

52

Bayer CropScience Limited
52nd Annual Report
April 2009 - March 2010





Bayer CropScience

CORPORATE SUSTAINABILITY

Child Care Programme : Protecting children's right to education

No children in the hybrid cotton fields - that's the principle of Bayer CropScience. A deeply rooted socio-economic problem, child labour is highly prevalent in cotton seed production in India. For the past five years, Bayer CropScience has worked effectively to implement a comprehensive multilevel Child Care Programme. It aims at getting children off the fields of contract farmers and into school. The programme has been rolled out in Andhra Pradesh, Karnataka and Tamil Nadu, where the Company has contract cotton seed production.

Learning for Life project: Impacting lives

A key component of the Child Care Programme is the educational module under the broader 'Learning for Life' initiative. It provides out-of-school children in cotton seed production farms with an access to education. To that end, Bayer CropScience in co-operation with Naandi Foundation, a well known NGO, has established Creative Learning Centers. These Creative Learning Centers are bridge schools that prepare the children for integration into regular Government schools.

Bayer - RVJ School of Agriculture: Farm assistantship for young people

In the beginning of 2008, Bayer CropScience, in cooperation with "Vignana Jyothi," a reputed non-government organization, established the Bayer-Ramanaidu Vignana Jyothi School of

Agriculture (Bayer-RVJ School of Agriculture) in Tuniki Mandal, Hyderabad. Bayer-RVJ School of Agriculture runs a free-of-charge, six-month full-time residential farm assistantship vocational training programme in agriculture for underprivileged youth. In 2009, 17 students graduated from this course.

Introduction to Basic Technology: Imparting vocational skills to children

Bayer CropScience launched 'Introduction to Basic Technology' programme in a joint venture with two well-known non-government organisations, Vignyan Ashram and Prajayatna. It is based on the idea of learning by doing, and offers vocational training on one-school day-a-week for eighth and ninth standard underprivileged children attending Government schools.

Gramin Suvidha Kendra: Empowering farmers

Bayer CropScience has signed an Memorandum of Understanding with Multi Commodity Exchange of India (MCX) to establish Gramin Suvidha Kendra to empower the Indian farmers.

Gramin Suvidha Kendra provides farmers with services such as expert advice on farming challenges, spot and future prices for their produce via the project website of MCX. It is envisioned that the Gramin Suvidha Kendra will act as a single-window service for all the pre-harvest and post-harvest requirements of the farming community.

Bayer CropScience supports the project in 15 villages in Karnataka.



learning for life
A Bayer CropScience Initiative



BOARD OF DIRECTORS



Dr. Vijay Mallya
Chairman
Independent Director



Stephan Gerlich
Vice Chairman & Managing Director
Executive Director



Sharad M. Kulkarni
Chairman of Audit Committee
Independent Director



A. K. R. Nedungadi
Chairman of Shareholders'/
Investors' Grievance Committee
Independent Director



Johannes Dietsch
Non-Executive Director



Bernd Naaf
Non-Executive Director



Vimal Bhandari
Chairman of Remuneration Committee
Independent Director

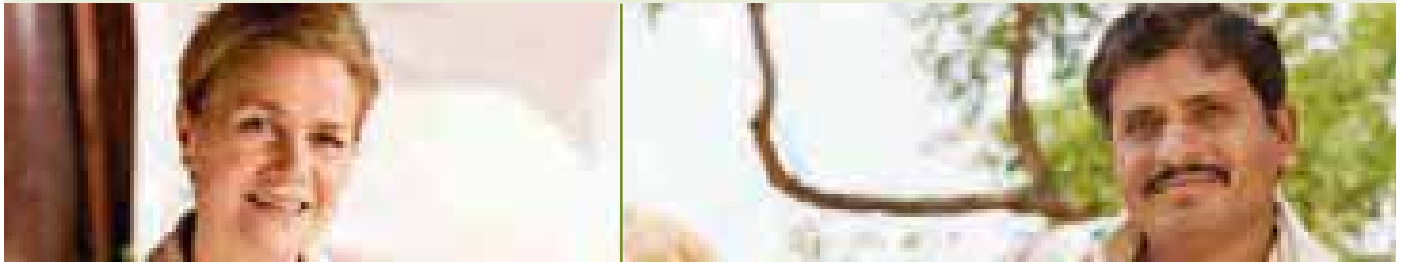


Kaikobad B. Mistry
Whole-time Director
Executive Director



Bayer CropScience

Innovation in everything we do.



Bayer CropScience strives to be the global innovation leader, providing sustainable crop solutions from seed to harvest.

We help farmers worldwide meet the ever-increasing demand for affordable and high quality food, feed, fiber and energy crops.

At Bayer CropScience, we share a passion for discovering new approaches anywhere in our Company. Thus, we help shape the future of agriculture and create value for our customers and society.

This is how we live Science For A Better Life every day.



Seed²
Harvest

Launches
2009-2010



Glamour®
A fast, reliable and convenient
solution for Rice Hopper management



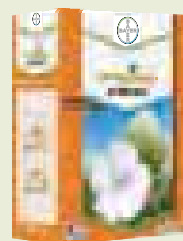
NATIVO®
A broad spectrum fungicide
for many diseases and crops



adora™
Definitive end of the
weed dynasty in rice crop



Arize® PRIMA
More than the most



surpass® SP 7007 BG II
Wider adaptability, unlimited yield



Proagro® 9477
Non-lodging, highest yield



Directors	Dr. Vijay Mallya	— Chairman
	Mr. Stephan Gerlich	— Vice Chairman & Managing Director
	Mr. Sharad M. Kulkarni	
	Mr. Johannes M. Dietsch	
	Mr. A. K. R. Nedungadi	
	Mr. Bernd Naaf	
	Mr. Vimal Bhandari	
	Mr. Kaikobad B. Mistry	— Whole-time Director
<hr/>		
Vice President - Legal & Company Secretary	Shirin V. Balsara	

Bankers	Bank of America
	BNP Paribas
	Central Bank of India
	Citibank N.A.
	Credit Agricole Corporate and Investment Bank
	Deutsche Bank
	HDFC Bank Limited
	Societe Generale
	Standard Chartered Bank
	State Bank of India
	Union Bank of India
<hr/>	
Auditors	Price Waterhouse
<hr/>	
Solicitors	Crawford Bayley & Co.
<hr/>	
Registered Office	Bayer House, Central Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076. Tel. No. 91 22 2571 1234 Fax No. 91 22 2570 0147
<hr/>	
Registrars & Share Transfer Agents	TSR Darashaw Limited (TSRDL) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. Tel. No. 91 22 6656 8484 Fax No. 91 22 6656 8494
<hr/>	
Factories	(1) Plot Nos. 6008 - 10 & 6301 - 10A, G.I.D.C. Industrial Estate, Ankleshwar - 393 002, Gujarat.
	(2) Plot Nos. 66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.

Contents

Board of Directors	1
Notice	2
Directors' Report	5
Corporate Governance Report	12
Management Discussion & Analysis Report	27
Auditors' Report	34
Balance Sheet	38
Profit and Loss Account	39
Schedules forming part of the Balance Sheet	40
Schedules forming part of the Profit and Loss Account	45
Notes forming part of the Accounts	47
Cash Flow	62
Facts	64

Members are requested to direct all shares related correspondence to TSRDL.

Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

Members are requested to send their queries, if any, relating to the accounts of the Company, atleast 10 days before the Annual General Meeting, so that the necessary information can be made available at the Meeting.



Notice

NOTICE is hereby given that the 52nd Annual General Meeting of Bayer CropScience Limited will be held on Tuesday, 28th September, 2010 at 2.30 p.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhosale Marg, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Bernd Naaf, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vimal Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Sections 198, 309(4) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the payment of a sum not exceeding 1% of net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, by way of a commission to the Company's Directors other than the Managing Director, Whole-time Director and the Directors who belong to the Promoter Group, in addition to the sitting fees paid to them for attending the Meetings of the Board of Directors and its Committees, in such manner as may be determined by the Board from time to time, for a period of 5 years commencing from 1st April, 2010."

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy in order to be effective shall be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, Societies etc. must be supported by appropriate Resolution / Authority, as applicable, issued on behalf of the nominating organisation.
- (b) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business under Item No. 6 is annexed hereto and forms part of this Notice. The details under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Mumbai, in respect of Directors seeking approval for re-appointment at the Annual General Meeting forms part of the Corporate Governance Report.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th September, 2010 to Tuesday, 28th September, 2010 (both days inclusive).
- (d) The dividend of Rs. 4 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 52nd Annual General Meeting to be held on Tuesday, 28th September, 2010 will be paid at par within 30 days of the said date:
 - (i) To those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Tuesday, 28th September, 2010.
 - (ii) In respect of shares held in electronic form, to the Beneficial Owners of the shares as at the close of business hours on Tuesday, 14th September, 2010, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
- (e) The members are requested to direct all shares related correspondence to TSRDL at the following address:
TSR Darashaw Limited
Unit : Bayer CropScience Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011
Tel. No. 91 22 6656 8484
Fax No. 91 22 6656 8494
e-mail : csg-unit@tsrdarashaw.com
- (f) Members holding shares in physical form are requested to notify/send the following to TSRDL on or before Monday, 13th September, 2010 to facilitate better service:
 - (i) any change in their address/mandate/bank details;
 - (ii) particulars of their bank account in case the same have not been sent earlier; and

Notice (contd.)

- (iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
- (g) Members holding shares in the dematerialised form are requested to intimate all changes pertaining to their bank details, NECS mandates, nominations, power of attorney, change of address/name, etc. to their Depository Participant only and not to the Company / TSRDL. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and TSRDL to provide efficient and better service to the members.
- (h) The members are requested to encash the Dividend Warrants immediately on its receipt, as pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 dividends remaining unpaid or unclaimed for 7 years from the date they were transferred to the unpaid dividend account are required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956. Members shall not be able to claim any unpaid or unclaimed dividend from IEPF or the Company thereafter.
- (i) **The members are requested to note that the dividend declared in June, 2004 is due to be transferred to IEPF in July, 2011.**
- (j) The members can avail the facility of nomination in respect of shares held by them by sending their nomination in the prescribed Form No. 2B duly filled in to TSRDL, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
- (k) Kindly forward all accounts related queries, so as to reach the Company atleast 10 days before the Annual General Meeting.
- (l) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon upto the date of the Annual General Meeting.

By Order of the Board of Directors

Shirin V. Balsara
Vice President - Legal & Company Secretary

28th May, 2010

Registered Office:
Bayer House, Central Avenue,
Hiranandani Gardens, Powai,
Mumbai - 400 076.



Annexure to Notice

The following Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 sets out all material facts relating to the business mentioned in Item No. 6 in the accompanying Notice dated 28th May, 2010:

Explanatory Statement

Item No. 6

Under Section 309 of the Companies Act, 1956, Non-Executive Directors may receive remuneration by way of a fee for each Meeting of the Board or a Committee attended and by way of a monthly, quarterly or annual payment with the approval of Central Government or by way of commission if the Company by special resolution authorises such payment. The remuneration paid to such Director or where there is more than one such Director to all of them taken together, shall not exceed 1% of net profits of the Company, if the Company has Managing Director or Whole-time Director or Manager or 3% of net profits of the Company, in any other case.

The Company currently pays sitting fees of Rs. 20,000 (Rupees Twenty Thousand Only) for each Board/ Committee Meeting (other than Shareholders' Grievance Committee Meetings) attended by Non-Executive Independent Directors.

In view of the increasing responsibilities being placed on the Non-Executive Independent Directors, the time invested by them and the valuable advice given by them to the management of the Company, the Board of Directors considers it desirable that they may be paid commission in addition to the sitting fees.

The management has proposed to pay a commission of a sum not exceeding 1% of net profits of the Company, to the Company's Directors other than the Managing Director, Whole-time Director and the Directors who belong to the Promoter Group, which would need your approval by a Special Resolution. Such approval would be valid for a period of 5 years with effect from 1st April, 2010.

The Board recommends the resolution for approval by the members.

All the Directors, other than the Managing Director, Whole-time Director and Directors who belong to the Promoter Group, are interested to the extent of the remuneration proposed to be paid to them.

By Order of the Board of Directors

Shirin V. Balsara
Vice President - Legal & Company Secretary

28th May, 2010

Registered Office:
Bayer House, Central Avenue,
Hiranandani Gardens, Powai,
Mumbai - 400 076.

Directors' Report

Dear Members,

Your Directors take pleasure in presenting the 52nd Annual Report on the business and operations of the Company together with the audited Statements of Accounts alongwith the Report of the Auditors for the financial year ended 31st March, 2010.

FINANCIAL PERFORMANCE:

Particulars	Rs. Million	
	2009-10	2008-09
Net Sales and Operating Income	17,241.06	14,825.91
Other Income	252.53	215.63
Total Income	17,493.59	15,041.54
Profit before Interest, Depreciation, Exceptional Items and Taxation	2,430.15	1,916.51
Less : Interest	(114.50)	(107.99)
Less : Depreciation/ Amortisation/ Impairment	(264.42)	(239.92)
Profit before Exceptional Items and Taxation	2,051.23	1,568.60
Less : Exceptional Items	(86.78)	(60.33)
Profit for the year Before Tax	1,964.45	1,508.27
Less : Current Tax	(615.00)	(510.84)
Less : Deferred Taxes	(77.94)	(21.03)
Less : Fringe Benefit Tax	1.03	(31.81)
Profit for the year After Tax	1,272.54	944.59
Add : Profit & Loss balance brought forward from previous year	3,070.98	2,350.25
Amount available for Appropriation	4,343.52	3,294.84
Appropriations:		
Proposed Dividend	158.00	110.60
Taxation on Proposed Dividend	26.24	18.80
Transferred to General Reserve	127.25	94.46
Profit & Loss Balance Carried Forward	4,032.03	3,070.98

Operations:

Your Company's profit after tax increased to Rs.1,272.54 million during the year ended 31st March, 2010 as compared to Rs. 944.59 million in previous year, an increase of 34.72%.

Dividend:

The Board of Directors is pleased to recommend a dividend of Rs. 4 per Equity Share of Rs. 10 each for the financial year ended 31st March, 2010 subject to the approval of members (previous year Rs. 2.80 per Equity Share of Rs. 10 each). The proposed dividend will absorb a sum of Rs. 158 million. The Register of Members will remain closed from Tuesday, 14th September, 2010 to Tuesday, 28th September, 2010 (both days inclusive).

Exports:

Your Company is a recognised Export House. The export turnover (FOB) during the year ended 31st March 2010 was Rs. 1,518.46 million compared to Rs. 1,695.43 million during the previous year.

Public Deposits:

The Company discontinued its Public Deposit Scheme in the year 2003. A sum of Rs. 125,000 relating to 6 deposits remained unclaimed as on 31st March, 2010. No interest is payable on such unclaimed deposits after the maturity dates.

Insurance:

Your Company's assets continue to be adequately insured against the risk of fire, riot, earthquake, terrorism and the risk of loss of profits, among other things.

In addition to the above, adequate coverage has been taken to cover public liability and product liability claims. Also, all the employees are covered against the risk of hospitalisation and personal accident.

Foreign Exchange Management:

The Company's exposure to foreign exchange risk comprises the risk of foreign currency versus the local currency. The goal



Directors' Report (contd.)

is to reduce the negative impact of the risks arising from fluctuations in exchange rates on the earnings. The majority of the Forex transactions are denominated in US dollar. To mitigate the currency fluctuations, the net exposure of the Bayer Group is hedged after taking advantage of the natural hedge on every month end. Foreign currency loans including interest are completely hedged.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the profit of the Company for the financial year ended 31st March, 2010;
3. 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
4. the annual accounts have been prepared on a going concern basis.

Responsible Care and Quality:

Your Company observed National Safety week and Fire Prevention week and conducted various activities throughout the week to spread awareness amongst its employees.

Your Company, covering all the manufacturing units, all India business operations and supporting services, was audited on Quality Management System by TUV India Pvt. Ltd. (TUV) and the Company was recommended continuation of ISO 9001: 2000 certificate. The Environmental Management System for Himatnagar and Ankleshwar plants was audited by TUV and was recommended continuation of ISO 14001: 2004 certificate.

Continual improvement and sustainability resulted in conservation of energy, reduction in waste generation, recycling of resources and cost savings.

Your Company accords high priority to health, safety and environment.

Despite all the measures undertaken by the Company an unfortunate incident occurred at the Ankleshwar site, Gujarat. On 11th March, 2010 at 03:00 hrs, a fire occurred in the storage tank of AC4 plant at the aforesaid site. AC4 is a plant where active ingredients are produced for the crop protection products. The fire was brought under control within 25 minutes. There was minimal impact on the rest of the site and this incident has posed no hazard to the neighbourhood at any time. Unfortunately, one employee died during the course of this incident.

The Company had been asked to halt manufacturing activities at the Ankleshwar site on 22nd March, 2010, subsequent to the fire that broke out at the storage tank. The Company was allowed to resume production with effect from 6th April, 2010 except for the active ingredient Ethoprophos – at the Ankleshwar site after having been granted 3 months production allowance by the relevant authorities in Gujarat, which has now been extended by a further period of 3 months.

Since your Company has sufficient stocks of key products manufactured at Ankleshwar, no major interruption of product supply to its customers is foreseen.

Social Responsibility:

Your Company remains committed to Social Responsibility by continuing to be involved in community projects.

Thane

Your Company organised transport and books for the differently abled children of Holy Cross Convent School, Thane and also distributed school uniforms to the school at Balkum village.

Your Company organised a medical camp for the Kapurbawdi Police Station, Thane.

Ankleshwar

Being a Responsible Care Signatory, your Company continued to provide support for the e-Communication Centre at the Collector's office, Bharuch.

Your Company also undertook tree plantation at the Collector's office, Bharuch.

Sadhana Village initiative: Endeavour to help the underprivileged

Sadhana Village is a voluntary organisation located in Kolwan valley, 30 kms from Pune, Maharashtra. This reputed NGO started its activities in 1994 and has been focusing on various endeavours in rural areas such as education of children, women, the differently abled, school drop outs etc. Your Company empowered the efforts of Sadhana Village by making a significant donation in 2009.

Directors' Report (contd.)

CORPORATE SUSTAINABILITY

Sustainability and commitment:

As a global innovation and market leader in its industry, Bayer CropScience believes that its technological and commercial expertise entails a duty to contribute to Sustainable Development. In awareness of our responsibility as a corporate citizen, we define economy, ecology and social commitment as objectives of equal rank.

Emergency response: Providing immediate relief

Your Company has undertaken a range of rehabilitation and relief operations in the wake of natural disasters and calamities. The Bayer Group has always been a firm supporter of humanitarian causes. In the year 2009, your Company made donations to the Calamity Relief Fund, Karnataka and also towards flood relief in Andhra Pradesh. This support was given in the form of basic essentials such as bed sheets, towels and utensils.

Science For A Better Life:

For Bayer CropScience, sustainability of our actions includes a personal commitment to act in a way that balances the economic, ecological and social needs of current and future generations, by reconciling short-term results with long-term requirements.

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 alongwith 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.

Human Resources:

In its endeavour to provide learning & development opportunities to employees and to support Bayer's philosophy to "Grow Talent from within", your Company introduced – BAYER Management Program - "NIEV". This program aims at providing an opportunity for undergoing formal management education to a selected group of high performing and high potential employees.

An Internal Customer Service initiative was launched to build a culture of service excellence amongst members of the service departments. A series of workshops followed by a celebration of Customer Service Week has resulted in an enhanced level of service delivery.

In continuation to last year's efforts towards identification of career and development path of its key talents, Bayer Group International Orientation Centre was conducted which resulted in the individual development plans being formulated for each participant. To further develop and nurture potentials, an exclusive program called 'Tiger Cubs' for young talents and 'Pouncing Panthers' for middle management group was launched during the year in Supply Chain and Industrial Operations.

Several employee engagement activities were conducted under the initiative "Prayaas". Prayaas was centered around 4 themes, "Share", "Grow", "Teach" and "Care", where employees came together to contribute to society through various activities such as blood donations, volunteering at NGOs, donation of clothes and toys and a newspaper drive to raise funds for the lesser privileged.

Your Company further enhanced its employee branding in several educational and professional campuses across the country with various events such as job & career fairs.

Information pursuant to Section 217(2A) of the Companies Act, 1956:

The information as prescribed by Section 217(2A) of the Companies Act, 1956, read alongwith the Companies (Particulars of Employees) Rules, 1975, as amended is set out as an annexure to the Director's Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Directors' Report and Accounts are being sent to the members excluding the statement giving particulars of employees under Section 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.

Corporate Governance:

Your Company believes in transparency and has always maintained a very high level of Corporate Governance. As required by Clause 49 of the Listing Agreement, a detailed report on Corporate Governance is given as an annexure to this Report. Your Company is in full compliance with the requirements and disclosures that have to be made in this regard. A certificate from a Company Secretary in whole-time practice confirming compliance of the Corporate Governance requirements by the Company is attached to the report on Corporate Governance.

Management Discussion & Analysis:

A detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion & Analysis Report.

Directors:

Mr. Bernd Naaf and Mr. Vimal Bhandari retire by rotation and being eligible offer themselves for re-appointment. A brief profile of Mr. Naaf and Mr. Bhandari is given under the report on Corporate Governance.



Directors' Report (contd.)

Cost Audit:

In accordance with the directive received from the Central Government, every year an audit of the cost accounts relating to Insecticides manufactured by the Company is required to be conducted by an auditor with the requisite qualifications as prescribed under Section 233B of the Companies Act, 1956.

The Board of Directors has appointed M/s. N. I. Mehta and Co., qualified Cost Accountants for the conduct of the audit of Insecticides – Technical Grade for the year ending 31st March, 2011. The requisite approval from the Central Government for their appointment has been received.

Auditors:

M/s. Price Waterhouse, Chartered Accountants, retire as Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the retiring auditors that their appointment as Statutory Auditors, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board recommends the re-appointment of M/s. Price Waterhouse, as Statutory Auditors for the year ending 31st March, 2011.

The members are requested to consider and re-appoint M/s. Price Waterhouse, Chartered Accountants, as the Statutory Auditors of the Company for the year ending 31st March, 2011.

Acknowledgements:

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by employees at all levels and the constructive co-operation extended by the staff unions and the officers' association. Your Directors would like to express their grateful appreciation for the assistance and support extended by all customers, government authorities, financial institutions, banks, shareholders, suppliers and other business associates. The management also acknowledges the continual support and guidance from Bayer AG, Bayer CropScience AG and Bayer SAS.

For and on behalf of the Board of Directors
Bayer CropScience Limited

Dr. Vijay Mallya
Chairman

Mumbai, 28th May, 2010

Annexure to the Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956 read alongwith the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

1. Maintained overall power factor above 0.90 by load management and capacitor bank control at Ankleshwar.
2. Installation of a Variable Frequency Drive (VFD) for Brine plant of AC4 (60 kW motor) at Ankleshwar.
3. Carried out energy audit for Ankleshwar as per the guidelines of the Chief Electrical Inspector.
4. Carried out climate check and carbon footprint study for Ankleshwar to identify energy conservation potential.
5. Started usage of energy efficient motors at Ankleshwar for new requirements, based on applications.
6. Maintained overall power factor above 0.97 by load management and capacitor bank control at Himatnagar.
7. Installation of a VFD for Air Compressor (60 kW motor) at Himatnagar.
8. Carried out energy audit for Himatnagar as per the guidelines of the Chief Electrical Inspector.
9. Contract demand reduced from 1,000 kVA to 800 kVA at Himatnagar.

(b) Additional Investment and proposals for energy conservation

1. Nitrogen (N²) plant with high efficiency at Ankleshwar.
2. High efficiency boiler with pressurized economizer for Ankleshwar.
3. Heat less air dryer unit with automation to operate on demand of dry air at Ankleshwar.
4. Efficiency monitoring system for future utilities like N² and steam by direct measurement method at Ankleshwar.
5. Automatic blow down system for new boiler at Ankleshwar.
6. Implementation of proposals from climate check study at Ankleshwar and Himatnagar.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The Company's present system does not allow us to identify and hence determine precisely the reduction of energy consumption per unit and consequent impact on the cost of production of goods.

(d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of industries specified in the schedule thereto:

FORM A

A. Power and Fuel Consumption

	Current Year (2009 – 10)	Previous Year (2008 - 09)
1. Electricity:		
(a) Purchased: Ankleshwar Plant		
Unit (KWH)	377,870	2,142,360
Total Amount (Rs. Million)	3.04	12.79
Rate/unit (Rs.)	8.06	6.00
(b) Purchased: Himatnagar Plant		
Unit (KWH)	1,612,470	1,455,180
Total Amount (Rs. Million)	9.93	9.21
Rate/unit (Rs.)	6.16	6.33
(c) Own Generation: Ankleshwar Plant		
Through gas turbine/generator		
Units	4,807,008	6,754,332
Unit/Sm ³ of gas	3.42	3.40
Cost/unit (Rs.)	5.40	5.00



Annexure to the Directors' Report (contd.)

	Current Year (2009 – 10)	Previous Year (2008 - 09)
(d) Own Generation: Himatnagar Plant		
Through diesel generator		
Units (KWH)	4,700	4,878
Units/litre of diesel oil	4.17	4.10
Cost/unit – No separate unit cost calculated since generation is marginal		
2. Coal:		
Quantity (tonnes)	–	–
Total cost	–	–
Average cost (Rs.)	–	–
3. Other fuels: Ankleshwar Plant		
Quantity (Sm ³) - Natural Gas	1,688,929	1,996,180
Total cost (Rs. Million)	25.47	24.52
Rate/unit (Rs.)	15.08	12.28

B. Consumption per unit of production

Since the Company is a multi-divisional unit, producing a variety of products, proper allocation of energy cannot be ascertained.

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B are as under:

FORM B

Research and Development (R & D)

1. Specific Areas:

Striving all the time for providing innovative and effective solutions to the farmers' pest problems, your Company has evaluated early phase compounds and around 32 new molecules and mixtures for use in various agricultural and horticultural crops and pest segments in the changing and dynamic scenario, post introduction of Genetically Modified Bt-Cotton and likely introduction of Bt-Brinjal in the country.

Your Company vigorously continued its initiatives in contract farming in crops like cotton, rice, fresh fruits and vegetables and provided the required guidance and inputs to farmers for plant protection and efficient crop management towards enhancing productivity and tapping the huge export potential.

Maintaining the Bayer tradition in R & D, in 2009, your Company secured registrations and launched several new molecules. Spiromesifen 22.9 SC (Oberon 240 SC) – a miticide for use in Apple, Tea, Chilli and Brinjal; Fipronil 80 WG (Jump 80 WG) – an insecticide for use in Rice; Imidacloprid 30.5 SC (Confidor Super 350 SC) – an insecticide for use in Cotton and Rice. Among fungicides, Iprovalicarb 5.5 + Propineb 61.25 WP (Melody Duo 66.75 WP) was registered and launched for use in Potato and Grapes.

During the year 2009, your Company has also obtained approvals for Fenamiphos Technical and Fluopicolide Technical, exclusively for export to other countries.

Your Company has also complied with the requirement of National Maximum Residue Limits fixation in crops (food commodities), as a prerequisite for registration/ introduction of new agrochemical products.

In 2009, your Company, after dedicated research and spending resources on compilation of required scientific data, has submitted applications for registration of following new products for future launch :

- Fipronil 40 + Imidacloprid 40 (80 WG) – A broad spectrum and highly effective insecticide for use in Cotton for control of sucking pests viz. Aphids, Jassids, Thrips, Whiteflies.
- Betacyfluthrin 90 + Imidacloprid 210 (Solomon 300 OD) – A broad spectrum and very effective insecticide for use in Brinjal (against Aphids, Jassids, Fruit & Shoot Borer) and Okra (against Jassids and Fruit Borer).
- Fenoxaprop-p-ethyl 6.9 EC (Rice Star 6.9 EC) – A rice herbicide with inbuilt safener for control of grassy weeds.
- Fenoxaprop-p-ethyl 8 + Metribuzin 14 EC (Accord Plus 22 EC) – A broad spectrum herbicide for control of mixed weeds in Wheat (Grassy and Broadleaf weeds).

2. Future Plans:

With the ushering in of the new scenario of WTO and implementation of patent regime, your Company is planning to introduce some excellent high technology products in Crop Protection as well as Environmental Science.

The year 2010 will see the launch of globally renowned speciality fungicide Trifloxystrobin 25 + Tebuconazole 50 WG (Nativo 75 WG) for use in Rice against the diseases of Sheath Blight, Blast and Dirty Panicle. Among insecticides, Ehiprole 40 + Imidacloprid 40 WG (Glamore 80 WG) will also be registered and launched for use in Rice, for controlling Brown Plant Hoppers and White back Brown Plant Hoppers. Among herbicides, Fenoxaprop-p-ethyl 6.9 EC (Ricestar 6.9 EC) will be registered and launched for use in Rice for controlling grassy weeds.

Annexure to the Directors' Report (contd.)

Your Company is evaluating a number of molecules for use in a variety of key crops by offering new and more cost-effective solutions to farmers to manage insects, pests, diseases and weed menace in various crops.

Your Company also plans to launch a range of products in small packs to cater the needs of niche customers for promoting Health & Hygiene with ready to use formulation/packs.

3. Expenditure on R & D:	(Rs. Million)
(a) Capital	—
(b) Recurring (including registration studies expense net of recoveries)	127.54
(c) Total	127.54
(d) Total R & D Expenses are 0.78% of the total turnover.	

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Information relating to exports is contained in the Directors' Report.

(ii) Total foreign exchange utilised and earned :

Details relating to export, foreign exchange earnings and expenditure have been given under Note Nos. 21(11) to 21(15) of the Notes to Accounts.



Corporate Governance Report

1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is based on preserving core values and ethical business conduct. Commitment to maximize shareholder value on a continuous basis while looking after the welfare of all the other stakeholders is the primary responsibility of the Board of Directors, Management and Employees.

Corporate Governance at Bayer is not restricted merely to compliance of statutory laws, rules, guidelines and timely disclosure of all material information to the stakeholders but lies in observing the spirit behind the letter of law. We ensure that we achieve our targets in a prudent manner since we strongly believe that governance is integral to creating value on a sustainable basis. We aim to create value through innovation, growth and high earning power. We have geared up our internal control functions and risk management to meet the progressive governance standards. Our Board judiciously exercises its fiduciary responsibilities in a spirit of trust, transparency and fair play.

1.1 Corporate Compliance Program

Our corporate activity is governed by national and local laws and statutes that place a range of obligations on the Bayer Group and its employees. Bayer manages its business responsibly in compliance with the statutory and regulatory requirements of the countries in which it operates.

The Board of Management has also issued internal directives to achieve this goal. These are summarized in the Corporate Compliance Policy which contains binding rules for fair competition, integrity in business dealings and adherence to the principle of sustainable development.

To avoid conflict of interest, every employee is required to separate corporate and private interests. The Corporate Compliance Policy also lays down clear rules for the establishment of fair and respectful working conditions and the responsible handling of insider information.

The Compliance Committee has been established to initiate systematic business specific training programs and oversee their implementation in line with the Corporate Compliance Policy. The Committee is also responsible for investigating any suspected violations of the Corporate Compliance Policy and, if necessary, taking remedial action. All Bayer employees are required to immediately report any violations of the Corporate Compliance Policy.

1.2 Whistle Blower Policy

In terms of the Corporate Compliance Program, the Company has also formulated a 'Whistle Blower Policy' with an objective to explain and encourage the employees to raise any concern about Bayer's operations and working environment, including possible breaches of Bayer's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. It basically enables the employees to report their concerns, which would be looked into and if found appropriate, would be fully investigated and acted upon.

1.3 Policy for Prevention of Sexual Harassment

Bayer's quest for competitive excellence consists of its commitment to lawful and ethical conduct and adherence to Bayer values. Integrity, honesty and respect for people remain some of our core values. The Company is committed to provide a safe & conducive work environment to its employees and expects them to combine "Expertise with responsibility". Bayer's 'Policy for Prevention of Sexual Harassment' has been formed to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment.

1.4 Code of Conduct

In compliance with the requirements of Clause 49 of the Listing Agreement, the Company has adopted Code of Conduct for Directors as well as for Senior Management. All Board members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

The policies as well as codes are posted on the website of the Company.

1.5 Risk Management

Risk management is the process whereby organisations methodically address the risks attached to their activities with the goal of achieving each activity and across the portfolio of all activities.

Risk Management is a practice with processes, methods and tools for managing risks. It provides a disciplined environment for proactive decision making to:

- assess continuously what could go wrong (risks)
- determine which risks are important to deal with
- implement strategies to deal with those risks

General Manager – Internal Audit has been appointed as the Risk Management Champion for reporting the assessments made by the respective process owners with regard to various risks, the manner of handling these risks and mitigating

Corporate Governance Report (contd.)

factors, identifying deviations, reporting to the Audit Committee and to recommend a corrective course of action. The necessary reporting has been made to the Audit Committee.

2.0 BOARD OF DIRECTORS

The Board of the Company has an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board. The Chairman of the Board is a Non-Executive Independent Director.

Presently the Board consists of a total of 8 Directors, out of which 2 are Executive Directors and from the remaining 6 Non-Executive Directors, 4 are Independent. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

The Managing Director and 3 other Directors are from the Promoter Group. The remaining 4 Non-Executive Independent Directors are professionals with expertise and experience in general corporate management, finance, accounting and other allied fields. Apart from drawing sitting fees, none of these Directors have any other material pecuniary relationship or transactions with the Company, its Promoters and its Management, which in the judgement of the Board would affect the independence of the Directors. Except Dr. Vijay Mallya, who holds 53 shares in the Company, none of the Directors hold any shares in the Company.

All Non-Executive Independent Directors comply with the requirements of the Listing Agreement applicable to "Independent Director".

Details of composition of the Board and changes therein during the year, category of the Directors, number of their other directorships and committee memberships are given below:

Constitution of the Board as on 31st March, 2010

Sr. No.	Name of Director	Status [@]	Age (years)	Directorship Tenure
1	Dr. Vijay Mallya, Chairman	NED-(I)	54	6 years and 3 months
2	Mr. Stephan Gerlich*, Vice Chairman	MD	51	6 years and 9 months
3	Mr. Sharad M. Kulkarni	NED-(I)	71	15 years and 7 months
4	Mr. Johannes M. Dietsch*	NED	48	9 years
5	Mr. A. K. R. Nedungadi	NED-(I)	52	6 years and 3 months
6	Mr. Bernd Naaf *	NED	51	2 years and 5 months
7	Mr. Vimal Bhandari	NED-(I)	51	1 year and 9 months
8	Mr. Kaikobad B. Mistry*	WTD	50	1 year and 9 months

@

MD - Managing Director

NED - Non-Executive Director

NED-(I) - Non-Executive Independent Director

WTD - Whole-time Director

* Represent the Promoter Group

Directorship in other companies/ committee position as at 31st March, 2010

Sr. No.	Name of Director	No. of other Directorships		No. of other Committee Memberships	
		Chairman	Memberships	Chairman	Memberships
1	Dr. Vijay Mallya, Chairman	1	9	—	—
2	Mr. Stephan Gerlich, Vice Chairman & Managing Director	—	—	—	—
3	Mr. Sharad M. Kulkarni	—	10	4	2
4	Mr. Johannes M. Dietsch	—	—	—	—
5	Mr. A.K.R. Nedungadi	—	5	—	3
6	Mr. Bernd Naaf	—	—	—	—
7	Mr. Vimal Bhandari	—	6	1	3
8	Mr. Kaikobad B. Mistry	—	—	—	—

Notes:

1. Directorships mentioned above include alternate directorships, but exclude directorships in private companies and foreign companies.
2. The details mentioned above are for companies other than Bayer CropScience Limited.
3. Committee details consist only of Audit and Shareholders'/ Investors' Grievance Committees.



Corporate Governance Report (contd.)

2.1 Responsibilities

2.1.1 Managing Director

Mr. Stephan Gerlich, Vice Chairman & Managing Director of the Company, is also the Country Speaker for the Bayer Group in India. He is responsible for the overall management of the Company. As the Managing Director, he periodically appraises the Board about the performance of the Company.

2.1.2 Whole-time Director

Mr. Kaikobad B. Mistry, who has been appointed as Whole-time Director with effect from 1st July, 2008, is responsible for various functions which include Accounts, Taxation, Treasury, Financial Services, Secretarial & Legal and Information Technology.

2.1.3 Independent Directors

The Independent Directors play a vital role in decision making at the Board Meetings and bring to the Company their wide experience in the fields of Corporate Management, Accounts, Finance, Taxation, Corporate Governance and Law.

The Audit Committee consists entirely of Non-Executive Directors with the majority of them being Independent Directors. Independent Directors have unfettered and complete access to all information within the Company.

3.0 BOARD PROCEDURE

The annual calendar of meetings is agreed upon at the beginning of each year. The meetings are governed by a detailed agenda. All issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions. The agenda papers, containing detailed notes on various items and other information, which would enable the Board to discharge its responsibility effectively, are circulated in advance to the Directors. The Managing Director briefs the Board on the overall performance of the Company. The Chairman of the Audit Committee briefs the Board on important matters discussed at the meetings of the Audit Committee. The statements of Shareholders'/ Investors' grievances received and resolved are also placed before the Board.

3.1 Information given to the Board

The Board has complete access to all information within the Company.

The information required to be provided to the Board includes:

- Annual operating plans, budgets and updates
- Capital budgets and updates
- Quarterly results of the Company and its operating divisions or business segments
- Minutes of meetings of Audit Committee and other Committees of the Board
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development on Human Resources/ Industrial Relations front such as signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries, assets which is not in normal course of business
- Amount of borrowings alongwith the terms on which amounts are borrowed
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend, delay in share transfer etc.

Corporate Governance Report (contd.)

3.2 Attendance Record of the Directors at Meetings of the Board and of the Members

5 Board Meetings were held during the year 1st April, 2009 to 31st March, 2010, the details of which are as under:

Sr. No.	Date of Meeting	Quarter	No. of days from previous Board Meeting	Maximum days permitted as per Clause 49
1	27 th April, 2009	April - June	96	120 days (4 months)
2	30 th June, 2009	April - June	63	
3	22 nd July, 2009	July - September	21	
4	27 th October, 2009	October - December	96	
5	20 th January, 2010	January - March	84	

The maximum time gap between any two meetings is much less as compared to the mandatory requirement of not more than 120 days (4 months) as per Clause 49.

The Annual General Meeting was held on 8th September, 2009. The attendance of the Directors at the Board and Annual General Meetings held during the year ended 31st March, 2010 is as under:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance	
			Board Meeting	AGM held on 8 th September, 2009
1	Dr. Vijay Mallya	5	5	Yes
2	Mr. Sharad M. Kulkarni	5	5	Yes
3	Mr. Stephan Gerlich	5	5	Yes
4	Mr. Johannes M. Dietsch	5	1	No
5	Mr. A.K.R. Nedungadi	5	4	Yes
6	Mr. Bernd Naaf	5	1	No
7	Mr. Vimal Bhandari	5	3	Yes
8	Mr. Kaikobad B. Mistry	5	5	Yes

4.0 DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Mr. Bernd Naaf and Mr. Vimal Bhandari retire by rotation and being eligible, offer themselves for re-appointment.

Particulars of the aforementioned Directors of the Company seeking appointment/ re-appointment are as under:

4.1 Mr. Bernd Naaf

Mr. Naaf, 51 years, started his career with Bayer AG in Germany in the year 1978. He completed Bayer Senior Management Trainee Program. After experiences in various functions, Mr. Naaf became the Head of Bayer's Crop Protection Business Group in the United Kingdom/Ireland in 1991. Thereafter he worked for Bayer on different assignments as the Head of Business Planning & Administration, Crop Protection from 1995 – 1998, Head of Marketing, Animal Health from 1998 – 2002, Senior Vice President of US Business Operations, Bayer CropScience in 2003 – 2004 and then went on to become the Head of Region AsiaPacific, Bayer CropScience. Since October 2004, he is a Member of the Bayer CropScience Executive Committee. His expertise lie in the areas of Marketing & Sales, Project Management, Acquisitions and General Management.

As on 31st March, 2010, he is on the Board of the following companies:

- Bayer CropScience Pty Ltd., Australia
- Bayer CropScience Holdings Pty Ltd., Australia
- Bayer CropScience China Co. Ltd., China
- Bayer CropScience Limited, India
- Bayer CropScience, Korea
- Bayer CropScience Taiwan Ltd., Taiwan
- Bayer Vietnam Ltd., Vietnam

Mr. Naaf is also a Member of the Remuneration Committee of the Company.

4.2 Mr. Vimal Bhandari

Mr. Bhandari, 51 years, currently serves as Country Head - India for AEGON N.V., one of the largest Life Insurance, Pension and Investment Management Companies in the world. AEGON N.V. is ranked on various parameters as one of the top ten life insurance and pension companies in the world. AEGON N.V. has a life insurance joint venture in India.

Mr. Bhandari is a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI), New Delhi and a Bachelor of Commerce from Sydenham College, affiliated to the University of Mumbai.



Corporate Governance Report (contd.)

Mr. Bhandari is an Independent Director on the Board of various public companies; he is a member of the Listing Committee and the Executive Committee of National Stock Exchange, a member of the National Council on Corporate Governance of CII and an Executive Committee member of FICCI.

As on 31st March, 2010, Mr. Bhandari is on the Board of the following companies:

- AEGON India Private Limited
- Mirc Electronics Limited
- Kalpataru Power Transmission Limited
- DCM Shriram Consolidated Limited
- Patni Computer Systems Limited
- Eveready Industries India Limited
- AEGON Religare Life Insurance Company Limited
- AEGON Asset Management Co. Private Limited
- Bayer CropScience Limited

He is also a Chairman/ Member of various committees in the following companies:

Sr. No.	Name of Company	Committee	Designation
1	Mirc Electronics	Audit	Chairman
2	Mirc Electronics	Remuneration	Member
3	Kalpataru Power Transmission Limited	Audit	Member
4	Kalpataru Power Transmission Limited	Nomination & Compensation	Member
5	Bayer CropScience Limited	Audit	Member
6	Bayer CropScience Limited	Remuneration	Chairman
7	Patni Computer Systems Limited	Audit / Compensation	Member
8	AEGON Religare Life Insurance Co. Limited	Audit & Compliance	Member
9	AEGON Religare Life Insurance Co. Limited	Investment	Member
10	AEGON Asset Management Co. Private Limited	Audit & Compliance	Member
11	AEGON Asset Management Co. Private Limited	Investor Service	Member

5.0 REMUNERATION OF DIRECTORS

5.1 Remuneration to Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company. Non-Executive Independent Directors are entitled to sitting fees for each Board, Remuneration Committee and Audit Committee meeting attended.

Non-Executive Independent Directors are paid Rs. 20,000 for attending each Board, Remuneration Committee and Audit Committee Meeting.

5.2 Sitting fees paid during the year ended 31st March, 2010 for attending Board and Committee Meetings

(Rs. in Lakhs)

Sr. No.	Name of Director	Fees Paid
1	Dr. Vijay Mallya	1.00
2	Mr. A.K.R. Nedungadi	1.80
3	Mr. Sharad M. Kulkarni	2.40
4	Mr. Vimal Bhandari	1.60

5.3 Remuneration paid to Managing/Whole-time Director

Mr. Stephan Gerlich, Vice Chairman & Managing Director and Mr. Kaikobad B. Mistry, Whole-time Director, were paid remuneration for the year ended 31st March, 2010 as per their respective agreements with the Company, which have been approved by the Board as well as the members.

Details of the remuneration during the year ended 31st March, 2010 are as under:

(figures in Rs.)

Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
Mr. Gerlich	Managing Director	35,723,896	9,002,847	44,726,744	01.07.2009 to 30.06.2014
Mr. Mistry	Whole-time Director	18,016,554	8,020,394	26,036,948	01.07.2008 to 30.06.2013

Corporate Governance Report (contd.)

5.4 Service contract, notice period and severance fees

Mr. Stephan Gerlich was re-appointed as the Vice Chairman & Managing Director of the Company with effect from 1st July, 2009. His employment is contractual for a period of 5 years and terminable by 6 months' notice on either side.

Mr. Kaikobad B. Mistry has been appointed as a Whole-time Director of the Company with effect from 1st July, 2008. His employment is contractual for a period of 5 years and terminable by 6 months' notice on either side.

The Company does not have a scheme for stock options, either for the Directors or its employees. There is no severance fees paid to the Vice Chairman & Managing Director or Whole-time Director.

6.0 COMMITTEES OF THE BOARD

6.1 Audit Committee

Details of the composition of the Audit Committee, which comprises of all Non-Executive Directors, with the majority of them being Independent, is as under:

Sr. No.	Name of Member	Designation	Category
1	Mr. Sharad M. Kulkarni	Chairman	Non-Executive Independent
2	Mr. A.K.R. Nedungadi	Member	Non-Executive Independent
3	Mr. Vimal Bhandari	Member	Non-Executive Independent
4	Mr. Bernd Naaf	Member	Non-Executive

The Committee held 6 meetings during the year ended 31st March, 2010. The meetings were held on 27th April, 2009, 30th June, 2009, 22nd July, 2009, 27th October, 2009, 26th November, 2009 and 20th January, 2010. The attendance at the meetings was as under:

Sr. No.	Name of Member	Audit Committee Meetings held in Director's tenure	No. of Meetings attended
1	Mr. Sharad M. Kulkarni	6	6
2	Mr. A.K.R. Nedungadi	6	4
3	Mr. Vimal Bhandari	6	4
4	Mr. Bernd Naaf	6	1

The Managing Director, Chief Financial Officer, the Head of Corporate Accounting and the Head of Internal Audit are permanent invitees to all Audit Committee meetings. The Statutory Auditors are also invited to attend the meetings. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee acts as a link between the Statutory and the Internal Auditors on one side and the Board of Directors of the Company on the other side.

The role of the Audit Committee includes the following:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement forming part of the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft Audit Report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.

Corporate Governance Report (contd.)

- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Reviewing management letters/ letters of internal control weaknesses issued by the Statutory Auditors.
- Reviewing internal audit reports relating to internal control weaknesses.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The minutes of the meetings of the Audit Committee are placed before the Board of Directors.

The Chairman of the Audit Committee, Mr. Sharad M. Kulkarni, was present at the Annual General Meeting of the Company held on Tuesday, 8th September, 2009.

6.2 Shareholders'/ Investors' Grievance Committee

The Company has a Shareholders'/Investors' Grievance Committee under the Chairmanship of Mr. A. K. R. Nedungadi, a Non-Executive Independent Director, to attend to and redress the grievances received from the members of the Company.

The composition of the Committee is as under:

Sr. No.	Name of Member	Designation	Category
1	Mr. A. K. R. Nedungadi	Chairman	Non-Executive Independent
2	Mr. Sharad M. Kulkarni	Member	Non-Executive Independent
3	Mr. Stephan Gerlich	Member	Vice Chairman & Managing Director
4	Mr. Kaikobad B. Mistry	Member	Whole-time Director

Meetings and attendance during the year ended 31st March, 2010

Sr. No.	Name of Member	Shareholders'/Investors' Grievance Committee Meetings held in Director's tenure	No. of Meetings attended
1	Mr. A.K.R. Nedungadi	4	3
2	Mr. Sharad M. Kulkarni	4	4
3	Mr. Stephan Gerlich	4	4
4	Mr. Kaikobad B. Mistry	4	4

During the year ended 31st March, 2010, the Company received two grievances, both of which have been resolved to the satisfaction of the members. The details of the same were also placed before the Board.

A comparative statement of the various complaints received and resolved by the Company during the year ended 31st March, 2010 is given below:

Nature of Complaints	01.04.2009 to 31.03.2010	
	Received	Resolved
Non receipt of Share Certificates duly transferred	–	–
Non receipt of dividend warrant	–	–
Non receipt of Annual Report	–	–
Letters from SEBI	–	–
Letters from Stock Exchange	–	–
Letters referred by Reserve Bank of India/Ministry of Corporate Affairs	–	–
Letters referred by other Government bodies	2	2

6.3 Share Transfer Committee

In compliance with the amended Clause 49 of the Listing Agreement and in order to expedite the process of share transfer, power to approve share transfers has been delegated to officials of the Company.

Corporate Governance Report (contd.)

Further, a sub-committee has been constituted for attending to matters relating to issue of duplicate share certificates, transmission of shares, split and consolidation etc. With effect from 1st July, 2008, the composition of the aforementioned Committee is as follows:

Sr. No.	Name of Member	Designation	Category
1	Mr. Stephan Gerlich	Chairman	Vice Chairman & Managing Director
2	Mr. Kaikobad B. Mistry	Member	Whole-time Director
3	Shirin V. Balsara	Member	Vice President - Legal & Company Secretary

6.4 Remuneration Committee

The Company vide resolution dated 27th April, 2009 has constituted a Remuneration Committee to approve the remuneration of managerial person(s). The composition of the aforesaid Committee is as follows:

Sr. No.	Name of Member	Designation	Category
1	Mr. Vimal Bhandari	Chairman	Non - Executive Independent
2	Mr. A.K.R. Nedungadi	Member	Non - Executive Independent
3	Mr. Sharad M. Kulkarni	Member	Non - Executive Independent
4	Mr. Bernd Naaf	Member	Non - Executive

7.0 COMPLIANCE OFFICER

Shirin V. Balsara, Vice President – Legal & Company Secretary, is the Compliance Officer of the Company.

8.0 GENERAL SHAREHOLDER INFORMATION

8.1 Annual General Meeting

Date of AGM : 28th September, 2010

Venue and time : Yashwantrao Chavan Pratishthan Auditorium,
Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhosale Marg
Mumbai - 400 021 at 2.30 p.m.

8.2 Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th September, 2010 to Tuesday, 28th September, 2010 (both days inclusive).

8.3 Proposed Date of Dividend Payment

The dividend of Rs. 4 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 52nd Annual General Meeting to be held on Tuesday, 28th September, 2010 will be paid at par within 30 days of the said date:

- To those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Tuesday, 28th September, 2010.
- In respect of shares held in electronic form, to the beneficial owners of the shares as at the close of business hours on Tuesday, 14th September, 2010, as per details to be furnished by National Securities Depository Limited or Central Depository Services (India) Limited.

8.4 Financial Calendar

The financial calendar of the Company is from 1st April to 31st March.

8.5 Board Meetings for Quarterly Results

(Tentative and subject to change)

Quarter ending 30 th June, 2010	: Mid July, 2010
Half year ending 30 th September, 2010	: End October, 2010
Third quarter ending 31 st December, 2010	: End January, 2011
Year ending 31 st March, 2011	: On or before 30 th May, 2011
Annual General Meeting for the year ending 31 st March, 2011	: On or before 30 th September, 2011

8.6 Registered Office

Bayer CropScience Limited
Bayer House, Central Avenue,
Hiranandani Gardens,
Powai, Mumbai 400 076.



Corporate Governance Report (contd.)

8.7 Listing of Equity Shares on Stock Exchanges

Name and Address of Stock Exchange : Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 023.

Scrip Code : 506285

Scrip ID : BAYER

ISIN : INE462A01022 (NSDL & CDSL)

The Company has paid the annual listing fees.

8.8 Stock Price Data

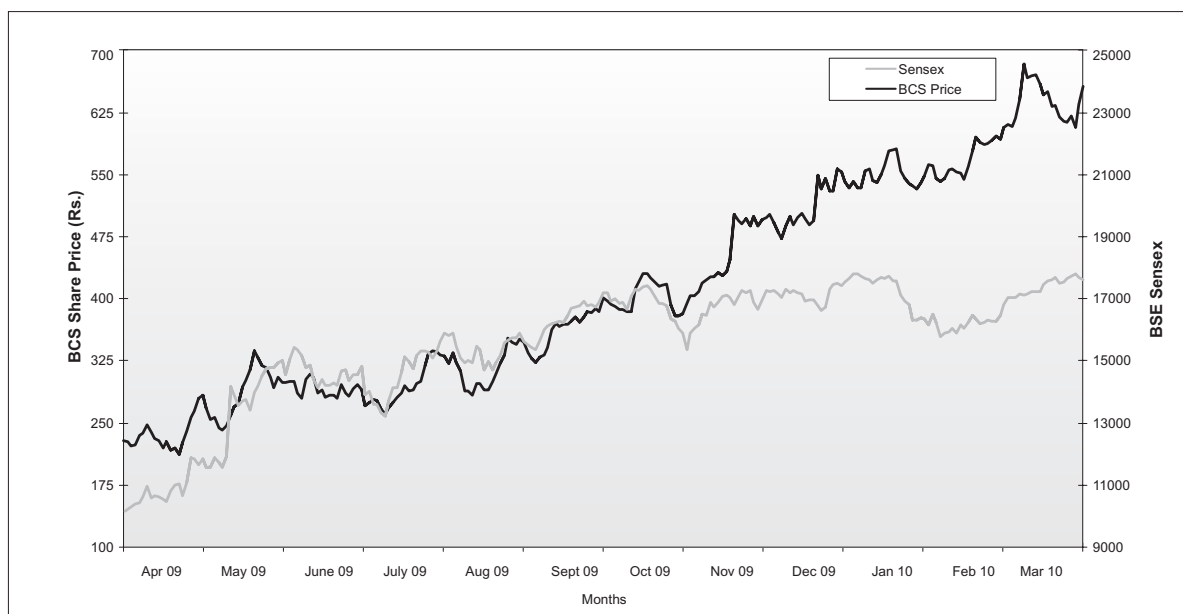
The monthly high and low prices of the Company's shares on Bombay Stock Exchange Limited, Mumbai (BSE) from 1st April, 2009 to 31st March, 2010 was as under:

Month	Share Prices (Rs.)	
	High	Low
April	272.00	224.90
May	355.00	240.00
June	341.00	281.90
July	367.00	270.00
August	369.10	293.00
September	423.60	328.50
October	449.00	370.00
November	534.50	376.05
December	579.90	470.10
January	594.75	527.60
February	605.00	530.00
March	693.00	576.05

8.9 Stock Performance

Stock Performance of the Company on the Bombay Stock Exchange Limited 1st April, 2009 To 31st March, 2010.

BCS SHARE PRICE VIS-À-VIS BOMBAY STOCK EXCHANGE 1st April, 2009 to 31st March, 2010



Corporate Governance Report (contd.)

8.10 Registrars & Share Transfer Agents

TSR Darashaw Limited (TSRDL) act as the Registrars & Share Transfer Agents of the Company. Share transfers, dividend payment, requests for duplicates, revalidation, transmission and other investor related requests are attended by TSRDL at its Registered Office situated at:

TSR DARASHAW LIMITED (Unit – Bayer CropScience Limited)

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011

Tel : 022-6656 8484

Fax : 022-6656 8494

e-mail : csg-unit@tsrdarashaw.com

Website : www.tsrdarashaw.com

Contact Person: Ms. Madhuri Narang

Investors may also contact the following TSRDL branch offices:

a) Branch Offices of TSRDL

1. TSR DARASHAW LIMITED

503, Barton Centre (5th Floor)
84, Mahatma Gandhi Road,
Bangalore – 560 001
Tel : 080 – 2532 0321
Fax : 080 – 2558 0019
e-mail : tsrdlbg@tsrdarashaw.com

2. TSR DARASHAW LIMITED

Bungalow No.1,
“E” Road, Northern Town, Bistupur,
Jamshedpur – 831 001
Tel : 0657– 242 6616
Fax : 0657– 242 6937
e-mail : tsrdljsr@tsrdarashaw.com

3. TSR DARASHAW LIMITED

Tata Centre, 1st Floor,
43, J.L.Nehru Road
Kolkata – 700 071
Tel : 033 – 2288 3087
Fax : 033 – 2288 3062
e-mail : tsrdlcal@tsrdarashaw.com

4. TSR DARASHAW LIMITED

2/42, Sant Vihar,
Ansari Road, Daryaganj,
New Delhi – 110 002
Tel : 011 – 2327 1805
Fax : 011 – 2327 1802
e-mail : tsrdldel@tsrdarashaw.com

b) Agent of TSRDL

Shah Consultancy Services Limited
3 Sumatinath Complex, Pritam Nagar,
2nd Dhal Ellisbridge
Ahmedabad – 380 006
Telefax: 079 – 2657 6038
e-mail: shahconsultancy@hotmail.com

8.11 Share Transfer System

The shares of the Company being in compulsory demat form, are transferable through the depository system. Shares in physical form should be lodged for transfer with the office of TSRDL, Mumbai or at their Branch Offices or at the Registered Office of the Company. The transfers are processed, if technically found to be in order and complete in all respects. The transfers processed are approved by the Company thrice a month.

8.12 Distribution of shareholding as on 31st March, 2010

Range of Shares	Number of Shareholders	Number of Shares	% to Total Shareholders
1 – 500	18,228	1,762,872	92.27
501 – 1,000	857	647,129	4.34
1,001 – 2,000	372	528,644	1.88
2,001 – 3,000	108	268,740	0.55
3,001 – 4,000	31	113,391	0.16
4,001 – 5,000	35	160,668	0.18
5,001 – 10,000	60	445,763	0.30
10,001 and above	64	35,571,540	0.32
Total	19,755	39,498,747	100.00

Corporate Governance Report (contd.)

Shareholding Pattern as on 31st March, 2010 as per Clause 35 of the Listing Agreement

Name of the Company : Bayer CropScience Limited								
Scrip Code : 506285								
Category code	Category of Shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV)*100
(A)	Promoter and Promoter Group							
	(1) Indian							
	(a) Individuals / Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
	(b) Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
	(c) Bodies Corporate	1	654,850	654,850	1.66	1.66	0	0.00
	(d) Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
	(e) Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-total (A) (1)	1	654,850	654,850	1.66	1.66	0	0.00
	(2) Foreign							
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
	(b) Bodies Corporate	3	27,431,812	27,431,812	69.45	69.45	0	0.00
	(c) Institutions	0	0	0	0.00	0.00	0	0.00
	(d) Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-total (A) (2)	3	27,431,812	27,431,812	69.45	69.45	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4	28,086,662	28,086,662	71.11	71.11	0	0.00
(B)	Public Shareholding						NA	NA
	(1) Institutions						NA	NA
	(a) Mutual Funds / UTI	9	992,429	992,139	2.51	2.51		
	(b) Financial Institutions / Banks	26	15,864	10,850	0.04	0.04		
	(c) Central Government / State Government(s)	0	0	0	0.00	0.00		
	(d) Venture Capital Funds	0	0	0	0.00	0.00		
	(e) Insurance Companies	14	2,465,133	2,464,783	6.24	6.24		
	(f) Foreign Institutional Investors	12	1,655,299	1,654,383	4.19	4.19		
	(g) Foreign Venture Capital Investors	0	0	0	0.00	0.00		
	(h) Any Other (specify)	0	0	0	0.00	0.00		
	Sub-Total (B) (1)	61	5,128,725	5,122,155	12.98	12.98		
	(2) Non-Institutions						NA	NA
	(a) Bodies Corporate	538	1,465,189	1,455,592	3.71	3.71		
	(b) Individuals -							
	i Individual shareholders holding nominal share capital upto Rs. 1 lakh	19,113	3,596,148	2,982,525	9.11	9.11		
	ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	32	1,220,654	1,069,268	3.09	3.09		
	(c) Any Other							
	i Director	1	53	0	0.00	0.00		
	ii Foreign Company	0	0	0	0.00	0.00		
	iii Trusts	6	1,316	1,250	0.00	0.00		
	Sub-total (B) (2)	19,690	6,283,360	5,508,635	15.91	15.91		
	Total Public Shareholding (B) = (B)(1)+(B)(2)	19,751	11,412,085	10,630,790	28.89	28.89	NA	NA
	TOTAL (A)+(B)	19,755	39,498,747	38,717,452	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	NA	NA
	GRAND TOTAL (A)+(B)+(C)	19,755	39,498,747	38,717,452	100.00	100.00		

Corporate Governance Report (contd.)

8.13 List of Top 10 shareholders as on 31st March, 2010

Sr. No.	Name	Ref. Folio/ DP ID/Client ID	Holding	% to Capital
1	Bayer CropScience AG	IN30016710011367	11,236,586	28.45
2	Bayer AG	IN30016710046633	8,272,560	20.94
3	Bayer SAS	IN30016710069016	7,922,666	20.06
4	Life Insurance Corporation of India	IN30081210000012	1,319,076	3.34
5	Merrill Lynch Capital Markets Espana S.A.S.V.	IN30005410015153	885,014	2.24
6	Bajaj Allianz Life Insurance Company Limited	IN30016710014132	684,035	1.73
7	Bayer MaterialScience Private Limited	1601390000000763	654,850	1.66
8	Indian Syntans Investments (P) Limited	IN30009510673678	476,000	1.21
9	Meenakshi Narayanan Investments (P) Limited	IN30009510673660	400,000	1.01
10	DSP Blackrock Equity Fund	IN30005410028069	379,078	0.96
Total			32,229,865	81.60

8.14 Pledge of Equity Shares

None of the Equity Shares held by the Promoters and/or Promoter Group as on 31st March, 2010 have been pledged or otherwise encumbered.

8.15 Dematerialisation of Shares and Liquidity

As per the notification received from Securities and Exchange Board of India Limited, the shares of the Company are traded compulsorily in dematerialised form with effect from 21st March, 2000. Your Company has signed an agreement with both the Depositories in the country, viz., National Securities Depository Limited and Central Depository Services (India) Limited whereby the members have an option to get the shares dematerialised with any of the Depositories.

The conversion of the shares from physical form to electronic form is known as Dematerialisation. The member(s) desiring to dematerialise the shares has to open a demat account with a Depository Participant (DP) of his choice. Many nationalised banks and private sector undertakings offer this facility. After opening the demat account, the member(s) has to handover the physical share certificates along with the Demat Request Form to his DP, who in turn will forward the documents to TSRDL, both physically and electronically. On receipt of the physical documents and electronic request routed through the Depository, TSRDL shall dematerialise the shares and give credit to the member's demat account maintained with the DP.

As of 31st March, 2010, 38,717,452 (98.02%) shares issued by the Company have been dematerialised.

8.16 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

Not Applicable

8.17 Plant Locations

- Plot No. 6008 - 10 & 6301 - 10A
G.I.D.C. Industrial Estate, Ankleshwar - 393 002, Gujarat.
- 66/1 to 75/2, G.I.D.C. Industrial Estate,
Himatnagar - 383 001, Gujarat.

8.18 Address for correspondence:

Investors and members can correspond with

- The Company at the following address:

Bayer CropScience Limited
Secretarial & Legal Department
Bayer House, Central Avenue,
Hiranandani Gardens, Powai, Mumbai 400 076.
Tel. : (91-22) 2571 1395/1393
Fax : (91-22) 2570 0147
e-mail : shirin.balsara@bayercropscience.com
Website : www.bayer.co.in



Corporate Governance Report (contd.)

2. TSRDL at their following address:

TSR DARASHAW LIMITED (Unit – Bayer CropScience Limited)
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011
Tel. : (91-22) 6656 8484
Fax : (91-22) 6656 8494
e-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

All information/requests for share transfers, dematerialisation, transmissions, change of address, non-receipt of dividend warrants, duplicate/missing share certificates and other matters connected therewith be addressed to TSRDL at the address mentioned above.

In accordance with the Stock Exchange intimation vide letter dated 21st February, 2007, the Company has opened a specific investor grievance e-mail ID as under:

nilesh.limaye@bayercropscience.com

9.0 OTHER DISCLOSURES

9.1 Details of Annual General Meetings held in the past 3 years

Year	Location	Date	Time
2008-09	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhosale Marg, Mumbai 400 021	8 th September, 2009	11.00 a.m.
2007-08	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhosale Marg, Mumbai 400 021	9 th September, 2008	2.00 p.m.
2006	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhosale Marg, Mumbai 400 021	15 th June, 2007	12.15 p.m.

9.2 Special Resolutions passed in the previous 3 Annual General Meetings

- Re-appointment of Mr. Stephan Gerlich as Vice Chairman & Managing Director and revision/payment of remuneration. Passed unanimously (AGM held on 8th September, 2009).
- Variation in terms and conditions of appointment of Mr. Kaikobad B. Mistry, Whole-time Director. Passed unanimously (AGM held on 8th September, 2009).
- Approval of the Company to appoint Mr. Kaikobad B. Mistry as a Whole-time Director of the Company for a period of 5 years with effect from 1st July, 2008. Passed unanimously (AGM held on 9th September, 2008).
- Relocating the Statutory Registers, records and copies of all annual returns to the new premises of TSR Darashaw Limited located at 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Passed unanimously (AGM held on 15th June 2007).

9.3 Postal Ballot

During the year under review, no resolutions were passed by Postal Ballot.

9.4 Related Party Disclosures

The Company has not entered into any transactions of material nature with the promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. Transactions with related parties as per the requirements of Accounting Standards 18 are disclosed in the Notes to Accounts.

9.5 Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a "Code of Conduct for Dealing in Securities" at the meeting of the Board of Directors held on 25th July, 2002. The Company has from time to time updated the Code as per the requirements of SEBI.

9.6 Details of non-compliance

There was no non-compliance by the Company on any matters related to capital markets during the last three years.

9.7 Means of communication

Financial Results: The quarterly, half-yearly and annual results of the Company are published in widely circulated newspapers, viz., *The Financial Express* and the *Loksatta*. These are also submitted to Bombay Stock Exchange Limited in accordance with the Listing Agreement.

Corporate Governance Report (contd.)

Website: The results are also regularly posted on the Company's website: www.bayer.co.in. The Annual Report is also available on the website in a user-friendly and downloadable manner. Apart from this, official news releases, Code of Conduct, Whistle Blower Policy, shareholding patterns, board structure etc., are also available on the Company's website.

Corp Filing: The information relating to shareholding pattern, results, etc. of the Company are periodically posted with Corporate Filing & Dissemination System (CFDS) at www.corpfiling.co.in.

Since the half-yearly financial results are published in leading newspapers as well as displayed on the website, the same are not sent to the members of the Company.

9.8 Office of the Chairman

Your Company maintains the office of the Chairman at Hoechst House, 5th floor, Nariman Point, Mumbai – 400 021.

For and on behalf of the Board

Dr. Vijay Mallya
Chairman

Mumbai, 28th May, 2010

RECOMMENDATIONS TO THE INVESTORS/ SHAREHOLDERS

- Open a demat account and dematerialise your shares since it helps to get immediate transfer of shares without payment of stamp duty.
- Provide NECS mandate to the Company in case of shares in physical form and ensure that correct & updated particulars of bank account are available with DP in case of shares held in demat form.
- Fill and submit nomination forms (to the Company/ TSRDL for Physical shares; to DP - for Dematerialised shares).
- Obtain valid documents relating to purchase/sale of shares.
- Transfer shares prior to book closure/record date to be eligible for corporate benefits.
- Deal only through SEBI registered intermediaries.
- Give clear & unambiguous instructions to your broker/sub-broker/DP.
- Keep copies of all your investment documentation.
- Send share certificates, warrants, cheques, demand drafts etc. through registered post or courier.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the members of Bayer CropScience Limited,

I have examined the compliance of conditions of Corporate Governance by Bayer CropScience Limited for the financial year ended 31st March, 2010, as stipulated in Revised Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, made applicable to all listed companies with effect from 1st April, 2006.

The compliance of the conditions of Corporate Governance is a responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Nilesch A. Pradhan & Co.,

Nilesch A. Pradhan
Proprietor
C. P. No: 3659.

Mumbai, 28th May, 2010



Corporate Governance Report (contd.)

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Stephan Gerlich, Vice Chairman & Managing Director (Chief Executive Officer) and Kaikobad B. Mistry, Whole-time Director (Chief Financial Officer), to the best of our knowledge and belief, hereby certify that:

1. We have reviewed the Balance Sheet as at 31st March, 2010, Profit & Loss Account for the financial year ended on that date alongwith all its schedules, notes to accounts as well as cash flow statements and Directors' Report for the financial year and based on our knowledge and information confirm that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. Based on our knowledge and information, there are no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We, alongwith the Company's other certifying officers, accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have :
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the financial year in which this report is being prepared; and
 - b. evaluated the effectiveness of the Company's disclosure, controls and procedures.
5. We, alongwith the Company's other certifying officers, have indicated to the Auditors and the Audit Committee of the Company, the following:
 - a. Significant changes in internal control during the financial year under review;
 - b. Significant changes in accounting policies during the financial year under review and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
6. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
7. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct for the year under review.

Stephan Gerlich
Vice Chairman & Managing Director
(Chief Executive Officer)

Kaikobad B. Mistry
Whole-time Director
(Chief Financial Officer)

Mumbai, 28th May, 2010

Management Discussion & Analysis Report

1.0 OVERVIEW

Indian economic growth is in a state of dynamic progression. Despite signs of recovery from the global financial crisis, the GDP growth rate for the Indian economy is estimated to be at 6.7% in 2008-09 according to the Central Statistical Organisation. While there has been an improvement in Indian industry, particularly the manufacturing sector, the adverse impact of the fall in Kharif production due to rainfall deficiency acted as a drag on the overall growth of the economy.

The advance estimates for GDP growth for 2009-10 were pegged at 7.2%. A major concern during the second half of 2009-10 has been the emergence of double digit food inflation. The Government of India has set in motion, steps to bring down the inflation in the next few months and ensure that there is better management of food security in the country.

The three key sectors i.e. agriculture, industry and services witnessed deceleration in growth rate in 2008-09. The agricultural growth rate declined to 1.6% as against 4.7% during 2007-08.

The agricultural sector is likely to show a decline of 0.2% in its GDP during 2009-10, as against the previous year's growth rate of 1.6%. Production of foodgrains and oilseeds is expected to decline by 8% and 5%, respectively, as compared to the previous year. While production of cotton is expected to rise by 0.2%, that of sugarcane is expected to decline by 11.8% in 2009-10. Among the horticultural crops, production of fruits and vegetables is expected to increase by 2.5% and 4.8%, respectively during the year 2009-10.

In order to give a further boost to the agricultural sector, the Government of India is committed to follow a four-pronged strategy covering agricultural production, reduction in wastage of produce, credit support to farmers and impetus to the food processing sector. A 'Nutrient Based Subsidy' policy for the fertilizer sector has been approved by the Government of India and the same has become effective from 1st April, 2010.

The above initiatives coupled with private sector participation, which according to industry estimates have shown a marked improvement over the last few years, are expected to propel the growth of Indian agricultural sector going forward in 2010-11.

2.0 INDUSTRY STRUCTURE AND DEVELOPMENT

The year 2009-10 witnessed a growth in the Indian crop protection market by 14.2% despite the monsoon being significantly below normal and rapid price reduction of many generic molecules. The main reason for increased growth has been the positive development in the area of commodity prices which motivated farmers to use higher inputs to protect their crops.

The demand for fruits and vegetables continued to rise resulting in increased income for the farmers and driving the need for quality crop protection products. Increasing awareness among the farmers about the quality of the produce led to enhanced consumption of fungicides. Worsening labour shortage and growing cost of labour also led to increased herbicide usage.

According to industry analysts, despite the existing factors, one encouraging trend that has been consistently supporting the growth of innovation-driven companies is faster adoption of new chemistry molecules. New, more effective and environmentally safe chemistry molecules are being widely accepted by the farmers across the country for use in various crops. This trend underlines the importance of innovation and new product development for sustainable growth in the agri-inputs market.

Under Environmental Science Division, Public Health business segment in India was stable during the year 2009-10. Vector-borne diseases such as Malaria, Filariasis, Japanese Encephalitis are under control as is apparent from the reports published by the Government. There were sporadic reports of epidemics of arbo-viral diseases like Dengue and Chikungunya from some parts of the country. DDT, malathion and synthetic pyrethroids continue to be used as Indoor Residual Spray products in the Malaria control programme. The consumption of space-spray chemicals increased due to rapid urbanisation and threats of epidemics. No new major products were introduced in Public Health segment during the year.

In the Professional Pest Control (PPC) segment, the growth is clearly visible with entry of some multinational players. Pursuant to the stabilisation of the global economy, there has been movement of international travelers and as a result hospitality industry has started to recover which in turn helped the pest management business. Disposable income, urbanisation, entry of foreign conglomerates, increase in pest pressure etc. have resulted in growth of this segment during the year.

3.0 REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

The net sales and other operating income for the year ended 31st March, 2010 amounted to Rs. 17,241.06 million as compared to Rs. 14,825.91 million for the last financial year and profit after tax for the year increased to Rs. 1,272.54 million as against Rs. 944.59 million for the last financial year.



Management Discussion & Analysis Report (contd.)

Your Company has successfully harnessed positive trends in the market due to its innovation-based business model. This year your Company launched new products viz., Confidor Super, Jump, Melody Duo and Oberon, which have been well accepted by the consumers.

The Company's blockbuster product FAME has performed very well during the year. New segments have opened up for this product further expanding its growth potential. All the recently launched products have contributed to the Company's growth, with their contribution reaching more than one-third of this year's business.

A successful transformation into a truly integrated player offering the holistic 'Seed to Harvest' solutions helped the Company to meet a plethora of customer requirements through a common distribution channel. Unique packages have also been developed to include seeds and appropriate crop protection products. The integrated model has also provided a wider distribution channel to the seed portfolio resulting in significant volume growth.

Your Company also implemented a unique internal campaign called 'Passion to Lead' during the year, to constantly motivate the employees to capture opportunities in the market and outperform the competition. Employee communication through internal bulletins, recognition schemes and best practice sharing has successfully driven the message of 'Passion to Lead' among the employees across all functional areas.

The Food Chain Partnership initiative made significant progress with addition of new partners. This initiative ensures that farmers get better prices for their produce, less transit losses are incurred and at the same time consumers pay less for better quality food.

Your Company is not only innovative in terms of new product development, but also very progressive in its business philosophy. The Company has always been steadfast in staying in the forefront of the industry and adopting newer business approaches that add value to its customers and stakeholders. With the same commitment, the Company implements various initiatives from time to time to support business generation activities and further add to its competitive edge.

The Environmental Science Division maintains its position as the market leader in the segments of public health and professional pest control. Your Company continues to sponsor major symposia and seminars to promote general awareness, product knowledge and international trends in vector-borne disease management. Several techno-commercial training programmes on safe use and handling of products were conducted during the year.

In the PPC segment, your Company has established a business tie-up with an international player. The Company participated in the annual convention of India Pest Control Association and supported its activities besides supporting Pest Control Association of India, another professional organisation of Pest Management Professionals. This close association with professional bodies enabled your Company to build loyalty. The sales in the segment have increased due to market growth and various activities carried out by the Company.

4.0 OPPORTUNITIES AND OUTLOOK

The outlook for the research driven innovative crop protection companies continues to remain positive, especially with the strengthening Intellectual Property Rights regulations in the country and a growing acceptance of new chemistry molecules amongst the farmers.

According to industry estimates, in the long term, the market will continue to grow at a healthy rate. The consumption of pesticides will increase with higher usage in the low input regions and the value growth will be mainly driven by the introduction of superior molecules. Significant market growth is expected in the herbicides and fungicides segments.

More non-agricultural employment opportunities in rural areas due to the progressive government policies and actions, alongwith high economic growth are expected to influence labour availability for agricultural operations. Consequently, utilisation of selective and non-selective herbicides will get a major impetus.

Increasing integration of the food supply chain and rising quality consciousness among the consumers will have a major impact on the market. It will not only augment the fungicides consumption, but also create more opportunities for the crop protection products in the fruits and vegetables cultivation.

Your Company is strongly positioned in all the market segments and therefore will benefit from all the growth trends. Your Company's strong product pipeline is aligned with the developments in the market. The innovation focus will also help your Company to stay ahead of its competition in the market, by way of business excellence initiatives which make use of the latest information technology platforms to ensure high value delivery to the customers.

Under the Environmental Science Division, the growing awareness of vector-borne diseases in the Public and Government Agencies is an opportunity in addition to the international funding provided by donors. Resistance to DDT and organophosphate chemicals by mosquitoes is an opportunity for your Company to promote synthetic pyrethroids. In the larvicides segment, your Company would soon be launching an Insect Growth Regulator product which will cater to the need of such products in the market.

Management Discussion & Analysis Report (contd.)

In the PPC segment, growth and opportunities are seen in sub segments of termiticides and general pest control. The continued demand for eco-friendly and safer formulations in this segment is seen as an opportunity for your Company. The partnership with leading pest control operators is ongoing.

5.0 RISKS, CONCERNS AND THREATS

The downward pressure on prices is expected to continue at least for a short to medium term, resulting in strain on the overall crop protection market. Some of the major manufacturing capacity expansion initiatives for a number of generic molecules in the previous years, alongwith declining demand for such products have been globally cited as the main factors responsible for this situation. These factors are unlikely to reverse in the coming years.

However, innovation driven companies will be considerably less affected by the prevailing situation. They are in fact positioned to benefit from this trend in terms of increased volumes, market share and profitability. Market for novel chemistry is not only defying the downward trend, but also demonstrating a sustainable demand upsurge. Your Company, as an innovation leader, stands to gain from this development.

Your Company has also taken up some new initiatives to sustain and support the consistent business growth over the last several years. It has restructured its sales organisation. The market reach of the Company has been enhanced by increasing the number of sales zones from six to nine. Sales teams have been strengthened not only by increasing the number of people, but also by ensuring systematic training and development.

Foreseeing the new growth opportunity in the market, your Company has decided to enhance its focus on the high potential, under penetrated vegetables segment. Strategic initiatives such as setting up a team dedicated to vegetables segment will further strengthen the Company's position in a very important and growing segment.

In the Environmental Science Division, the entry of generics in public health segment, availability of funds for health segment, resistance of some pests to insecticides and restricted use of products are some of the risks and threats seen. Your Company is taking several measures to mitigate the risk from such threats.

6.0 INTERNAL CONTROL SYSTEMS

Your Company's internal control systems are adequate and are regularly reviewed by the statutory and internal auditors. The internal audit is conducted at regular intervals at various locations of the Company and covers all key areas in line with the agreed audit plan. All audit observations and follow-up actions are discussed with the management and the Audit Committee and reviewed regularly.

7.0 MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations situation continues to be cordial and harmonious. Long-term wage settlement negotiations between the Workers Union & the Company Management at Himatnagar & Ankleshwar have been done.

The Company closed down its manufacturing operations at its facility located at Thane. A Voluntary Retirement Scheme had been offered as a humanitarian assistance to the affected employees, which was fully accepted by them.

Extensive training was given to workers on new product handling, behavioral based safety, emergency handling & fire fighting, health & employee safety and risk assessment.

CAUTIONARY STATEMENT

The statements in the "Management Discussion & Analysis Report" describe the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.



Bayer Group of Companies in India and Worldwide

Bayer CropScience Limited is a part of the Bayer Group which operate worldwide in the areas of HealthCare, CropScience and MaterialScience. The name of Bayer Group Companies in India and Worldwide are as under:

Sr. No.	Company Name	Country
1	Bayer Algeria S.P.A.	Algeria
2	Bayer S.A.	Argentina
3	Bayer Australia Limited	Australia
4	Bayer CropScience Holdings Pty Ltd	Australia
5	Bayer CropScience Pty Limited	Australia
6	Bayer MaterialScience Pty Ltd	Australia
7	Cotton Growers Services Pty. Limited	Australia
8	Imaxeon Pty. Ltd.	Australia
9	Schering Pty. Limited	Australia
10	U I M Agrochemicals (Aust) Pty Ltd.	Australia
11	Bayer Austria Gesellschaft m.b.H.	Austria
12	Intendis Austria Handels GesmbH	Austria
13	Bayer CropScience Ltd.	Bangladesh
14	Bayer Antwerpen N.V.	Belgium
15	Bayer BioScience N.V.	Belgium
16	Bayer CropScience SA-NV	Belgium
17	Bayer SA-NV	Belgium
18	Bayer Sheet Europe N.V.	Belgium
19	Indaver N.V.	Belgium
20	Medrad Belgium BVBA	Belgium
21	Bayer Boliviana Ltda	Bolivia
22	Bayer d.o.o. Sarajevo	Bosnia & Herzegowina
23	Bayer Distribuidora de Produtos Quimicos e Farmaceuticos Ltda.	Brazil
24	Bayer S.A.	Brazil
25	Campo Limpo - Reciclagem e Transformacao de Plasticos S.A.	Brazil
26	Farmaco Ltda.	Brazil
27	Intendis do Brasil Farmaceutica Ltda.	Brazil
28	Medrad do Brasil Ltda.	Brazil
29	Nunhems do Brasil Comercio de Sementes Ltda	Brazil
30	Schering do Brasil Quimica e Farmaceutica Ltda.	Brazil
31	Bayer Bulgaria EOOD	Bulgaria
32	Bayer Canadian Holdings Inc.	Canada
33	Bayer CropScience Holdings Inc.	Canada
34	Bayer CropScience Inc.	Canada
35	Bayer Inc.	Canada
36	BayOne Canada, Inc.	Canada
37	Berlex Canada, Inc.	Canada
38	Schein Pharmaceutical Canada, Inc.	Canada
39	Alimtec S.A.	Chile
40	Bayer S.A.	Chile
41	Laboratorio Berlimed S.A..	Chile
42	Nunhems Chile S.A.	Chile
43	Bayer CropScience SA	Colombia
44	Bayer S.A.	Colombia
45	Bayer Central America Sociedad Anonima	Costa Rica
46	Bayer S.A.	Costa Rica
47	Bayer d.o.o.	Croatia
48	Quimicas Unidas S.A.	Cuba
49	AgrEvo Middle East (Cyprus) Ltd.	Cyprus
50	Bayer s.r.o.	Czech Republic
51	BaySystems a.s.	Czech Republic
52	Bayer A/S	Denmark
53	BaySystems Northern Europe A/S	Denmark
54	Medrad Denmark ApS	Denmark
55	Bayer S.A.	Dominican Republic
56	Bayer S.A.	Ecuador

Sr. No.	Company Name	Country
57	Bayer, S.A.	El Salvador
58	Corporación Bonima S.A. de C.V.	El Salvador
59	Bayer OÜ	Estonia
60	Bayer Oy	Finland
61	Bayer Schering Pharma Oy	Finland
62	Baulé S.A.S.	France
63	Bayer CropScience 1272	France
64	Bayer CropScience Holding SA	France
65	Bayer Immobilier SAS	France
66	Bayer Polyols S.N.C.	France
67	Bayer S.A.S.	France
68	Bayer Santé Familiale SAS	France
69	Bayer Santé SAS	France
70	GIE AIFOR	France
71	Medrad France S.A.R.L.	France
72	Novance SAS	France
73	Nunhems France S.A.R.L.	France
74	PYCO SA	France
75	Secmer SARL	France
76	Société Immobilière de Gaillard d'Économie Mixte (SIGEM)	France
77	1. BCrSV GmbH	Germany
78	2.BHCV GmbH	Germany
79	Agreva GmbH	Germany
80	AgrEvo Verwaltungsgesellschaft mbH	Germany
81	AiCuris GmbH & Co. KG	Germany
82	AiCuris Verwaltungs-GmbH	Germany
83	Alcafleu Management GmbH & Co. KG	Germany
84	Ausbildungsinitiative Rheinland GmbH	Germany
85	Bayer 04 Immobilien GmbH	Germany
86	Bayer 04 Leverkusen Fußball GmbH	Germany
87	Bayer 04 Leverkusen Sportförderung gGmbH	Germany
88	Bayer 04 Marketing GmbH	Germany
89	Bayer 04 Mobilen GmbH	Germany
90	Bayer Aktiengesellschaft	Germany
91	Bayer Animal Health GmbH	Germany
92	Bayer Beteiligungsverwaltung Goslar GmbH	Germany
93	Bayer Beteiligungsverwaltungsgesellschaft mbH	Germany
94	Bayer BioScience GmbH	Germany
95	Bayer Bitterfeld GmbH	Germany
96	Bayer Business Services GmbH	Germany
97	Bayer Chemicals Aktiengesellschaft	Germany
98	Bayer CropScience Aktiengesellschaft	Germany
99	Bayer CropScience Beteiligungsgesellschaft mbH	Germany
100	Bayer CropScience Deutschland GmbH	Germany
101	Bayer CropScience Vermögensverwaltungsgesellschaft mbH	Germany
102	Bayer Direct Services GmbH	Germany
103	Bayer Gastronomie GmbH	Germany
104	Bayer Gesellschaft für Beteiligungen mbH	Germany
105	Bayer HealthCare Aktiengesellschaft	Germany
106	Bayer Innovation GmbH	Germany
107	Bayer Innovation Ventures GmbH	Germany
108	Bayer International Service G.m.b.H.	Germany
109	Bayer MaterialScience Aktiengesellschaft	Germany
110	Bayer MaterialScience Customer Services GmbH	Germany
111	Bayer Real Estate GmbH	Germany
112	Bayer Schering Pharma Aktiengesellschaft	Germany

Bayer Group of Companies in India and Worldwide (contd.)

Sr. No.	Company Name	Country	Sr. No.	Company Name	Country
113	Bayer Sheet Europe GmbH	Germany	171	Schering-Kahlbaum Gesellschaft mit beschränkter Haftung	Germany
114	Bayer Technology Services GmbH	Germany	172	Sechste Bayer VV GmbH	Germany
115	Bayer Verwaltungsgesellschaft für Anlagevermögen m.b.H.	Germany	173	SOLAVISTA GmbH & Co. KG	Germany
116	Bayer Vital GmbH	Germany	174	SOLAVISTA Verwaltungs-GmbH	Germany
117	Bayer-Handelsgesellschaft mit beschränkter Haftung	Germany	175	Sportrechte Vermarktungs- und Verwertungs-GmbH & Co. oHG	Germany
118	Bayer-Unterstützungskasse GmbH	Germany	176	SYGNIS Pharma AG	Germany
119	Bayfin GmbH	Germany	177	Tecpol Technologieentwicklungs GmbH für ökoefiziente Polymerverwert.	Germany
120	BayInvest GmbH	Germany	178	TECTRION GmbH	Germany
121	BaySecur GmbH	Germany	179	TravelBoard GmbH	Germany
122	BaySports-Travel GmbH	Germany	180	Viverso GmbH	Germany
123	BaySystems GmbH & Co. KG	Germany	181	WFG Wirtschaftsförderungsgesellschaft Krefeld mbH	Germany
124	BaySystems Verwaltungs-GmbH	Germany	182	WFL Wirtschaftsförderung Leverkusen GmbH	Germany
125	BBB Management GmbH Campus Berlin-Buch	Germany	183	Zweite K-W-A Beteiligungsgesellschaft mbH	Germany
126	BKV Beteiligungs- und Kunststoffverwertungsgesellschaft mbH	Germany	184	Bayer Hellas AG	Greece
127	byometric systems AG	Germany	185	Bayer S.A.	Guatemala
128	Chemion Logistik GmbH	Germany	186	Comercial Interamericana, S.A.	Guatemala
129	Currenta Geschäftsführungs-GmbH	Germany	187	Miles, S.A. Guatemala Branch	Guatemala
130	Currenta GmbH & Co. OHG	Germany	188	Bayer S.A. de C.V.	Honduras
131	Drugofa GmbH	Germany	189	Bayer Far East Service Co. Ltd.	Hong Kong
132	Dynevo GmbH	Germany	190	Bayer HealthCare Limited	Hong Kong
133	Ehrfeld Mikrotechnik BTS GmbH	Germany	191	Bayer MaterialScience Limited	Hong Kong
134	Epurex Films Geschäftsführungs-GmbH	Germany	192	Vincent Medical Manufacturing Co., Limited (Hong Kong)	Hong Kong
135	Epurex Films GmbH & Co. KG	Germany	193	Bayer Hungaria Kft.	Hungary
136	Erste K-W-A Beteiligungsgesellschaft mbH	Germany	194	CSEBER Csomagoloeszköz Begyűjtesi Rendszer Kht	Hungary
137	Euroservices Bayer GmbH	Germany	195	Nunhems Hungary Kft.	Hungary
138	Faserwerke Hüls GmbH	Germany	196	Bayer BioScience Private Limited	India
139	Fünfte Bayer VV GmbH	Germany	197	Bayer CropScience Limited	India
140	Generics Holding GmbH	Germany	198	Bayer Malibu Polymers Private Limited	India
141	GENUS Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Germany	199	Bayer MaterialScience Private Limited	India
142	GP Grenzach Produktions GmbH	Germany	200	Bayer Pharmaceuticals Private Limited	India
143	Hi-BIS GmbH	Germany	201	Bilag Industries Private Limited	India
144	Hild Samen GmbH	Germany	202	Nunhems India Private Limited	India
145	HTV Gesellschaft für Hochtemperaturverbrennung mbH	Germany	203	PT. Bayer Indonesia	Indonesia
146	Icon Genetics GmbH	Germany	204	PT. Bayer MaterialScience Indonesia	Indonesia
147	Intendis GmbH	Germany	205	Bayer Limited	Ireland
148	INVITE GmbH	Germany	206	Bayer Parsian AG	Islam Rep Iran
149	Jenapharm GmbH & Co. KG	Germany	207	Bayer Israel LTD.	Israel
150	KeyNeurotek Pharmaceuticals AG	Germany	208	Mediterranean Seeds Ltd.	Israel
151	KOSINUS Grundstücks-Verwaltungsgesellschaft mbH	Germany	209	Paltough Industries (1998) Ltd.	Israel
152	KOSINUS Grundstücks-Verwaltungsgesellschaft mbH & Co. Gamma OHG	Germany	210	Polygal (Management) 1998 Ltd.	Israel
153	KVP Pharma+Veterinär Produkte GmbH	Germany	211	Polygal (Marketing) Ltd. Limited Partnership	Israel
154	Lilienthalstraße Nr. 4 GmbH	Germany	212	Polygal Plastics Industries Ltd.	Israel
155	Marotras GmbH	Germany	213	3R ASSOCIATI S.p.A.	Italy
156	Medrad Medizinische Systeme GmbH	Germany	214	Axxam S.p.A.	Italy
157	MENADIER Heilmittel GmbH	Germany	215	Bayer CropScience S.r.l.	Italy
158	Pallas Versicherung Aktiengesellschaft	Germany	216	Bayer HealthCare Manufacturing S.r.l.	Italy
159	Partner für Berlin Holding Gesellschaft für Hauptstadt-Marketing mbH	Germany	217	Bayer Healthcare S.r.l.	Italy
160	Pharma mall Gesellschaft für Electronic Commerce mbH	Germany	218	Bayer MaterialScience S.r.l.	Italy
161	Pharma-Verlagsbuchhandlung GmbH	Germany	219	Bayer S.p.A.	Italy
162	PharmLog Pharma Logistik GmbH	Germany	220	Bayer Sheet Europe S.p.A.	Italy
163	Salzgewinnung Westfalen Verwaltungs GmbH	Germany	221	BaySystems Italia S.p.A.	Italy
164	Salzgewinnungsgesellschaft Westfalen mbH & Co. KG	Germany	222	Consorzio Dafne	Italy
165	Sauerstoff- und Stickstoffrohrleitungsgesellschaft mbH	Germany	223	Intendis Manufacturing S.p.A.	Italy
166	SBB Abfallerzeuger GbR	Germany	224	Intendis S.p.A.	Italy
167	Schering Aktiengesellschaft	Germany	225	Medrad Italia S.r.l.	Italy
168	Schering GmbH und Co. Produktions KG	Germany	226	Nunhems Italy S.r.l.	Italy
169	Schering International Holding GmbH	Germany	227	UNIFARM Consorzio	Italy
170	Schering Verwaltungsgesellschaft mbH	Germany	228	Bayer CropScience K.K.	Japan



Bayer Group of Companies in India and Worldwide (contd.)

Sr. No.	Company Name	Country
229	Bayer Holding Ltd.	Japan
230	Bayer MaterialScience Ltd.	Japan
231	Bayer Yakuhin, Ltd.	Japan
232	DIC Bayer Polymer Ltd.	Japan
233	Hokkai Sankyo Co. Ltd.	Japan
234	Intendis K.K.	Japan
235	Nihon Medrad K.K.	Japan
236	Sumika Bayer Urethane Co., Ltd.	Japan
237	Teijin-Bayer Polytec Ltd.	Japan
238	TOO Bayer KAZ	Kazakhstan
239	Bayer East Africa Ltd.	Kenya
240	Bayer CropScience Ltd.	Korea Republic
241	Bayer Korea Ltd.	Korea Republic
242	Bayer Sheet Korea Ltd.	Korea Republic
243	SIA Bayer	Latvia
244	UAB Bayer	Lithuania
245	INDURISK RÜCKVERSICHERUNG AG	Luxembourg
246	Aventis CropScience Malawi Ltd.	Malawi
247	Bayer (Malaysia) Sdn. Bhd.	Malaysia
248	Bayer Co. (Malaysia) Sdn Bhd	Malaysia
249	Bayer CropScience (OHQ) (Malaysia) Sdn Bhd	Malaysia
250	Schering (Malaysia) Sdn Bhd	Malaysia
251	Bayer S.A.	Maroc
252	Bayer de Mexico, S.A. de C.V.	Mexico
253	Bayer IMSA, S.A. de C.V.	Mexico
254	Centro Estrategico Canada Latinoamerica S.A. de C.V.	Mexico
255	Junta Comercializadora de Productos de Latinoamerica, S.A. de C.V.	Mexico
256	Medrad Mexicana S. de R.L. de CV	Mexico
257	Nunhems Mexico S.A. de C.V.	Mexico
258	PROQUINA Productos Quimicos Naturales, S.A. de C.V.	Mexico
259	Bayer Schering Pharma Mocambique, Lda	Mozambique
260	Myanmar Aventis CropScience Ltd.	Myanmar
261	Bayer B.V.	Netherlands
262	Bayer Capital Corporation B.V.	Netherlands
263	Bayer CropScience B.V.	Netherlands
264	Bayer Polyurethanes B.V.	Netherlands
265	BaySystems B.V.	Netherlands
266	Berlipharm B.V.	Netherlands
267	Biogenetic Technologies BV	Netherlands
268	Lyondell Bayer Manufacturing Maasvlakte VOF	Netherlands
269	Medrad Europe B.V.	Netherlands
270	Nunhems B.V.	Netherlands
271	Nunhems Netherlands B.V.	Netherlands
272	PGS International N.V.	Netherlands
273	Zilip Pharma B.V.	Netherlands
274	Bayer New Zealand Limited	New Zealand
275	Bayer S.A.	Nicaragua
276	Bayer AS	Norway
277	Mediwest Norway AS	Norway
278	Bayer CropScience (Private) Limited	Pakistan
279	Bayer DAS (Private) Limited	Pakistan
280	Bayer Pakistan (Private) Limited	Pakistan
281	BCS (Private) Limited	Pakistan
282	Chemdyes Pakistan (Private) Limited	Pakistan
283	Medipharm (Pvt) Ltd.	Pakistan
284	Bayer S.A.	Panama
285	Bayer S.A.	Paraguay
286	Bayer S.A.	Peru

Sr. No.	Company Name	Country
287	CROPSA S.A.C.	Peru
288	Schering Peruana S.A.	Peru
289	Bayer CropScience, Inc.	Philippines
290	Bayer Philippines, Inc.	Philippines
291	Bayer Sp.zo.o.	Poland
292	Nunhems Poland Sp.Zo.o.	Poland
293	Bayer CropScience (Portugal)-Produtos para a Agricultura, Lda	Portugal
294	Bayer Portugal S.A.	Portugal
295	Bayhealth Comercializacao de Produtos Farmaceuticos Unipessoal Lda.	Portugal
296	Berlex Especialidades Farmaceuticas Lda.	Portugal
297	Berlifarma Lda	Portugal
298	Berlimed-Especialidades Farmaceuticas Lda.	Portugal
299	CENTROFARMA-Industria e Comercio de Prod. Farmaceuticos, Lda.	Portugal
300	Lusal Producao Quimico Farmaceutica Luso-Alema, Lda.	Portugal
301	Lusalfarma-Especialidades Farmaceuticas, Lda	Portugal
302	Bayer (Beijing) Sheet Company Limited	PR China
303	Bayer (China) Limited	PR China
304	Bayer (Sichuan) Animal Health Co., Ltd.	PR China
305	Bayer CropScience (China) Company Ltd.	PR China
306	Bayer Healthcare Co. Ltd.	PR China
307	Bayer Jinling Polyurethane Co., Ltd.	PR China
308	Bayer MaterialScience (China) Company Limited	PR China
309	Bayer Technology and Engineering (Shanghai) Company Limited	PR China
310	Bayer TPU (Shenzhen) Co. Ltd.	PR China
311	Guangzhou Bayer MaterialScience Company Limited	PR China
312	Medrad Medical Equipment Trading Company	PR China
313	Nunhems Beijing Seeds Co. Ltd.	PR China
314	Shanghai Baule Polyurethane Technology Co. Ltd.	PR China
315	TianJin Greenstone Polymer Technology Co. Ltd.	PR China
316	Vincent Medical(Dongguan) Manufacturing Co., Limited	PR China
317	Bayer Puerto Rico Inc.	Puerto Rico
318	BCS Romania Srl	Romania
319	SC Bayer SRL	Romania
320	Schering Romania srl	Romania
321	ZAO Bayer	Russia
322	ZAO Rhone-Poulenc AO	Russia
323	Bayer d.o.o.	Serbia
324	Bayer (South East Asia) Pte Ltd	Singapore
325	Medrad Asia Pte. Ltd.	Singapore
326	Bayer, spol. s.r.o.	Slovakia
327	Bayer d.o.o.	Slovenia
328	AgroEvo South Africa (Pty) Ltd.	South Africa
329	Bayer (Proprietary) Limited	South Africa
330	Coopers Environmental Health Pty Ltd.	South Africa
331	Rustenburg Chrome Mine Holdings (Pty) Ltd.	South Africa
332	Schering (Pty) Ltd.	South Africa
333	Wenkem SA (Proprietary) Limited	South Africa
334	Aguas Industriales de Tarragona, S.A. (AITASA)	Spain
335	Bayer CropScience, S.L.	Spain
336	Bayer Hispania, S.L.	Spain
337	Bayer MaterialScience, S.L.	Spain
338	Bayhealth, S.L.	Spain
339	Berlimed, S.A.	Spain
340	Consorti D'aigües de Tarragona	Spain
341	Disalfarm, S.A.	Spain
342	Euroservices Bayer S.L.	Spain
343	Intendis Derma, S.L.	Spain
344	Nunhems Spain, S.A.	Spain

Bayer Group of Companies in India and Worldwide (contd.)

Sr. No.	Company Name	Country	Sr. No.	Company Name	Country
345	Química Farmacéutica Bayer, S.L.	Spain	403	Bayer CropScience Holding Inc.	United States
346	Racks de la zona Sur, C.B.	Spain	404	Bayer CropScience Inc.	United States
347	Schering España S.A.	Spain	405	Bayer CropScience LLC	United States
348	Sociedad Espanola de materiales Plasticos, S.A.	Spain	406	Bayer CropScience LP	United States
349	Bayer AB	Sweden	407	Bayer HealthCare LLC	United States
350	Medrad Sweden AB	Sweden	408	Bayer HealthCare Pharmaceuticals Inc.	United States
351	ARA Rhein AG	Switzerland	409	Bayer HealthCare Pharmaceuticals LLC	United States
352	Bayer (Schweiz) AG	Switzerland	410	Bayer MaterialScience LLC	United States
353	Bayer Consumer Care AG	Switzerland	411	Bayer Pharma Chemicals Inc.	United States
354	Bayer International S.A.	Switzerland	412	BayOne Urethane Systems LLC	United States
355	Berlis AG	Switzerland	413	Baypo I LLC	United States
356	Chemie-Beteiligungsaktiengesellschaft	Switzerland	414	Baypo II LLC	United States
357	EMP-Estrusione Materiali Plastici S.A.	Switzerland	415	BAYPO Limited Partnership	United States
358	Bayer CropScience Co., Ltd.	Taiwan	416	BHCP Holdings LLC	United States
359	Bayer Polyurethanes Taiwan Ltd.	Taiwan	417	BIPPO Corporation	United States
360	Bayer Taiwan Company Ltd.	Taiwan	418	CMEA Ventures II, L.P.	United States
361	Bayer Uretech Ltd.	Taiwan	419	Cobalt Biofuels	United States
362	Bayer CropScience (Thailand) Company Limited	Thailand	420	Collateral Therapeutics, Inc.	United States
363	Bayer Thai Co., Ltd.	Thailand	421	Cooper Land Company of New Jersey, Inc.	United States
364	Bayer Türk Kimya Sanayi Limited Sirketi	Turkey	422	Delinting and Seed Treating Company	United States
365	Intendis Ilac Ticaret Limited Sirketi	Turkey	423	E-Markets	United States
366	Nunhems Tohumculuk Limited Sirketi	Turkey	424	Guidance Interactive Healthcare, Inc	United States
367	Bayer Ltd.	Ukraine	425	ICON Genetics, Inc.	United States
368	Bayer Middle East FZE	United Arab Emirates	426	InPhase Technologies, Inc.	United States
369	Bayer Middle East Limited Liability Company	United Arab Emirates	427	Intendis Inc.	United States
370	BaySystems Pearl FZCO	United Arab Emirates	428	iSense Corporation	United States
371	BaySystems Pearl Limited Liability Company	United Arab Emirates	429	iSense Development Corporation	United States
372	Astex Therapeutics Ltd.	United Kingdom	430	Lifecor Inc.	United States
373	Baule UK Ltd.	United Kingdom	431	Medrad Saxonburg Inc.	United States
374	Bayer AEH Limited	United Kingdom	432	Medrad, Inc.	United States
375	Bayer AGCO Limited	United Kingdom	433	MTFP Inc.	United States
376	Bayer Agriculture Limited	United Kingdom	434	Myopoint Inc.	United States
377	Bayer CropScience Holdings Limited	United Kingdom	435	NGEN Enabling Technologies Fund, LP	United States
378	Bayer CropScience Limited	United Kingdom	436	NGEN II, L.P.	United States
379	Bayer CropScience Norwich Limited	United Kingdom	437	NippoNex Inc.	United States
380	Bayer Diagnostics Manufacturing Limited	United Kingdom	438	NOR-AM Agro LLC	United States
381	Bayer Public Limited Company	United Kingdom	439	NOR-AM Land Company	United States
382	Bayer UK Limited	United Kingdom	440	Nunhems USA, Inc.	United States
383	CIS (U.K.) Limited	United Kingdom	441	Odyssey Thera, Inc.	United States
384	Medrad UK Limited	United Kingdom	442	Onyx Pharmaceuticals, Inc.	United States
385	pbi Home & Garden Limited	United Kingdom	443	Pallas North America Insurance Company, Inc.	United States
386	Schering Agrochemicals Holdings	United Kingdom	444	Paratek Pharmaceuticals, Inc.	United States
387	Schering Health Care Limited	United Kingdom	445	PO JV, LP	United States
388	Schering Holdings Ltd.	United Kingdom	446	SB Capital Corporation	United States
389	Schering Industrial Products	United Kingdom	447	Schering Berlin Inc.	United States
390	Schering Industrial Products Holdings	United Kingdom	448	Schering Berlin Venture Corporation	United States
391	Scipher plc	United Kingdom	449	Scynexis, Inc.	United States
392	ACT Biotech, Inc.	United States	450	Stoneville Pedigreed Seed Company	United States
393	AEROVANCE, INC.	United States	451	STWB Inc.	United States
394	AgraQuest, Inc.	United States	452	Technology JV, L.P.	United States
395	Anthra Pharmaceuticals Inc.	United States	453	The SDI Divestiture Corporation	United States
396	Artificial Muscle, Inc.	United States	454	Viterion TeleHealthcare LLC	United States
397	Athenix Corp.	United States	455	Bayer SA	Uruguay
398	Baule Inc.	United States	456	Bayer S.A.	Venezuela
399	Baule USA LLC	United States	457	Bayer Vietnam Ltd.	Vietnam
400	Bayer Business and Technology Services LLC	United States	458	Bayer Zimbabwe (Private) Limited	Zimbabwe
401	Bayer Corporation	United States			
402	Bayer Cotton Seed International Inc.	United States			



AUDITORS' REPORT

TO THE MEMBERS OF BAYER CROPSCIENCE LIMITED

1. We have audited the attached Balance Sheet of Bayer CropScience Limited (the 'Company') as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors, as on March 31, 2010 and taken on record by the Board of Directors, no Director is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and schedules 1 to 21 attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Mumbai
Date : May 28, 2010

For Price Waterhouse
Firm Registration Number: 007568S
Chartered Accountants
Vasant Gujarathi
Partner
Membership No. F-17866

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements for the year ended March 31, 2010)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory (including stocks with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements for the year ended March 31, 2010)

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax as at March 31, 2010 which have not been deposited on account of any dispute. Refer Appendix A for particulars of dues of income-tax, sales-tax, customs duty, service tax, excise duty and cess thereon as at March 31, 2010 which have not been deposited on account of dispute.
- (x) The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any banks as at the Balance Sheet date. Further, there were no dues payable to financial institution or debenture holders as at the Balance Sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Mumbai
Date : May 28, 2010

For Price Waterhouse
Firm Registration Number: 007568S
Chartered Accountants
Vasant Gujarathi
Partner
Membership No. F-17866

Appendix A

[Referred to in paragraph (ix) (b) of our annexure to the Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements for the year ended March 31, 2010]

Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs. in '000s)	Period to which the amount relates	Forum where dispute is pending
1.	Excise Duty The Central Excise Act, 1944	Excise duty including interest and penalty, where applicable	4,284	Years 1986 to 1991 and 1993 to 1997	Appellate Authority - up to Commissioner's level
			17,132	Years 1993 to 1994, 1998 to 2004 and 2007	Custom, Excise and Service Tax Appellate Tribunal
			2,038	Years 1994 and 1995	High Court of Madhya Pradesh
			1,610	Years 2000 and 2001	The Supreme Court of India
	Sub Total		25,064		
2.	Service Tax The Finance Act, 1994	Service Tax liability including interest and penalty, where applicable	9,156	Years from 2004 to 2007	Appellate Authority - up to Commissioner's level
	Sub Total		9,156		
3.	Sales Tax The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax liability including penalty and interest, where applicable	33,518	Years 1977-1978 to 1984-1985, 1994-1995, 1995-1996, 1996, 1997-1998, 1999-2000 to 2004-2005, 2005, 2006 and 2007-2008 to 2009-2010	Appellate Authority - up to Commissioner's level
			230,362	Years 1988-1989 to 1991-1992, 1994-1995, 1995-1996, 2000-2001, 2002-2003 and 2009-2010	Tribunal
			59,300	Year 2003-2004	The High Court of Chennai
			323,180		
4.	Custom Duty The Custom Duty Act, 1962	Demand raised with interest and penalty due to valuation dispute	311,173	For the period February 1996 to September 1999	The Supreme Court of India
	Sub Total		311,173		
5.	Income Tax The Income Tax Act, 1961	Income Tax liability including interest and penalty, where applicable	1,062	Assessment Year 2005-2006	Appellate Authority - up to Commissioner's level
			43,813	Assessment Years 1996-1997, 2001-2002 and 2003-2004	Income Tax Appellate Tribunal
	Sub Total		44,875		
	Total		713,448		



Balance Sheet as at March 31, 2010

Rupees '000s

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	394,987	394,987
Reserves and Surplus	2	5,202,938	4,114,639
		5,597,925	4,509,626
LOAN FUNDS			
Secured Loans	3	14,906	23,064
Unsecured Loans	4	1,124,843	403,882
		1,139,749	426,946
		6,737,674	4,936,572
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	4,789,608	4,413,559
Less: Depreciation/ Amortisation/ Impairment Loss		1,868,512	1,818,593
Net Block		2,921,096	2,594,966
Capital Work-In-Progress		287,359	105,832
		3,208,455	2,700,798
INVESTMENTS			
DEFERRED TAX ASSET (NET)	6	628,175	102,163
(Refer Note 4 of Schedule 21)		66,118	144,062
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	3,479,998	3,236,805
Sundry Debtors	8	1,976,014	1,995,768
Cash and Bank Balances	9	153,514	183,373
Loans and Advances	10	1,182,851	1,015,995
		6,792,377	6,431,941
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	3,522,853	4,071,857
Provisions	12	434,598	370,535
		3,957,451	4,442,392
NET CURRENT ASSETS		2,834,926	1,989,549
		6,737,674	4,936,572
Notes to Accounts	21		

Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For Price Waterhouse

Firm Registration Number: 007568S

Chartered Accountants

Vasant Gujarathi

Partner

Membership Number: F-17866

Shirin V. Balsara

Vice President - Legal &
Company Secretary

Chairman

Dr. Vijay Malliya

Vice Chairman &
Managing Director

Stephan Gerlich

Directors

Kaikobad B. Mistry
A. K. R. Nedungadi
Sharad M. Kulkarni
Vimal Bhandari

Place : Mumbai

Date : May 28, 2010

Place : Mumbai

Date : May 28, 2010

Profit and Loss Account for the year ended March 31, 2010

Rupees '000s

	Schedule	01.04.2009 to 31.03.2010	01.04.2008 to 31.03.2009
INCOME			
Sales		16,905,698	14,789,092
Less: Excise Duty		658,079	849,043
		16,247,619	13,940,049
Other Operating Income	13	993,444	885,863
Other Income	14	252,525	215,632
		17,493,588	15,041,544
EXPENDITURE			
Materials Consumed	15	3,855,839	3,894,287
(Increase)/ Decrease in Stock	16	122,235	(451,102)
Cost of Traded Goods Sold	17	6,627,115	5,475,083
Employee Cost	18	1,411,231	1,343,374
Other Expenses	19	3,033,201	2,845,133
Finance Charges	20	128,316	126,256
Depreciation/ Amortisation/ Impairment		264,419	239,921
		15,442,356	13,472,952
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION		2,051,232	1,568,592
Exceptional Items:			
– Demolition and Remediation Expenditure (Refer Note 23 of Schedule 21)		(54,904)	(60,325)
– Voluntary Retirement Expenditure		(31,881)	—
		(86,785)	(60,325)
PROFIT BEFORE TAXATION		1,964,447	1,508,267
Taxation			
– Current Tax [including charge for earlier years Rs. 6,099 (Previous Year Rs. 11,840)]		615,000	510,839
– Deferred Tax charge		77,944	21,027
– Fringe Benefit Tax [including (credit) for earlier years Rs. (1,032) (Previous Year Rs. (194))]		(1,032)	31,806
		691,912	563,672
PROFIT AFTER TAXATION		1,272,535	944,595
Add: Balance brought forward from previous year		3,070,989	2,350,246
AMOUNT AVAILABLE FOR APPROPRIATION		4,343,524	3,294,841
APPROPRIATIONS			
Proposed Dividend		157,995	110,596
Provision For Tax on Proposed Dividend		26,241	18,796
Transfer to General Reserve		127,254	94,460
Balance carried to Balance Sheet		4,032,034	3,070,989
		4,343,524	3,294,841
Earnings Per Share - Basic and Diluted (Refer Note 24 of Schedule 21)		32.22	23.91
Face Value per Equity Share - Rs. 10			

Notes to Accounts

21

Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For Price Waterhouse

Firm Registration Number: 007568S

Chartered Accountants

Vasant Gujarathi

Partner

Membership Number: F-17866

Shirin V. Balsara

Vice President - Legal &
Company Secretary

Chairman

Dr. Vijay Malliya

Vice Chairman &
Managing Director

Stephan Gerlich

Directors

Kaikobad B. Mistry
A. K. R. Nedungadi
Sharad M. Kulkarni
Vimal Bhandari

Place : Mumbai

Date : May 28, 2010

Place : Mumbai

Date : May 28, 2010



Schedules forming part of the Balance Sheet as at March 31, 2010

Rupees '000s

SCHEDULE 1

SHARE CAPITAL

Authorised:

46,300,000 (Previous Year 46,300,000) Equity Shares of Rs. 10 each

**As at
31.03.2010**

**As at
31.03.2009**

463,000

463,000

Issued, Subscribed and Paid-up:

39,498,747 (Previous Year 39,498,747) Equity Shares of Rs. 10 each, fully paid-up

394,987

394,987

Notes:

- Of the above, 12,632,500 (Previous Year 12,632,500) Equity Shares of Rs. 10 each are allotted as fully paid-up Bonus Shares by way of capitalisation of Capital Reserve, Premium received on Shares and General Reserve.
- Pursuant to the Scheme of Amalgamation of erstwhile Bayer Cropscience India Limited with the Company, 23,278,747 Equity Shares of Rs.10 each have been issued and allotted as fully paid-up to the Shareholders of erstwhile Bayer Cropscience India Limited without payment being received in cash.
- 28,086,662 (Previous Year 28,086,662) Equity Shares of Rs. 10 each are held by Bayer AG, Germany, the Ultimate Holding Company and its subsidiaries.

SCHEDULE 2

RESERVES AND SURPLUS

General Reserve

As per last Balance Sheet

1,043,650

949,190

Add: Transfer from Profit and Loss Account

127,254

94,460

1,170,904

1,043,650

Profit and Loss Account

4,032,034

3,070,989

5,202,938

4,114,639

SCHEDULE 3

SECURED LOANS

Loan from Banks

14,906

23,064

(Secured by *Pari Passu* charge by hypothecation of Stocks and Book Debts)

[Due within a year Rs. 14,906 (Previous Year Rs. 23,064)]

14,906

23,064

SCHEDULE 4

UNSECURED LOANS

Short Term Loan from Banks

349,843

403,882

[Due within a year Rs. 349,843 (Previous Year Rs. 403,882)]

Inter Corporate Loans

775,000

—

[Due within a year Rs. 555,000 (Previous Year Rs. Nil)]

1,124,843

403,882

Schedules forming part of the Balance Sheet as at March 31, 2010

SCHEDULE 5

FIXED ASSETS

Rupees '000s

Assets	Gross Block (at Cost)			Depreciation/ Amortisation					Impairment				Net Book Value	
	As at 01.04.2009	Additions	Deletions	As at 31.03.2010	As at 01.04.2009	For the year	Deletions	Upto 31.03.2010	As at 01.04.2009	Loss/ (Write back) for the year	Deletions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Intangibles														
Goodwill	93,256	—	—	93,256	93,256	—	—	93,256	—	—	—	—	—	—
Technical Knowhow	15,633	—	—	15,633	15,633	—	—	15,633	—	—	—	—	—	—
Software	—	17,697	—	17,697	—	1,975	—	1,975	—	—	—	—	15,722	—
Sub-total	108,889	17,697	—	126,586	108,889	1,975	—	110,864	—	—	—	—	15,722	—
Tangibles														
Freehold Land	949,010	390	—	949,400	—	—	—	—	—	—	—	—	949,400	949,010
Leasehold Land	18,966	—	—	18,966	2,005	219	—	2,224	—	—	—	—	16,742	16,961
Buildings	921,922	68,776	37,460	953,238	346,529	39,279	33,454	352,354	30,310	—	3,903	26,407	574,477	545,083
Leasehold Improvement	3,034	—	—	3,034	2,427	607	—	3,034	—	—	—	—	—	607
Plant and Machinery	1,721,710	379,496	151,899	1,949,307	957,836	136,438	123,554	970,720	11,482	—	5,518	5,964	972,623	752,392
Office Equipment and Computers	341,644	93,454	41,025	394,073	203,786	45,137	30,336	218,587	7,777	—	248	7,529	167,957	130,081
Furniture and Fixtures	128,003	4,377	4,209	128,171	68,760	9,720	3,091	75,389	8,829	—	590	8,239	44,543	50,414
Vehicles	220,381	70,345	23,893	266,833	69,963	31,044	13,806	87,201	—	—	—	—	179,632	150,418
Sub-total	4,304,670	616,838	258,486	4,663,022	1,651,306	262,444	204,241	1,709,509	58,398	—	10,259	48,139	2,905,374	2,594,966
Total	4,413,559	634,535	258,486	4,789,608	1,760,195	264,419	204,241	1,820,373	58,398	—	10,259	48,139	2,921,096	2,594,966
Previous Year	4,161,840	493,721	242,002	4,413,559	1,725,063	241,389	206,257	1,760,195	69,892	(1,468)	10,026	58,398		
Capital Work-In-Progress includes Capital Advances													287,359	105,832
													3,208,455	2,700,798

Note:

Buildings include Rs. 500 being the value of 10 shares of Rs. 50 each in Co-operative Housing Society.



Schedules forming part of the Balance Sheet as at March 31, 2010

Rupees '000s

SCHEDULE 6

INVESTMENTS

(Refer Note 19 of Schedule 21)

LONG TERM (At Cost)

NON-TRADE

UNQUOTED

Others

4,900 (Previous Year 4,900) Equity Shares in Bharuch Enviro Infrastructure Limited of Rs. 10 each, fully paid-up

49

49

209,880 (Previous Year 209,880) Equity Shares in Bharuch Eco Acqua Infrastructure Limited of Rs. 10 each, fully paid-up

2,099

2,099

2,148

2,148

CURRENT (At Cost or Net Asset Value, whichever is lower)

NON-TRADE

QUOTED

5,000,583 (Previous Year 4,999,251) units of Rs. 10 Each in Birla Sun Life Mutual Fund - Cash Manager - IP
Net Asset Value Rs. 50,021 (Previous Year Rs. 50,007)

50,021

50,007

3,993,261 (Previous Year 4,991,024) units of Rs. 10 Each in Birla Sun Life Mutual Fund - Cash Plus - Institutional Premium
Net Asset Value Rs. 40,010 (Previous Year Rs. 50,008)

40,010

50,008

4,629,203 (Previous Year Nil) units of Rs. 10 Each in Birla Sun Life Mutual Fund - Cash Plus - Institutional
Net Asset Value Rs. 50,006 (Previous Year Rs. Nil)

50,006

—

5,001,011 (Previous Year Nil) units of Rs. 10 Each in DWS Mutual Fund - Insta Cash Plus Fund - Super Institutional Plan
Net Asset Value Rs. 50,162 (Previous Year Rs. Nil)

50,162

—

4,975,975 (Previous Year Nil) units of Rs. 10 Each in DWS Mutual Fund - Insta Cash Plus Fund - Institutional Plan
Net Asset Value Rs. 50,017 (Previous Year Rs. Nil)

50,017

—

2,041,631 (Previous Year Nil) units of Rs. 10 Each in HDFC Mutual Fund - Liquid Fund Premium Plan
Net Asset Value Rs. 25,030 (Previous Year Rs. Nil)

25,030

—

4,703,845 (Previous Year Nil) units of Rs. 10 Each in HDFC Mutual Fund - Cash Management Fund - Saving Plan
Net Asset Value Rs. 50,032 (Previous Year Rs. Nil)

50,032

—

4,723,084 (Previous Year Nil) units of Rs. 10 Each in IDFC Mutual Fund - Cash Fund - Inst Plan B
Net Asset Value Rs. 50,005 (Previous Year Rs. Nil)

50,005

—

5,002,687 (Previous Year Nil) units of Rs. 10 Each in IDFC Mutual Fund - Cash Fund - Super Inst Plan C
Net Asset Value Rs. 50,039 (Previous Year Rs. Nil)

50,039

—

4,119,887 (Previous Year Nil) units of Rs. 10 Each in Kotak Mutual Fund - Liquid Plan (Institutional Premium)
Net Asset Value Rs. 50,379 (Previous Year Rs. Nil)

50,379

—

668,679 (Previous Year Nil) units of Rs. 10 Each in Reliance Mutual Fund - Liquid Treasury Plan Institutional Option
Net Asset Value Rs. 10,222 (Previous Year Rs. Nil)

10,222

—

4,998,363 (Previous Year Nil) units of Rs. 10 Each in Reliance Mutual Fund - Liquid Plan
Net Asset Value Rs. 50,008 (Previous Year Rs. Nil)

50,008

—

44,907 (Previous Year Nil) units of Rs. 10 Each in Tata Mutual Fund - Liquid Plan Super High Investment Fund
Net Asset Value Rs. 50,050 (Previous Year Rs. Nil)

50,050

—

49,877 (Previous Year Nil) units of Rs. 10 Each in UTI Mutual Fund - Money Market Fund
Net Asset Value Rs. 50,046 (Previous Year Rs. Nil)

50,046

—

626,027

100,015

Note: Aggregate Market Value of Quoted Investments Rs. 626,027
(Previous Year Rs. 100,015)

628,175

102,163

Schedules forming part of the Balance Sheet as at March 31, 2010

Rupees '000s

SCHEDULE 7**INVENTORIES**

	As at 31.03.2010	As at 31.03.2009
Stores and Spares	53,100	47,370
Stock-in-Trade:		
Raw Materials	1,051,505	858,306
Packing Materials	81,656	87,497
Semi-Finished Goods	390,805	602,808
Finished Goods	773,394	683,626
Traded Goods	588,472	532,609
Goods In Transit	541,066	424,589
	<u>3,479,998</u>	<u>3,236,805</u>

SCHEDULE 8**SUNDRY DEBTORS**

Debts outstanding for a period exceeding six months		
Considered Good	51,731	27,029
Considered Doubtful	94,584	90,069
	<u>146,315</u>	<u>117,098</u>
Other Debts		
Considered Good [Includes due from a Private Company in which a Director is a Director Rs. 13,541 (Previous Year Rs. 23,617)]	1,924,283	1,968,739
Considered Doubtful	64	699
	<u>1,924,347</u>	<u>1,969,438</u>
Less: Provision for Doubtful Debts	94,648	90,768
	<u>1,976,014</u>	<u>1,995,768</u>
Sundry Debtors		
Secured	38,930	64,962
Unsecured	1,937,084	1,930,806
	<u>1,976,014</u>	<u>1,995,768</u>

SCHEDULE 9**CASH AND BANK BALANCES**

Cash on Hand	347	531
Balance with Scheduled Banks:		
In Current Accounts	18,663	112,741
In Deposit Accounts	48	150
In Cash Credit Accounts	131,782	67,447
In Unclaimed Dividend Accounts	2,674	2,504
	<u>153,514</u>	<u>183,373</u>



Schedules forming part of the Balance Sheet as at March 31, 2010

Rupees '000s

SCHEDULE 10

LOANS AND ADVANCES

(Unsecured - considered good unless stated otherwise)

Advances recoverable in cash or in kind or for value to be received

Considered Good

Considered Doubtful

Less : Provision for Doubtful Advances

Deposits

Considered Good

Considered Doubtful

Less : Provision for Doubtful Deposits

Balance with Excise, Customs and Port Authorities

Fringe Benefit Tax [Net of Provision for Taxation Rs. 124,533
(Previous Year Rs. 125,565)]

Advance payment of Income Tax
[Net of Provision for Taxation Rs. 3,746,964
(Previous Year Rs. 3,132,741)]

SCHEDULE 11

CURRENT LIABILITIES

Sundry Creditors

Due to Micro and Small Enterprises
(Refer Note 8 of Schedule 21)

Due to Creditors other than Micro and Small Enterprises

Advances from Customers

Interest accrued but not due

Unclaimed Dividends *

Unclaimed Public Deposits *

Deposits from Agents, Dealers and Customers

Other Liabilities

* There are no amounts as at year end which are due to be credited
to Investor Education and Protection Fund

SCHEDULE 12

PROVISIONS

Proposed Dividend

Tax on Proposed Dividend

Leave Encashment

Gratuity

Pension

Long Service Award

Direct Tax Matters (Refer Note 7 of Schedule 21)

[Net of Advance Tax of Rs. 128,574 (Previous Year Rs. 128,574)]

Indirect Tax Matters (Refer Note 7 of Schedule 21)

Commercial and Other Matters (Refer Note 7 of Schedule 21)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured - considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	270,358	270,834
Considered Doubtful	678	4,228
	<u>271,036</u>	<u>275,062</u>
Less : Provision for Doubtful Advances	678	4,228
	<u>270,358</u>	<u>270,834</u>
Deposits		
Considered Good	91,629	88,481
Considered Doubtful	6,877	10,433
	<u>98,506</u>	<u>98,914</u>
Less : Provision for Doubtful Deposits	6,877	10,433
	<u>91,629</u>	<u>88,481</u>
Balance with Excise, Customs and Port Authorities	262,701	217,362
Fringe Benefit Tax [Net of Provision for Taxation Rs. 124,533 (Previous Year Rs. 125,565)]	2,698	1,665
Advance payment of Income Tax [Net of Provision for Taxation Rs. 3,746,964 (Previous Year Rs. 3,132,741)]	555,465	437,653
	<u>1,182,851</u>	<u>1,015,995</u>
SCHEDULE 11		
CURRENT LIABILITIES		
Sundry Creditors		
Due to Micro and Small Enterprises (Refer Note 8 of Schedule 21)	12,210	15,056
Due to Creditors other than Micro and Small Enterprises	2,628,243	3,344,093
Advances from Customers	727,889	552,180
Interest accrued but not due	1,455	8,033
Unclaimed Dividends *	2,674	2,504
Unclaimed Public Deposits *	125	321
Deposits from Agents, Dealers and Customers	72,364	69,934
Other Liabilities	77,893	79,736
	<u>3,522,853</u>	<u>4,071,857</u>
SCHEDULE 12		
PROVISIONS		
Proposed Dividend	157,995	110,596
Tax on Proposed Dividend	26,241	18,796
Leave Encashment	86,380	88,026
Gratuity	75,042	78,377
Pension	8,281	8,096
Long Service Award	11,051	10,664
Direct Tax Matters (Refer Note 7 of Schedule 21)	29,047	28,270
[Net of Advance Tax of Rs. 128,574 (Previous Year Rs. 128,574)]		
Indirect Tax Matters (Refer Note 7 of Schedule 21)	37,469	25,218
Commercial and Other Matters (Refer Note 7 of Schedule 21)	3,092	2,492
	<u>434,598</u>	<u>370,535</u>

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2010

Rupees '000s

SCHEDULE 13**OTHER OPERATING INCOME**

Recovery from Group Companies and Third Parties

[Tax deducted at source Rs. 23,532 (Previous Year Rs. 27,048)]

01.04.2009 to
31.03.201001.04.2008 to
31.03.2009

993,444

885,863

993,444

885,863

SCHEDULE 14**OTHER INCOME**

Interest Received

[Tax deducted at source Rs. 481 (Previous Year Rs. 139)]

Dividend Income from Current Investments

Rent Income

[Tax deducted at source Rs. 5,704 (Previous Year Rs. 17,578)]

Insurance Claims

Bad Debts recovered

Provisions No Longer Required Written Back

Export Incentives

Miscellaneous

3,015

1,565

8,436

18,534

27,621

84,477

865

1,032

—

984

143,496

54,614

12,709

20,913

56,383

33,513

252,525

215,632

SCHEDULE 15**MATERIALS CONSUMED***

Raw Materials

Opening Stock

Add: Purchases

Less: Closing Stock

Packing Materials consumed

858,306

544,008

3,760,389

3,913,192

4,618,695

4,457,200

1,051,505

858,306

3,567,190

3,598,894

288,649

295,393

3,855,839

3,894,287

* Includes Rs. 17,828 (Previous Year Rs. 26,635) on account of Write off/ Write downs in carrying values of Raw Materials and Packing Materials.

SCHEDULE 16**(INCREASE)/ DECREASE IN STOCK***

Opening Stock

– Semi-Finished

– Finished

Closing Stock

– Semi-Finished

– Finished

602,808

384,693

683,626

450,639

1,286,434

835,332

390,805

602,808

773,394

683,626

1,164,199

1,286,434

122,235

(451,102)

* Includes Rs. 5,867 (Previous Year Rs. 48,978) on account of Write off/ Write downs in carrying values of Semi-Finished and Finished Goods.

SCHEDULE 17**COST OF TRADED GOODS SOLD***

Opening Stock

Add: Purchases

Less: Closing Stock

532,609

361,396

6,682,978

5,646,296

7,215,587

6,007,692

588,472

532,609

6,627,115

5,475,083

* Includes Rs. 23,934 (Previous Year Rs. 11,955) on account of Write off/ Write downs in carrying values of Traded Goods.



Schedules forming part of the Profit and Loss Account for the year ended March 31, 2010

Rupees '000s

SCHEDULE 18

EMPLOYEE COST

Payments to and Provisions for:

Salaries, Wages, Bonus and Allowances

Contribution to Provident, Gratuity, Superannuation and Other Funds

Staff Welfare Expenses

01.04.2009 to
31.03.2010

01.04.2008 to
31.03.2009

1,224,942

1,169,161

106,409

113,154

79,880

61,059

1,411,231

1,343,374

SCHEDULE 19

OTHER EXPENSES

Stores and Spares consumed

Power, Fuel and Water charges

Freight and Clearing charges

Rent

Rates and Taxes

Job work

Insurance

Excise Duty

Repairs and Maintenance:

Plant and Machinery

Buildings

Others

40,697

41,381

142,490

202,530

341,148

322,805

137,009

123,923

82,771

59,366

78,702

62,455

48,073

14,391

(1,252)

21,720

57,895

24,634

42,089

48,009

58,115

63,048

158,099

135,691

250,883

271,978

159,475

130,211

12,992

13,176

680

560

9,838

7,920

829,267

759,116

141,978

123,764

341,805

305,850

28,453

23,409

2,517

210

15,655

15,911

3,579

127,406

3,579

126,555

—

851

7,459

—

7,684

—

7,684

—

—

—

Provision for Doubtful Deposits/ Advances

578

1,570

Loss on assets sold/ discarded (Net)

11,458

17,502

Foreign Exchange Fluctuations (Net)

7,261

45,886

Miscellaneous

185,165

142,957

3,033,201

2,845,133

SCHEDULE 20

FINANCE CHARGES

Interest on:

— Fixed Loans

— Others

Bank Charges

36,613

91,330

77,886

16,664

13,817

18,262

128,316

126,256

Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared under historical cost convention from the books of account maintained on an accrual basis in conformity with accounting principles generally accepted in India and comply with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (the Act) and the relevant provisions of the Act.

(b) Fixed Assets and Depreciation/ Amortisation

Fixed Assets are stated at cost of acquisition less depreciation. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the asset to its working condition for intended use.

Depreciation on tangible assets is provided on Straight Line method at the following rates, which are higher than or equal to the rates prescribed in Schedule XIV to the Act.

Assets	Rates (%)
Buildings	3.50/ 5.00
Plant and Machinery	8.33/ 10.34
Office Equipment	10.00
Computers	20.00
Furniture and Fixtures	10.00
Vehicles	12.50

Leasehold Land and Leasehold Improvement are amortised over the period of lease. Depreciation on assets costing Rs. 5,000 or less is provided at the rate of 100% in the year of acquisition of the assets.

Goodwill, Technical Knowhow and Software are amortised over a period of three years.

(c) Investments

Long term investments are stated at cost and provision is made for diminution, other than temporary, in value of investments. Current investments are valued at lower of cost or market value/ net asset value.

(d) Inventories

Inventories are stated at cost or net realisable value, whichever is lower.

Cost of raw materials, packing materials and traded goods are determined on Weighted Average method.

Cost of finished goods and semi-finished goods include cost of raw materials and packing materials, cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

(e) Revenue Recognition

Sales are accounted for inclusive of excise duty but excluding sales tax, rebates and trade discounts.

Revenue is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Interest Income is accounted on accrual basis and dividend income is accounted when right to receive payment is established.

Recovery from group companies and third parties includes recoveries towards common facilities/ resources, Information Technology and other support provided to such parties which is recognised as per terms of agreement.

(f) Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss Account.

Monetary assets and liabilities in foreign currency are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.

The premium or discount on forward exchange contracts is amortised as expense or income over the life of the contract.



Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (Contd.)

(g) Employee Benefits

(a) Defined Contribution Plans:

The Company has Defined Contribution plans for post employment benefits namely Provident Fund and Superannuation Fund which are administered through appropriate authorities/ trustees.

The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Family Pension Fund on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund applicable to certain employees is a defined contribution plan as the Company makes contributions to Officers' Superannuation Scheme which is administered by an insurance company and has no further obligation beyond making the payment to the insurance company.

The Company makes contributions to State plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

(b) Defined Benefit Plans:

The Company has a Defined Benefit plan namely Gratuity covering its employees and Pension for certain employees. The gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme which is administered by Life Insurance Corporation of India ('LIC') and Pension plan is an unfunded scheme.

The liability for the defined benefit plan of Gratuity and Pension is provided based on an actuarial valuation at the year-end using Projected Unit Credit Method.

(c) Termination benefits are recognised as an expense as and when incurred.

(d) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

(e) Other Employee Benefits:

The employees of the Company are entitled to leave encashment and long service awards as per the policy of the Company. The liability in respect of the same is provided, based on an actuarial valuation carried out by an independent actuary as at the year-end using Projected Unit Credit Method. Short term compensated absences, if any, are provided on cost to Company basis.

(h) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is not recognised unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

(i) Borrowing Costs

Borrowing cost directly related to the acquisition or construction of a qualifying asset is capitalised as part of the cost of that asset. Other borrowing costs are charged to the Profit and Loss Account.

(j) Operating Lease

Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight- line basis over the lease term. Initial direct costs are charged to Profit and Loss Account as and when incurred.

(k) Provision, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets" is made.

Contingent Assets are not recognised in the financial statements.

Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

(I) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2. Estimated amount of contracts net of advances remaining to be executed on capital account Rs. 217,843 ('000s) [Previous Year Rs. 381,279 ('000s)].

3. Contingent Liabilities

Particulars	Rupees in '000s	
	As at March 31, 2010	As at March 31, 2009
(a) In respect of Bank Guarantees issued in favour of statutory authorities	7,945	19,915
(b) Counter Guarantee by the Company issued in favour of Gujarat Industrial Development Corporation	2,967	2,967
(c) In respect of custom duty on outstanding Export obligation against advance licenses acquired by the Company	171,981	83,027
(d) Claims against the Company not acknowledged as debts in respect of litigation/ claims filed by customer/ vendor/ labour	17,559	18,719
(e) In respect of Indirect tax matters (Excise duty, Customs duty, Service tax and Sales tax)	736,545	389,232
(f) In respect of Direct tax matters	168,895	140,326
(g) Demand raised by Ministry of Chemicals and Fertilisers, Department of Chemicals and Petro Chemicals for the difference between the pooled price and the retention price on the production of Chloroquine Phosphate from 1979-1980 upto December 14, 1988. The Company has filed a writ petition in the Hon'able High Court of Mumbai, challenging this demand.	27,581	27,581

Note: Future cash flows in respect of (d) to (g) above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities.

4. Deferred Tax

The Company has accounted for Deferred Tax in accordance with the Accounting Standard 22 – "Accounting for Taxes on Income".

The Deferred tax balances are set out below:

Particulars	Rupees in '000s	
	As at March 31, 2010	As at March 31, 2009
Deferred Tax Assets		
Provision for Doubtful Debts/ Advances/ Deposits	33,949	35,835
VRS Expenses	59,708	78,145
Disallowances under section 40(a)(i) and 40(a)(ia)	39,367	85,551
Liabilities allowed on payment basis	53,417	62,363
Others	16,096	15,030
	202,537	276,924
Deferred Tax Liability		
Depreciation/ Impairment of Assets	136,419	132,862
	136,419	132,862
Net Deferred Tax Assets	66,118	144,062



Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

5. Auditors' Remuneration

Particulars	Rupees in '000s	
	2009-10	2008-09
(a) Audit fees		
— for statutory audit	4,200	3,500
— for limited review	1,950	1,500
— for certification	—	25
(b) Tax Audit	650	560
(c) Audit of Foreign Reporting Package	2,875	2,200
(d) Reimbursement of out-of-pocket expenses	163	135
Total	9,838	7,920

6. Research and Development Expense

	Rupees in '000s	
	2009-10	2008-09
Research and Development Revenue Expenses*	127,535	138,341

* Including registration studies expense net of recoveries

7. Disclosure of Provisions

Particulars	Rupees in '000s		
	Direct Tax (net of advance tax)	Indirect Tax	Commercial and Other Matters
Opening balance	28,270	25,218	2,492
	(28,103)	(6,886)	(3,092)
Add: Additional provision	777	20,192	600
	(11,840)	(18,332)	(—)
Less: Provision utilized/ reversed	—	7,941	—
	(11,673)	(—)	(600)
Closing balance	29,047	37,469	3,092
	(28,270)	(25,218)	(2,492)

Note: Figures shown in brackets are in respect of previous year.

Direct and Indirect tax

Provisions in this category represents estimates made for probable liabilities arising out of pending disputes/ litigations with various tax authorities. The outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the outflow.

Commercial and other matters

Provisions in this category represent estimates made for probable liabilities/ claims arising out of commercial transaction with third parties. The outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the outflow.

8. Disclosure of details pertaining to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

Particulars	Rupees in '000s	
	2009-10	2008-09
(a) Principal amount remaining unpaid as at year end and Interest due thereon, if any	12,210	15,056
(b) (i) Interest paid during the year in terms of Section 16 of the MSMED Act	363	1,268
(ii) Principal amount where payment is delayed beyond the appointed date during the year	63,284	140,200
(c) Interest due and payable [not covered by Section 16 of the MSMED Act] in respect of delay in payment during the year	—	—
(d) Interest expense during the year	363	1,268
(e) Further interest remaining due and payable even in the succeeding years	—	—

Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

9. Managerial Remuneration

Rupees in '000s

Particulars	2009-10	2008-09
a) Directors' Sitting Fees	680	560
b) Salaries and Allowances *	68,971	79,475
c) Contribution to Provident Fund *	1,793	1,049
Total	71,444	81,084

* The above remuneration includes amount aggregating to Rs. 19,860 ('000s) [Previous Year Rs. 17,930 ('000s)] recovered from a Group Company in the capacity of Managing Director.

10. Information given under clause 3(i)(a), 3(ii), 4-C, 4-D(c) of Part II of Schedule VI to the Act.

(a) Turnover of goods produced/ purchased

Class of Goods	Unit of Measurement	Quantity	Value (Rupees in '000s)
(a) Active Ingredients	Tons	1,449 (3,258)	1,029,283 (1,657,344)
(b) Formulations			
(1) Liquids	KL	9,214 (9,527)	6,956,560 (6,219,085)
(2) Powders	Tons	4,154 (3,323)	2,826,678 (2,447,479)
(3) Wettable dispersable Granules	Tons	11,429 (9,572)	1,816,215 (1,158,768)
(c) Seeds	Tons	15,025 (14,663)	2,590,470 (2,130,563)
(d) Others			1,686,492 (1,175,853)
Total			16,905,698 (14,789,092)

Note: Figures shown in brackets are in respect of previous year.

(b) Opening and Closing stock of goods produced/ purchased

Class of Goods	Unit of Measurement	Opening Stock		Closing Stock	
		Quantity	Value (Rupees in '000s)	Quantity	Value (Rupees in '000s)
(a) Active Ingredients	Tons	3 (28)	21,101 (1,935)	10 (3)	75,207 (21,101)
(b) Formulations					
(1) Liquids	KL	1,932 (1,080)	766,225 (453,396)	1,352 (1,932)	704,359 (766,225)
(2) Powders	Tons	579 (488)	266,977 (185,088)	588 (579)	289,494 (266,977)
(3) Wettable dispersable Granules	Tons	1,285 (526)	93,742 (113,107)	710 (1,285)	193,129 (93,742)
(4) Tablets	'000s Nos.	6 (10)	5 (54)	— (6)	— (5)
(c) Seeds	Tons	502 (562)	68,185 (58,455)	470 (502)	99,677 (68,185)
Total			1,216,235 (812,035)		1,361,866 (1,216,235)

Notes:

- (1) The Closing Stock stated above is after adjustments for free goods, breakages/ damages, captive consumption and expired goods. The difference in closing stock figures derived from opening stock, production, purchases and sales would be due to above factors.
- (2) Opening and Closing stock consists of Finished and Traded goods.
- (3) Figures shown in brackets are in respect of previous year.



Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

(c) Installed Capacity and Actual Production

Class of Goods	Unit of Measurement	Installed Capacity	Actual Production
(a) Active Ingredients (Refer notes 3 and 4 below)	Tons	5,770 (4,810)	1,485 (3,238)
(b) Formulations (Refer notes 2, 3 and 4 below)			
(1) Liquids	KL	10,025 (10,025)	6,379 (6,979)
(2) Powders	Tons	3,650 (3,650)	2,193 (1,987)
(3) Wettable dispersable Granules	Tons	700 (700)	10,787 (10,389)
(4) Tablets	'000s Nos.	6,200 (6,200)	— (—)

Notes:

- (1) The installed capacities are as per the certificate given by the Management of the Company on which auditors have relied.
- (2) Actual production includes quantities manufactured by others on Lease/ Job work basis.
- (3) Being multipurpose plants, installed capacity is variable in view of different product mix produced in the plant.
- (4) Installed capacity for Active Ingredients is on three shift basis, whereas for Formulation it is on two shift basis.
- (5) Figures shown in brackets are in respect of previous year.

(d) Purchase of Traded goods

Class of Goods	Unit of Measurement	2009-10		2008-09	
		Quantity	Value (Rupees in '000s)	Quantity	Value (Rupees in '000s)
Liquids	KL	2,456	2,144,526	3,552	2,031,700
Powders	Tons	2,015	750,048	1,536	666,688
Seeds	Tons	15,055	2,155,415	14,628	1,742,139
Wettable dispersable Granules	Tons	99	188,059	4	6,739
Others			1,444,930		1,199,030
Total			6,682,978		5,646,296

(e) Raw Materials Consumed

Class of Goods	Unit of Measurement	2009-10		2008-09	
		Quantity	Value (Rupees in '000s)	Quantity	Value (Rupees in '000s)
Active Ingredients	Tons	2,836	2,024,518	2,293	1,616,397
	KL	890	160,159	—	—
Other Chemicals	Tons	18,210	1,317,550	29,038	1,811,956
	KL	192	64,963	302	170,541
Total			3,567,190		3,598,894

Value of all imported and indigenous Raw Materials, Spare Parts, Components and other items consumed

Particulars	2009-10				2008-09			
	Raw Materials		Spare Parts, Components and other items		Raw Materials		Spare Parts, Components and other items	
	(Rupees in '000s)	%	(Rupees in '000s)	%	(Rupees in '000s)	%	(Rupees in '000s)	%
Imported	2,209,488	62	1,314	3	1,538,725	43	2,073	5
Indigenous	1,357,702	38	39,383	97	2,060,169	57	39,308	95
Total	3,567,190	100	40,697	100	3,598,894	100	41,381	100

Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

11. Net amount remitted in foreign currency on account of dividend to four non-resident shareholders

		Rupees in '000s	
For the Year	No. of Equity Shares	2009-10	2008-09
2008-09	27,433,252	76,813	—
2007-08	27,433,252	—	65,840

The above information pertains only to those shareholders where direct remittances are made by the Company.

		Rupees in '000s	
Particulars		2009-10	2008-09
12. Value of Imports on C.I.F. basis			
Raw and Packing Material		3,483,283	3,005,805
Traded Goods		15,480	9,027
Stores, Spares and Components		1,442	2,935
Capital Goods		91,646	60,846
13. Expenditure in Foreign Currency (on payment basis)			
Royalty		12,711	5,946
Professional/ Consultation/ Communication charges		206,215	135,725
Other Expenses		69,676	53,045
14. Export of Goods on F.O.B. basis		1,518,459	1,695,434
15. Earnings in Foreign Currency			
Recoveries from Group Companies		629,455	490,385
16. Operating Lease			

a) Assets taken on lease:

The Company has taken Residential Flats and Office under non-cancellable operating lease and lease rent amounting to Rs. 44,008 ('000s) [Previous Year Rs. 44,898 ('000s)] has been debited to Profit and Loss Account.

The future minimum lease payments under non-cancellable operating lease is as follows:

		Rupees in '000s	
Period		As at March 31, 2010	As at March 31, 2009
Not later than one year		22,752	41,439
Later than one year and not later than five years		1,517	24,244
Later than five years		—	—

The Company has entered into cancellable leasing arrangement for office, residential and warehouse premises. The lease rental of Rs. 93,001 ('000s) [Previous Year Rs. 79,025 ('000s)] has been included under the head Other Expenses- 'Rent' under Schedule 19 to the Profit and Loss Account.

b) Assets given on lease:

The Company has given part of the building, office area and parking area under non-cancellable operating lease and lease rent amounting to Rs. 24,333 ('000s) [Previous Year Rs. 81,222 ('000s)] has been credited to Profit and Loss Account.

The detail of the assets given on lease is as follows:

		Rupees in '000s	
Premises	Gross Block as at March 31, 2010	Accumulated Depreciation as at March 31, 2010	Depreciation provided for the year ended March 31, 2010
Building	37,858	37,858	1,880

The future minimum lease receivables in respect of assets given under non-cancellable operating lease are as follows:

		Rupees in '000s	
Period		As on March 31, 2010	As on March 31, 2009
Not later than one year		18,450	21,798
Later than one year and not later than five years		13,838	11,103
Later than five years		—	—

The Company has entered into cancellable lease arrangement for Building on operating lease. The lease rentals aggregating to Rs. 2,768 ('000s) [Previous Year Rs. 2,752 ('000s)] has been included under the head Other Income – 'Rent Income' under Schedule 14 to the Profit and Loss Account.



Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

17. Segment Reporting

The Company has only one reportable business segment "Agri Care" as primary segment. The Company has identified the Secondary Segment as geographical segment based on the location of customers.

		Rupees in '000s	
		2009-10	2008-09
Secondary Segmental Reporting			
1. Segmental Revenue			
(a) Segment – Local		15,993,904	13,694,342
(b) Segment – Exports		2,157,763	2,196,245
Total		18,151,667	15,890,587
2. Segmental Assets (excluding Deferred Tax Assets)			
(a) In India		10,265,477	8,703,986
(b) Outside India		363,530	530,916
Total		10,629,007	9,234,902
3. Capital Expenditure during the year in India		816,062	487,513

18. Related Party Transactions (as identified by the Management)

(i) **Ultimate Holding Company** : Bayer AG, Germany

(ii) **Parties under common control :**

- Bayer (China) Limited, China
- Bayer (Malaysia) Sdn. Bhd., Malaysia
- Bayer Animal Health GmbH, Germany
- Bayer Australia Ltd., Australia
- Bayer BioScience Private Limited, India
- Bayer Business Services GmbH, Germany
- Bayer Corporate and Business Services GmbH, Germany
- Bayer CropScience (China) Co. Ltd., China
- Bayer CropScience (Pvt.) Ltd., Pakistan
- Bayer CropScience AG, Germany
- Bayer CropScience K.K., Japan
- Bayer CropScience Limited, Bangladesh
- Bayer CropScience LP, U.S.A.
- Bayer CropScience Ltd., Korea
- Bayer CropScience OHQ (Malaysia) Sdn Bhd, Malaysia
- Bayer CropScience Pty Limited, Australia
- Bayer CropScience S.A., France (upto December 31, 2009)
- Bayer CropScience Inc., U.S.A.
- Bayer Direct Services GmbH, Germany
- Bayer S.A.S., France (from January 1, 2010)
- Bayer HealthCare AG, Germany
- Bayer HealthCare Aktiengesellschaft, Germany
- Bayer HealthCare Berkeley, U.S.A.
- Bayer HealthCare, NJ U.S.A.
- Bayer Industry Services GmbH, Germany
- Bayer Korea Limited, Korea
- Bayer MaterialScience AG, Germany
- Bayer MaterialScience Limited, Hongkong
- Bayer MaterialScience Private Limited, India
- Bayer Middle East FZE, U.A.E.
- Bayer New Zealand Ltd., New Zealand
- Bayer Parsian AG, Iran
- Bayer Pharmaceuticals Private Limited, India
- Bayer Polychem (India) Limited, India (upto March 31, 2009)
- Bayer Public Limited Company, United Kingdom
- Bayer S.A., Brazil
- Bayer S.A., Colombia
- Bayer South East Asia Pte Limited, Singapore
- Bayer Taiwan Company Ltd., Taiwan
- Bayer Technology and Engineering (Shanghai) Co. Limited, China
- Bayer Technology Services, Germany
- Bayer Thai Company Limited, Thailand
- Bayer Türk Kimya Sanayi Limited Sti., Turkey
- Bayer Vietnam Limited, Vietnam
- Bayer Yakuhin Ltd., Japan
- Bilag Industries Private Limited, India

Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

- EuroServices Bayer GmbH, Germany
- Nunhems Seeds Private Limited, India
- PT Bayer Indonesia, Indonesia

(iii) Key Management Personnel:

Mr. Stephan Gerlich : Vice Chairman and Managing Director
 Mr. Kaikobad B. Mistry : Whole Time Director (From July 1, 2008)
 Ms. Christiane Kunze : Whole Time Director (Upto May 31, 2008)

(iv) The transactions with and outstanding balances of related parties are furnished below:

Rupees in '000s

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Purchase of Goods						
Bayer CropScience AG	—	—	2,713,365	1,904,004	2,713,365	1,904,004
Bayer BioScience Private Limited	—	—	2,155,415	1,742,139	2,155,415	1,742,139
Others	—	—	462,940	851,593	462,940	851,593
Total	—	—	5,331,720	4,497,736	5,331,720	4,497,736
Sale of Goods						
Bayer CropScience AG	—	—	1,224,851	1,345,686	1,224,851	1,345,686
Bayer CropScience (Pvt.) Ltd., Pakistan	—	—	181,689	92,052	181,689	92,052
Others	—	—	145,548	230,533	145,548	230,533
Total	—	—	1,552,088	1,668,271	1,552,088	1,668,271
Dividend paid						
Bayer AG	23,163	19,854	—	—	23,163	19,854
Bayer CropScience AG	—	—	31,462	26,968	31,462	26,968
Bayer CropScience S.A.	—	—	22,183	19,014	22,183	19,014
Bayer MaterialScience Private Limited	—	—	1,834	1,572	1,834	1,572
Total	23,163	19,854	55,479	47,554	78,642	67,408
Interest Expense						
Bayer BioScience Private Limited	—	—	10,657	5,533	10,657	5,533
Bilag Industries Private Limited	—	—	63,000	—	63,000	—
Bayer Pharmaceuticals Private Limited	—	—	668	1,160	668	1,160
Total	—	—	74,325	6,693	74,325	6,693
Rental Income						
Bayer BioScience Private Limited	—	—	520	503	520	503
Total	—	—	520	503	520	503
Recoveries from Group Companies						
Bayer AG	38	471	—	—	38	471
Bayer Business Services GmbH	—	—	305,105	242,608	305,105	242,608
Bayer MaterialScience Private Limited	—	—	112,165	110,634	112,165	110,634
Bayer Pharmaceuticals Private Limited	—	—	99,903	54,609	99,903	54,609
Bayer CropScience AG	—	—	95,440	38,466	95,440	38,466
Bayer Corporate and Business Services GmbH	—	—	91,137	113,514	91,137	113,514
Others	—	—	232,136	206,079	232,136	206,079
Total	38	471	935,886	765,910	935,924	766,381



Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

(iv) The transactions with and outstanding balances of related parties are furnished below (contd.)

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Expenses Reimbursement/ Other Support Charges						
Bayer AG	9,137	14,479	—	—	9,137	14,479
Bayer South East Asia Pte Limited	—	—	126,470	90,994	126,470	90,994
Bayer Business Services GmbH	—	—	30,729	12,200	30,729	12,200
Bayer MaterialScience Limited, Hongkong	—	—	28,375	15,882	28,375	15,882
Bayer CropScience AG	—	—	25,680	13,531	25,680	13,531
Others	—	—	24,308	12,457	24,308	12,457
Total	9,137	14,479	235,562	145,064	244,699	159,543
Sale of Fixed Assets						
Bayer Pharmaceuticals Private Limited	—	—	—	288	—	288
Total	—	—	—	288	—	288
Purchase of Fixed Assets						
Bayer Business Services GmbH, Germany	—	—	24,373	—	24,373	—
Bayer CropScience (China) Co. Ltd.	—	—	4,276	—	4,276	—
Bayer Polychem (India) Limited	—	—	—	9,047	—	9,047
Others	—	—	3,032	—	3,032	—
Total	—	—	31,681	9,047	31,681	9,047
Inter Corporate Loans Taken						
Bayer BioScience Private Limited	—	—	2,814,000	710,000	2,814,000	710,000
Bilag Industries Private Limited	—	—	1,475,000	—	1,475,000	—
Bayer Pharmaceuticals Private Limited	—	—	186,000	172,500	186,000	172,500
Total	—	—	4,475,000	882,500	4,475,000	882,500
Royalty Expense (Net of Service Tax)						
Bayer CropScience AG	—	—	14,193	14,173	14,193	14,173
Total	—	—	14,193	14,173	14,193	14,173
Outstanding Receivables net of Payable						
Bayer AG	21	—	—	—	21	—
Bayer Business Services GmbH	—	—	33,031	15,335	33,031	15,335
Bayer CropScience (Pvt.) Ltd., Pakistan	—	—	27,331	11,235	27,331	11,235
Bayer MaterialScience Private Limited	—	—	13,557	22,072	13,557	22,072
Bayer CropScience Limited, Bangladesh	—	—	12,369	18,919	12,369	18,919
Others	—	—	43,455	56,022	43,455	56,022
Total	21	—	129,743	123,583	129,764	123,583
Outstanding Payables net of Receivable						
Bayer CropScience AG	—	—	281,946	295,311	281,946	295,311
Bayer BioScience Private Limited	—	—	163,627	149,266	163,627	149,266
Bilag Industries Private Limited	—	—	112,866	155,844	112,866	155,844
Others	—	—	12,657	22,933	12,657	22,933
Total	—	—	571,096	623,354	571,096	623,354
Outstanding Inter Corporate Loans						
Bilag Industries Private Limited	—	—	775,000	—	775,000	—
Total	—	—	775,000	—	775,000	—

Rupees in '000s

Related Party	Designation	Nature of Transaction	2009-10	2008-09
Mr. Stephan Gerlich	Vice Chairman and Managing Director	Remuneration	44,727	51,219
Mr. Kaikobad B. Mistry	Whole Time Director	Remuneration	26,037	25,571
Ms. Christiane Kunze	Whole Time Director	Remuneration	—	3,734
Total			70,764	80,524

Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

19. Current Investments purchased and sold during the year

Name and Scheme of the Mutual Fund	Purchase		Sale	
	Quantity (Units)	Rupees in '000s	Quantity (Units)	Rupees in '000s
Birla Sun Life Mutual Fund				
- Cash Manager - IP	83,994,603	840,206	83,993,270	840,192
- Cash Plus - Institutional	40,012,569	432,228	35,383,366	382,222
- Cash Plus - Institutional premium	42,671,171	427,551	43,668,934	437,548
DWS Mutual Fund				
- Insta Cash Plus Fund - Institutional Plan	55,594,797	558,817	50,618,822	508,800
- Insta Cash Plus Fund - Super Institutional Plan	58,220,944	583,960	53,219,933	533,798
Fidelity Mutual Fund				
- Cash Fund (Institutional)	3,699,731	37,006	3,699,731	37,007
- Cash Fund (Super Institutional)	10,000,867	100,061	10,000,867	100,061
HDFC Mutual Fund				
- Cash Management Fund - Saving Plan	14,129,060	150,282	9,425,216	100,250
- Liquid Fund Premium Plan	30,252,230	370,886	28,210,599	345,856
HSBC Mutual Fund				
- Cash Fund - Institutional Plus	9,498,342	95,037	9,498,342	95,037
IDFC Mutual Fund				
- Cash Fund - Inst Plan B	42,541,190	450,181	37,818,106	400,176
- Cash Fund - Super Inst Plan C	36,544,891	365,540	31,542,204	315,501
JM Financial Mutual Fund				
- High Liquidity Fund - Institutional Plan	22,687,049	227,231	22,687,049	227,231
- High Liquidity Fund - Super Institutional Plan	23,491,040	235,298	23,491,040	235,298
Kotak Mutual Fund				
- Liquid (Institutional Premium)	31,935,651	390,512	27,815,764	340,134
- Liquid (Institutional)	13,749,139	168,126	13,749,139	168,126
Prudential ICICI Mutual Fund				
- Liquid Plan - Institutional	1,773,156	210,123	1,773,156	210,123
- Liquid Super Institutional Plan	27,988,849	592,607	27,988,849	592,607
- Liquid - Institutional Plus Plan	5,830,942	241,064	5,830,942	241,064
Reliance Mutual Fund				
- Liquid Fund - Treasury Plan- Institutional Option	43,014,512	657,572	42,345,833	647,349
- Liquidity Fund	42,327,394	423,420	37,329,031	373,412
Tata Mutual Fund				
- Liquid Fund High Investment	237,951	265,158	237,951	265,158
- Liquid Super High Investment Fund	369,215	411,498	324,308	361,448
UTI Mutual Fund				
- Liquid Cash Plan Institutional	523,283	533,459	523,283	533,459
- Money Market Fund	16,434,799	634,624	16,384,922	584,578
Total		9,402,447		8,876,435

20. Employee Benefits

The disclosures required as per Accounting Standard 15 – “Employee Benefits” (revised 2005) are as under:

a) Brief description of the Plans:

The Company has various schemes for employee benefits such as provident fund, superannuation, gratuity, pension and long service award. In case of funded schemes, the funds are administered through trustees/ appropriate authorities. The Company's defined contribution plans are superannuation and provident fund since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity and pension. The employees of the Company are entitled to leave encashment, compensated absences and long service award as per the Company's policy.



Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

b) Charge to the Profit and Loss Account based on contributions*:

Rupees in '000s

Particulars	2009-10	2008-09
Superannuation	42,311	37,388
Provident fund	44,488	35,757

* included in Schedule 18 – 'Employee Cost'

c) Disclosures for defined benefit plans based on actuarial reports:

Rupees in '000s

	Gratuity (Funded plan)		Pension (Non-funded plan)	
	2009-10	2008-09	2009-10	2008-09
(i) Change in Defined Benefit Obligation:				
Opening defined benefit obligation	232,719	201,680	8,096	7,854
Current service cost	13,932	9,363	166	182
Interest cost	17,926	16,183	641	635
Actuarial loss/ (gain)	911	26,635	(622)	(371)
Transfer of Employees (Net)*	(867)	(3,622)	—	—
Benefits paid	(30,697)	(17,520)	—	(204)
Closing defined benefit obligation	233,924	232,719	8,281	8,096
* Represents liability discharged in respect of employees transferred to Group Companies				
(ii) Change in Fair Value of Assets:				
Opening fair value of plan assets	154,342	134,338	—	—
Expected return on plan assets	12,864	12,017	—	—
Actuarial gain/ (loss)	566	870	—	—
Contributions by employer	21,807	24,637	—	—
Benefits paid	(30,697)	(17,520)	—	—
Closing fair value of Plan Assets	158,882	154,342	—	—
(iii) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets:				
Present value of funded obligation	233,924	232,719	8,281	8,096
Fair value of plan assets	158,882	154,342	—	—
Funded status	158,882	154,342	—	—
Present value of unfunded obligation as at year end	75,042	78,377	8,281	8,096
Unfunded Net Asset/ (Liability) recognised in Balance Sheet*	(75,042)	(78,377)	(8,281)	(8,096)
* included in Schedule 12 – 'Provisions'				
(iv) Amount recognised in the Balance Sheet:				
Present value of obligations as at year end	233,924	232,719	8,281	8,096
Fair value of plan assets as at year end	158,882	154,342	—	—
Amount not recognised as an asset	—	—	—	—
Net (asset)/ liability recognised	75,042	78,377	8,281	8,096
(v) Expenses recognised in the Profit and Loss Account:				
Current service cost	13,932	9,363	166	182
Interest on defined benefit obligation	17,926	16,183	641	635
Expected return on plan assets	(12,864)	(12,017)	—	—
Net actuarial loss/ (gain) recognised in the current year	345	25,765	(622)	(371)
Total expense (Included in Schedule 18 – 'Employee Cost')	19,339	39,294	185	446

Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

		Rupees in '000s			
		Gratuity (Funded plan)		Pension (Non-funded plan)	
		2009-10	2008-09	2009-10	2008-09
(vi)	Expected employer's contribution for the next year	22,793	21,517	—	—
(vii)	Principal actuarial assumptions used:				
	Discount rate (p.a.)	8.25%	7.75%	8.25%	7.75%
	Expected rate of return on plan assets (p.a.)	8.00%	8.00%	—	—

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factor such as supply and demand factors in the employee market.

(viii) Asset Information:

The Plan Asset for the funded gratuity plan are administered by Life Insurance Corporation of India ('LIC') as per the Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority regulations.

		Rupees in '000s					
		Gratuity (Funded plan)			Pension (Non-funded plan)		
		2009-10	2008-09	2007-08**	2009-10	2008-09	2007-08**
(ix)	Other Information						
	Defined benefit obligation	(233,924)	(232,719)	(201,680)	(8,281)	(8,096)	(7,854)
	Plan assets	158,882	154,342	134,338	—	—	—
	Surplus/ (deficit)	(75,042)	(78,377)	(67,342)	(8,281)	(8,096)	(7,854)
	Experience adjustments on plan liabilities – gain/ (loss)	(9,747)	(24,086)	(32,082)	371	556	691
	Experience adjustments on plan assets – gain/ (loss)	566	870	1,890	—	—	—

** For the period January 1, 2007 to March 31, 2008

21. The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excise duty expense in the Schedule 19.
22. The Company uses forward contracts to hedge its risks of net exposure associated with foreign currency fluctuations. The Company does not enter into any forward contract which is intended for trading or speculative purposes.

The details of forward contracts outstanding at the year end are as follows:

		Amount in '000s	
Currency	Number of Contracts	Buy amount	Indian Rupees equivalent
US Dollar	1 (1)	7,793 (8,360)	351,765 (411,915)
EURO	— (1)	— (8,000)	— (539,840)

The details of unhedged net exposure as at the year end are as follows:

		Amount in '000s
Foreign Currency	Indian Rupees equivalent	
US Dollar	3,244 (3,980)	146,439 (202,793)
EURO	6 (52)	325 (3,480)
JPY	715 (—)	346 (—)

Note: Figures shown in brackets are in respect of previous year.



Schedules Annexed to the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

23. The Bayer Companies worldwide place great importance on protecting the environment and conserving natural resources. Pursuant to the cessation of manufacturing activities at Thane, till date the Company has incurred Rs. 54,904 ('000s) during the year 2009-10 [Previous year Rs. 60,325 ('000s)] towards Demolition and Remediation activities. These ongoing activities will allow the Thane Site to be left in a safe state with human health and environmental risks mitigated to generally accepted levels in industrialised countries.

24. Earnings Per Share

Particulars

Profit after Taxation (Rupees in '000s)
Weighted average number of equity shares outstanding at year end
Nominal value per Equity Share (in Rupees)
Earnings Per Share [Basic and Diluted] (in Rupees)

2009-10	2008-09
1,272,535	944,595
39,498,747	39,498,747
10	10
32.22	23.91

25. Previous year figures have been re-grouped/ re-classified wherever necessary.

Signature to Schedules 1 to 21

For Price Waterhouse

Firm Registration Number: 007568S

Chartered Accountants

Vasant Gujarathi

Partner

Membership Number: F-17866

Shirin V. Balsara

Vice President - Legal &
Company Secretary

For and on behalf of the Board

Chairman

Dr. Vijay Mallya

Vice Chairman &
Managing Director

Stephan Gerlich

Directors

**Kaikobad B. Mistry
A. K. R. Nedungadi
Sharad M. Kulkarni
Vimal Bhandari**

Place : Mumbai

Date : May 28, 2010

Place : Mumbai

Date : May 28, 2010

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956, of India.**Balance Sheet Abstract and Company's General Business Profile:**

I. Registration Details	
Registration No.	: 11173
State Code	: 11
Balance Sheet Date	: 31.03.2010
II. Capital Raised during the Year	(Amount in Rs. Thousands)
Public Issue	: Nil
Rights Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil
III. Position of Mobilisation and Deployment of Funds	(Amount in Rs. Thousands)
Total Liabilities (including Shareholder's Funds)	: 10,695,125
Total Assets	: 10,695,125
SOURCES OF FUNDS :	
Paid-up Capital	: 394,987
Reserves and Surplus	: 5,202,938
Secured Loans	: 14,906
Unsecured Loans	: 1,124,843
APPLICATION OF FUNDS:	
Net Fixed Assets	: 3,208,455
Net Current Assets*	: 2,901,044
Investments	: 628,175
Miscellaneous Expenditure	: Nil
*Including Deferred Tax Assets Rs. 66,118 ('000s)	
IV. Performance of the Company	(Amount in Rs. Thousands)
Total Income **	: 17,493,588
Total Expenditure ***	: 15,529,141
+/- Profit/ Loss Before Tax	: + 1,964,447
+/- Profit/ Loss After Tax	: + 1,272,535
Earning Per Share in Rs.	: 32.22
Dividend %	: 40%
** Including Other Income	
*** Including Other Expenses and Exceptional Items	
V. Generic Names of Principal Product(s)/ Service(s) of Company (as per monetary terms)	
Item Code No. (ITC Code)	: 3808.91.99
Product Description	: IMIDACLOPRID
Item Code No. (ITC Code)	: 3808.91.99
Product Description	: FLUBENDAMIDE
Item Code No. (ITC Code)	: 3808.91.99
Product Description	: FIPRONIL

Shirin V. Balsara
Vice President - Legal &
Company Secretary

Place : Mumbai
Date : May 28, 2010

For and on behalf of the Board

Chairman **Dr. Vijay Mallya**

Vice Chairman &
Managing Director **Stephan Gerlich**

Directors **Kaikobad B. Mistry**
A. K. R. Nedungadi
Sharad M. Kulkarni
Vimal Bhandari

Place : Mumbai
Date : May 28, 2010

Cash Flow Statement for the year ended March 31, 2010

	01.04.2009 to 31.03.2010	Rupees '000s 01.04.2008 to 31.03.2009
A. Cash Flow from Operating activities:		
Profit before Taxation	1,964,447	1,508,267
Adjustments for:		
Depreciation/ Amortisation/ Impairment	264,419	239,921
Interest Expense	114,499	107,994
Interest Income	(3,015)	(1,565)
Dividend Income	(8,436)	(18,534)
Loss on Assets sold/ discarded (Net)	11,458	17,502
Bad Debts/ Advances Written off (net of recovery)	11,263	126,422
Provision for/ (reversal of) Doubtful Debts/ Advances	(3,226)	(124,985)
Provisions no longer required written back	(143,496)	(54,614)
Provision for/ (reversal of) Employee benefits	(3,552)	43,836
Provision for Indirect Taxes & Other Commercial Matters	20,792	17,732
Inventory write off/ write down	47,629	87,568
Unrealised foreign exchange loss/ (gain)	(234)	(164)
	308,101	441,113
Operating Profit before Working Capital changes	2,272,548	1,949,380
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Sundry Debtors	6,024	(172,473)
(Increase)/ Decrease in Other Receivables	(30,732)	(70,873)
(Increase)/ Decrease in Inventories	(290,822)	(1,306,222)
Increase/ (Decrease) in Trade and Other Payables	(401,393)	392,156
	(716,923)	(1,157,412)
Cash generated from Operations	1,555,625	791,968
Taxes Paid	(732,036)	(445,763)
Net Cash from Operating activities	823,589	346,205
B. Cash Flow from Investing activities:		
Purchase of Fixed Assets	(816,062)	(487,513)
Proceeds from Sale of Fixed Assets	14,671	8,217
Proceeds from Sale of Long Term Investments	—	12,065
Interest Received	3,015	1,565
Dividend Received	8,436	18,534
Net Cash used in Investing activities	(789,940)	(447,132)
C. Cash Flow from Financing activities:		
Proceeds from/ (Repayment of) short and long term borrowings	712,803	(265,158)
Interest Paid	(121,077)	(104,670)
Dividend Paid	(110,426)	(94,624)
Dividend Tax Paid	(18,796)	(16,111)
Net Cash from/ (used) in Financing activities	462,504	(480,563)
Net Increase/ (Decrease) in Cash and Cash Equivalents	496,153	(581,490)

Cash Flow Statement for the year ended March 31, 2010 (contd.)

	01.04.2009 to 31.03.2010	Rupees '000s 01.04.2008 to 31.03.2009
Cash and Cash Equivalents at the beginning of the year	283,388	864,878
Cash and Cash Equivalents at the end of the year	779,541	283,388
Cash and Cash Equivalents comprise		
Cash on hand	347	531
Balance with Scheduled Banks - in Unclaimed dividend account	2,674	2,504
Balance with Scheduled Banks - in other accounts	150,493	180,338
Short Term Investments	626,027	100,015
	779,541	283,388

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 on Cash Flow Statements notified under Section 211(3C) of the Companies Act, 1956.
- 2) Short Term Investments comprise of Investments in Mutual Funds which are highly liquid and have an insignificant risk of change in value.
- 3) Previous Year's figures have been reclassified to conform to the current year's presentation.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 007568S

Chartered Accountants

Vasant Gujarathi

Partner

Membership Number: F-17866

Shirin V. Balsara

Vice President - Legal &
Company Secretary

For and on behalf of the Board

Chairman

Dr. Vijay Mallya

Vice Chairman &
Managing Director

Stephan Gerlich

Directors

**Kaikobad B. Mistry
A. K. R. Nedungadi
Sharad M. Kulkarni
Vimal Bhandari**

Place : Mumbai

Date : May 28, 2010

Place : Mumbai

Date : May 28, 2010



Facts

	2000	2001	2002	2003+	2004	2005	2006	2007-08 \$	2008-09	2009-10
Million Rupees										
Sales & Other Operating Income @	5,602.93	6,556.18	5,917.32	8,864.39	6,696.03	7,079.36	7,746.50	12,383.20	14,825.91	17,241.06
Export Revenue	(506.83)	(458.42)	(545.87)	(845.46)	(688.17)	(942.58)	(1,440.56)	(1,726.67)	(2,196.25)	(2,157.76)
Pre-tax Profit	95.54	162.33	277.75	472.04	524.04	746.84	890.53	679.56	1,508.27	1,964.45
Dividend	32.44	32.44	35.68	86.90	86.90	86.90	94.80	94.80	110.60	158.00
(%)	(20.00)	(20.00)	(22.00)	(22.00)	(22.00)	(22.00)	(24.00)	(24.00)	(28.00)	(40.00)
Share Capital	162.20	162.20	162.20	394.99	394.99	394.99	394.99	394.99	394.99	394.99
Reserves and Surplus	690.54	604.34	718.84	2,024.75	2,189.27	2,461.65	2,919.32	3,299.44	4,114.64	5,202.94
Borrowings	2,113.65	1,566.53	1,475.72	2,263.82	776.09	1,160.56	1,081.42	692.10	426.95	1,139.75
Gross Block	2,245.29	2,443.02	2,562.62	2,972.27	2,981.71	3,345.48	3,434.98	4,273.88	4,519.39	5,076.97
Net Block	1,236.88	1,342.91	1,379.54	1,585.02	1,438.08	1,633.25	1,554.31	2,478.93	2,700.80	3,208.46
Net Current Assets	1,670.99	1,075.75	1,051.24	2,963.97	1,736.86	2,328.86	2,775.67	1,139.19	1,989.55	2,834.93
Expenditure on Employees	570.38	579.98	591.17	653.24	658.08	574.31	671.23	1,220.88	1,343.37	1,411.23
Number of Employees	1,513	1,441	1,316	1,059	1,024	984	1,020	1,159	1,325	1,351
Rupees										
Earnings Per Share (on the basis of profits after tax)	44.80	56.52	95.41	11.74	6.67	9.40	14.39	12.43	23.91	32.22
Book Value per Share	525.74	472.59	543.18	61.26	65.43	72.32	83.91	93.53	114.17	141.72
Share Price at Stock										
Exchange — High	1,594.95	1,160.00	1,998.00	2,200.00	317.00	323.65	303.40	474.50	343.00	693.00
— Low	425.10	341.35	880.10	2,198.30*	135.35	160.00	101.00	199.05	180.20	224.90
Number of Shareholders	12,541	11,494	10,502	20,972	20,552	20,539	21,180	18,852	18,803	19,324

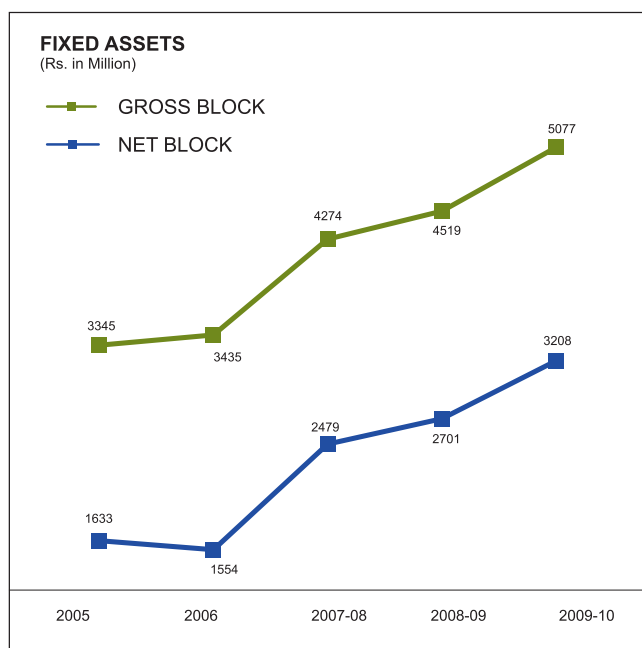
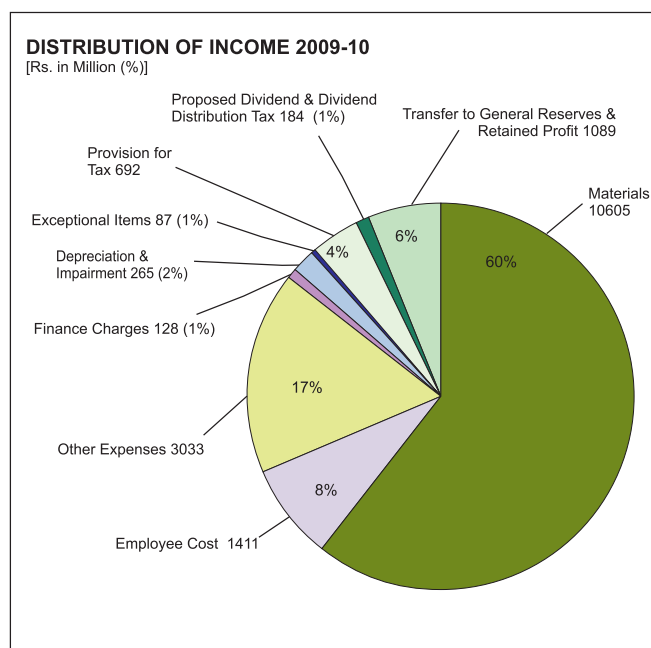
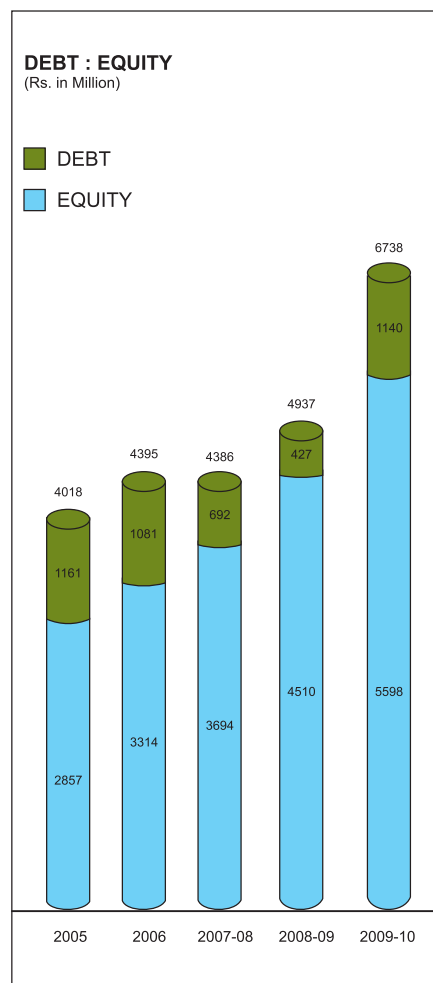
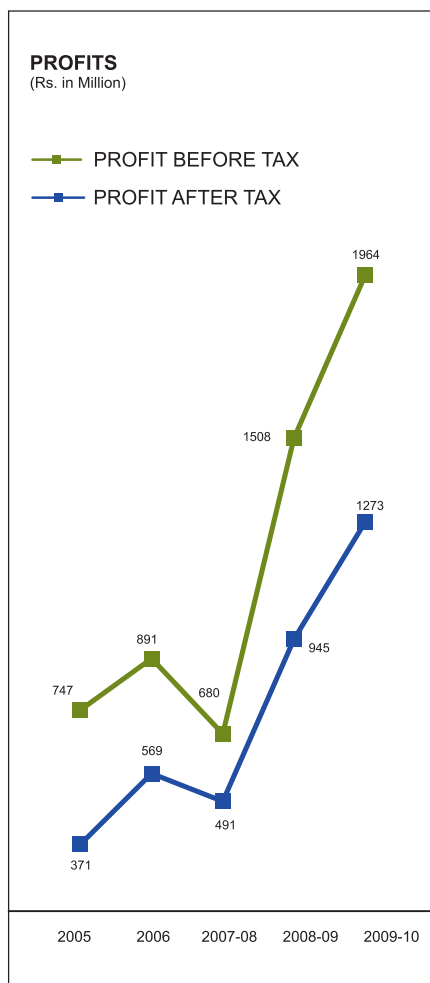
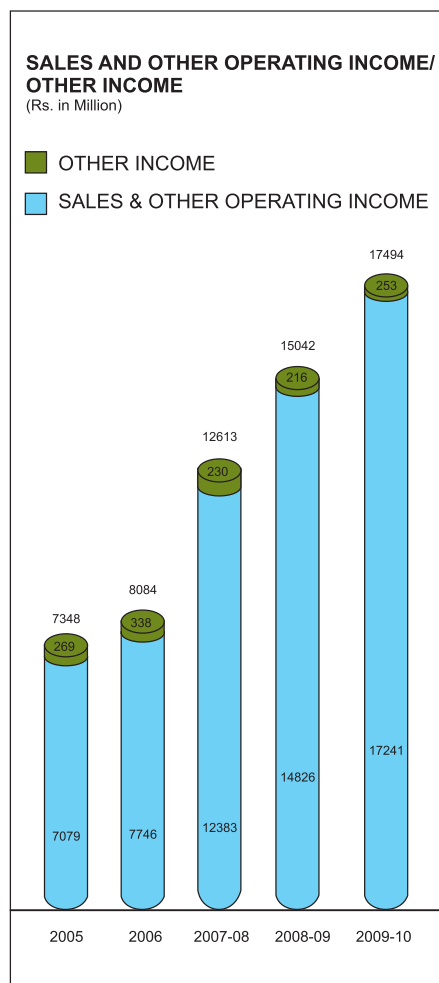
@ Sales are net of excise duty. Sales upto year 2003 are gross of trade discount.

+ Includes figures of erstwhile Bayer CropScience India Limited on account of amalgamation, with effect from April 01, 2003 and excludes transfer of non-CropScience business to wholly owned subsidiary Bayer Polychem (India) Limited with effect from November 01, 2003 and sale of consumer care division to S.C. Johnson Private Limited with effect from June 01, 2003.

* The shares of the Company were sub-divided from a face value of Rs. 100/- per share to Rs. 10/- per share, pursuant to the Scheme of Amalgamation between the Company and erstwhile Bayer CropScience India Limited.

\$ Figures of the period 2007-08 are for fifteen months.

Figures have been regrouped wherever necessary.





www.bayer.co.in



544



This report is printed on 100% recycled paper