr.)	4,950	4,992
Total Cost (Rs. '000)	86,337	71,129
Average Rate (Rs./K.Ltr.)	17,440	14,247

- Notes:**
1. There was change in the source of the electricity purchased from Govt. to private source (Reliance Energy) in 2003. The rate is higher because of shift to private source. However, it has benefits in terms of uninterrupted power supply and less dependent upon the rate of Naptha. The rate of power increased by about 50 %.
 2. The DG usage has reduced substantially due to reliable power supply from Reliance. The cost of unit generated on diesel has increased due to increase in the diesel cost and apportionment of fixed costs like depreciation, repairs etc on lower number of units.

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.