



syngenta

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syngenta India Limited
Annual Report 2007-08

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Syngenta India Limited

Board of Directors	S.D.Kulkarni	<i>Chairman</i>
	Andrew Guthrie	<i>Vice Chairman</i>
	P.K.Apte	<i>President & Managing Director</i>
	Max Riggenschach	
	David Morgan	
Company Secretary	D.S.Desai	
Auditors	M/s. S.R.Batliboi & Co.	
Bankers	BNP Paribas Citibank Deutsche Bank HSBC 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.: (022) 28215168, 67720300, 67720327 Fax: (022) 28375646 E-mail : sharepro@vsnl.com	

Annual General Meeting

**Friday, 20th June, 2008 at 3:00 p.m.,
Babasaheb Dahanukar Hall, Oricon House,
Maharashtra Chamber of Commerce
Maharashtra Chamber of Commerce Path,
Kala Ghoda, Fort. Mumbai 400 001**

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 Ninth Annual General Meeting of the Members of Syngenta India Limited will be held at Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce, Maharashtra Chamber of Commerce Path, Kala Ghoda, Fort, Mumbai 400 001 on Friday, 20th June 2008 at 3:00 p.m. to transact the following business:

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the fifteen months period ended 31st March 2008, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the fifteen months period ended 31st March 2008.
3. To elect a Director in place of Mr. Max Riegenbach, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS:

5. Approval to variation of the terms of the Managing Director: To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the applicable provisions of the Companies Act, 1956 approval be and is hereby accorded to vary as follows, effective 1st January 2008, the terms and conditions of the appointment of Mr. P.K. Apte, as the Managing Director of the Company, incorporated in the Agreement dated 22nd February 2006 executed between Company and Mr. Prakash Apte.

"Special Allowance" Clause in the aforesaid Agreement be substituted by the following clause

"Special Allowance as may be decided by the Board / Committee of the Board from time to time subject to the said Allowance not exceeding Rs.6,50,000/- (Rs. Six lakhs fifty thousand) per month.

All other terms and conditions remain unchanged"

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
30th April 2008

NOTES:

1. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 pertaining to the Special Business at item no.5 above is annexed.
2. **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.**
3. Members/Proxies should fill in the Attendance Slip for attending the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 12th June 2008 to Friday, 20th June 2008 (both days inclusive).
5. Dividend, on equity shares for the period ended 31st March 2008, if declared at the Meeting will be paid on and from 25th June 2008 :
 - (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 20th June 2008, after giving effect to all valid transfers in physical form lodged with the Company or its Registrars & Transfer Agents on or before 11th June 2008; and

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- (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 11th June 2008.
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. Pursuant to section 205A(5) of the Companies Act, 1956 the unpaid dividend for the year ended 31st March, 2001, declared on 25th September, 2001 is due for transfer to the Investor Education and Protection Fund on 25th October, 2008. Members who have not encashed their dividend warrants pertaining to the aforesaid year may approach the Company/ its Registrars, for obtaining payments thereof.
 9. 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.
 10. 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.

EXPLANATORY STATEMENT

(An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 pertaining to item no.5 of the accompanying Notice dated 30th April 2008 convening the Ninth Annual General Meeting on 20th June 2008)

Item No.5

Mr. Prakash Apte was appointed as the Managing Director of the Company for a period of five years with effect from 10th November 2005 on the terms and conditions which were approved by the Members of the Company at the 7th Annual General Meeting of the Company held on 20th April 2006, and incorporated in the Agreement dated 22nd February 2006 between the Company and Mr. Prakash Apte. The terms and conditions inter alia provided for payment of a Special Allowance of Rs. 1,40,000/- (Rs. One lac forty thousand only) per month.

The proposed resolution is to vest authority in the Board / Committee of the Board to revise Special Allowance payable to Mr. Apte from time to time subject to the ceiling of Rs 6,50,000/- (Rs.Six lakhs and fifty thousand) per month.

Effective 1st April, 2008 the Board has revised the Special Allowance to Rs. 2,39,800 per month, which is within the ceiling which is subject to the approval of the Members at the ensuing Annual General meeting.

Only Mr. Prakash Apte, is deemed to be concerned or interested in the Resolution.

A copy of the Agreement dated 22nd February 2006 between the Company and Mr. Prakash Apte is available for inspection of the Members at the Registered Office of the Company on any working day between 11.am to 1.00 pm prior to the date of the meeting.

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 400020
30th April 2008

Directors' Report

The Directors have pleasure in presenting the Ninth Annual Report and the Audited Accounts of the Company for the fifteen months period ended 31st March 2008.

FINANCIAL RESULTS

(Rupees '000)

	JAN 2007- MARCH 2008	JAN-DEC 06
Sales (excluding Excise Duty)	11,927,150	8,313,631
Other Income	141,574	76,726
Total	12,068,724	8,390,357
Operating Profits before Interest, Depreciation and Tax	1,863,097	1,152,317
Exceptional income	-	42,000
Interest	48,862	45,900
Depreciation	265,055	200,227
Provision for taxation	365,348	316,493
Profit after tax	1,183,832	631,697
Balance brought forward from previous year	1,100,046	819,826
Available for appropriation	2,283,878	1,451,523
Directors recommend the following appropriations:		
Dividend (Proposed)	318,617	238,962
Tax on distributed profits	61,246	33,515
Transfer to General Reserve	120,000	79,000
Carry forward	1,784,015	1,100,046

The Company has changed the financial year from January-December to April-March with a view to align with the financial year under the Income Tax Act 1961. The Accounts for the year under report are for a period of fifteen months from 1st January 2007 to 31st March 2008. However, for the purpose of analysis, certain figures below are stated on comparable 12 months period (ending 31st March) basis.

Dividend

Your Directors recommend a dividend @ 200% (Rs. 10/- per equity share on 3,18,61,664 equity shares of Rs.5/- each) for the fifteen months period ended 31st March 2008, 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 20th June 2008.

Business Operations

During the year under review there was a good monsoon across all parts of the Country and the agribusiness sector saw a healthy growth. The sales for the 15 months ended March 31 2008 clocked Rs.11,927 mio.. There was a growth of 25% on comparable 12 months period basis, with the net profit recording a quantum leap of 98% during the same period.

Crop Protection Division

The total sales of Crop Protection (CP) products during comparable 12 months period grew by about 26%. The strategy of focus through the SBU structure coupled with a wide range of products on offer to the growers has enabled the Company to register a significant growth in line with the industry.

Company continued to receive an active support from parent by way of sourcing its requirement from India which enabled CP export sales grow impressively by about 50% during comparable 12 months period.

Seeds Division

The Seeds division has been growing consistently every year. For the year under review the division chipped in with a growth of about 19% during comparable 12 months period led by Vegetables and Corn.

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Projects

To sustain the growth in the Seeds business, to tap hitherto unrepresented areas, to plan for new crops and to cater to the export potential in the Asia Pacific Region, the Company is setting up additional facilities in the Seeds division. The facilities with packing equipments, climate controlled warehouse, quality testing setup etc, are being established at Ranebennur and Pune.

The Company has also initiated fresh investments in Goa for manufacture and export of Thiamethoxam.

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. Supply conditions have also turned tight with rising input costs and restricted supplies, potentially impacting sales and margins.

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.

Delisting

As the Members are aware, Syngenta South Asia AG had in terms of the SEBI Guidelines and with approval for delisting by the Shareholders at the EGM held on 15th March 2007, made an offer to the Indian Shareholders to tender their shareholdings to them through a reverse book building process for price determination. Having received the requisite shares and accepted the price so determined, the delisting of the Company's equity shares from the Stock Exchange, Mumbai was effected on 22nd June 2007. The equity shares are therefore no longer listed/ traded on the Stock Exchanges of the Country. The acquirer in terms of the SEBI Guidelines, gave an opportunity to the remaining Shareholders for a period of six months from delisting i.e. up to 22nd December 2007, to tender shares at the same price as determined by reverse book building process. At the end of extended period, the shareholding of the promoter's group aggregated to about 96.3%.

The Shareholding pattern with number of shareholders post delisting is given in the Corporate Governance Report annexed to and forming part of this report.

Directors

Mr. Max Rigggenbach retires by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

Mr. Davor Pisk, has taken up the new assignment as Head of Seeds Business within Syngenta effective 1st January, 2008 and is now based at Basel in Switzerland. Consequently he resigned from the Board from that date. The Board appreciated his support and active participation during his tenure as a Board member. Mr. D. S. Gokhale and Mr. M. R. Lal resigned from the Directorship of the Company with effect from 25th July 2007 and 18th October 2007 respectively. The Board has placed on record its appreciation of the services rendered by Mr. Gokhale and Mr. Lal during their tenure as the Directors of the Company.

Mr. David Morgan was appointed as the Director of the Company wef 25th July 2007 in the vacancy caused by the resignation of Mr. D. S. Gokhale. Mr. Morgan has vast experience in the agribusiness Industry and is currently the Regional Head, Asia Pacific, of Syngenta Seeds, based at Singapore.

Mr. Andrew Guthrie was appointed as the Director of the Company wef 1st January 2008 in the vacancy caused by the resignation of Mr. Pisk and designated as Vice Chairman. Mr. Guthrie is the Regional Head, Asia Pacific, of Syngenta Crop Protection and based at Singapore. He has held senior positions like Managing Director and Country Head in Thailand, Director and Country Head in Japan.

Directors' Responsibility Statement

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

- (i) in the preparation of the accounts for the fifteen months period ended 31st March 2008, 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 March 2008 and of the profit of the Company for the fifteen months period ended 31st March 2008;
- (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) accounts for the fifteen months period ended 31st March 2008 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 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 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.

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 and Analysis Reports

Consequent to delisting, these reports are no longer mandatory. Nevertheless as a good corporate practice, the Corporate Governance and Management Discussion and Analysis Reports, are set out as separate Annexures, and form an integral part of this report.

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 15 months period ended 31st March 2008.

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 delays in income tax and service tax payments were mainly due to interpretation issues on service tax on business support service in manufacturing areas and FBT. As regards non payment of professional tax, the company is ascertaining its liability to pay professional tax in Tamilnadu, where its has no establishment.

Internal Auditors

M/s Mahajan Aibara & Co., have been reappointed as the internal Auditors of the Company for the 15 months period ended 31st March 2008

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
30th April 2008

S. D. Kulkarni
Chairman

Syngenta India Limited

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 fifteen months ended 31st March 2008)

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 and consumption and effective control on utilization of energy.

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

	Fifteen Months ended 31st March 2008	Year ended 31st December 2006
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units ('000 Kwh)	31,442	19,536
Total Amount (Rs. '000)	266,525	143,085
Rate/Unit (Rs.)	8.48	7.32
(b) Own Generation		
(i) Through Diesel Generator		
Unit ('000 Kwh)	74	36
Units per ltr. of diesel oil (Kwh)	2.16	2.66
Cost/Unit (Rs.)	37.07	33.81
(ii) Through steam turbine/generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace Oil		
Quantity (K.Ltr.)	6,922	4,950
Total Cost (Rs. '000)	143,077	86,337
Average Rate (Rs./K.Ltr.)	20,669	17,440

- 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. The rate of power increased by about 16 % on account of rising fuel oil costs.
 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.
 3. The increase in furnace oil rate is due to global increase in oil prices in 2007 and 2008.

(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 & Development (R&D)

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

The scope of activities covers process optimization of new and existing active ingredients, development of analytical methods for active ingredients and formulations, formulations and packaging development in the areas of Crop Protection chemicals and seeds.

2. Benefits derived from R&D

- Improvements in productivity, quality and techniques of applications to suit Indian conditions.
- Improvement in process performance in terms of quality and safety and packaging to suit local requirements.
- Waste reduction and rationalization.
- 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, ease of use, and be more environment friendly with a view to meeting customer needs.

4. Expenditure on R&D

	(Rupees '000)	
	Fifteen months ended 31.03.2008	Year ended 31.12.2006
(a) Capital	37,745	38,109
(b) Revenue	206,751	151,923
(c) Total	244,496	190,032
(d) Total R&D expenditure as a percentage of total Turnover	2.05%	2.29%

Technology Absorption, Adaptation and Innovation

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

The R&D unit is engaged in various developmental activities such as import substitution of raw materials, batch cycle time reduction, waste rationalization and process stabilization.

2. Benefits derived as a result of the above efforts

New products and process development, quality improvement and stringent in-process quality checks, more environmental friendly processes, improved safety standards, environmental protection measures and conservation of energy. Efforts in process optimization of existing processes and substitution of imported raw materials have resulted in cost reduction.

3. Technology imported

The Company has entered into technical know-how license agreements with the Syngenta Group from whom the Company receives on an ongoing basis valuable technical assistance and support. As a consequence, the Company has been able to introduce a wide range of products in various segments.

Foreign Exchange earnings and outgo

The information in this regard is provided in Notes 8 (f) to (i) of Schedule 16 to the Accounts

On behalf of the Board of Directors
SYNGENTA INDIA LIMITED

Mumbai
30th April 2008

S. D. Kulkarni
Chairman