



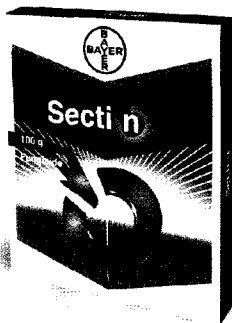
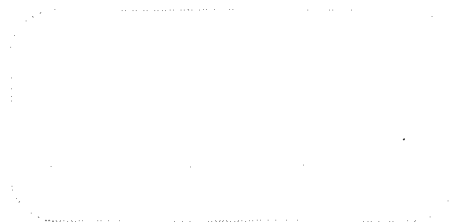
 Bayer CropScience

Bayer CropScience Limited
51st Annual Report
April 2008 - March 2009

Innovation is a central element of the corporate strategy for Bayer CropScience as a research-based crop protection and seed company. To create lasting benefit for customers, consumers, the company and its stakeholders, Bayer CropScience invests substantially in the research and development of new solutions. The Company continued in its progress in 2008, with several promising products.

Seed Harvest

+



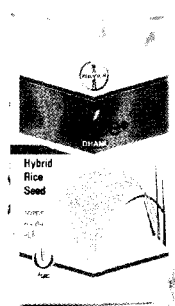
Sectin®

India's first fungicide for early and late blight in potato



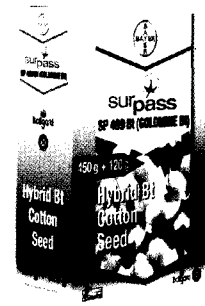
oberon®

Smart insecticide solution for Mites & White fly



Arize® Dhani

World's first hybrid rice variety resistant to the dreaded disease - Bacterial Leaf Blight



SurPass® Goldmine Bt

India's high performing Bt cotton hybrid



BOARD OF DIRECTORS

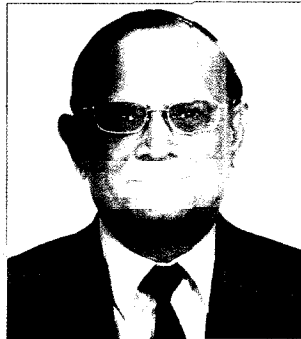
Dr. Vijay Mallya
Chairman
Independent Director



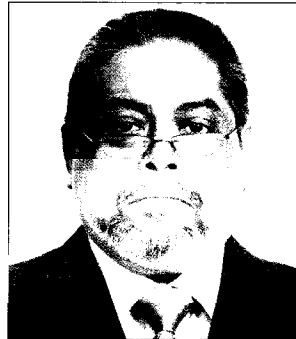
Stephan Gerlich
Vice Chairman and
Managing Director



Sharad M. Kulkarni
Independent Director
Chairman of
Audit Committee



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



Johannes Dietsch
Non-Executive Director



Bernd Naaf
Non-Executive Director



Vimal Bhandari
Independent Director
Chairman of Remuneration
Committee



Kaikobad B. Mistry
Whole-time Director





CORPORATE SUSTAINABILITY

Child Care Programme - Protecting children's right to education

The Child Care Programme launched by Bayer CropScience is a first-of-its-kind model developed to get working children off the fields of contract farmers and into the school.

A deeply rooted socio-economic problem, child labour is highly prevalent in seed production in India. For the past five years, Bayer CropScience has worked effectively to implement a comprehensive multilevel Child Care Programme (CCP) as a part of its cotton seed production scheme. The Programme has been rolled out in Andhra Pradesh, Karnataka and Tamil Nadu where the Company has contract cotton seed production.

The Child Care Programme consists of multifarious programme-enabling elements such as a sophisticated monitoring programme, an incentive & sanction scheme, Target 400 - a training programme for the enhancement of

farmers' productivity and the safe use & handling of crop protection products.

In line with its policy of "Zero tolerance for child labour," the Company only works with growers who conform by contract not to employ children in their fields.

In order to ensure 'zero child labour' production farms, a number of monitoring teams check the entire production area without prior warning several times per season. Should children be found to be working on cotton seed contract farms, growers are warned and educated. In repeated or severe cases of contract violation, farmers will ultimately face the termination of their supply contract.

As a part of its incentives & sanctions scheme, all growers who do not employ children during the crop season receive a bonus on top of the normal procurement price for their seeds.



learning for life

A Bayer CropScience Initiative

**Bayer CropScience Limited
Annual Report 2008-09**

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

Vice President - Legal & Company Secretary Shirin V. Balsara

Bankers	Bank of America
	BNP Paribas
	Central Bank of India
	Citibank N.A.
	Deutsche Bank
	HDFC Bank Limited
	Societe Generale
	State Bank of India
Union Bank of India	

Auditors Price Waterhouse

Solicitors Crawford Bayley & Co.

Registered Office Bayer House, Central Avenue,
Hiranandani Gardens, Powai,
Mumbai-400 076.
Tel. No. 91 22 2571 1234
Fax No. 91 22 2570 0147

Registrars and Share Transfer Agents TSR Darashaw 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

- Factories**
- (1) Plot Nos. 6009 - 10 & 6301 - 10A,
GIDC Industrial Estate,
Ankleshwar - 393 002, Gujarat.
 - (2) Plot Nos. 66/1 to 75/2,
GIDC Industrial Estate,
Himatnagar - 383 001, Gujarat.
 - (3) Kolshet Road,
Thane - 400 607, Maharashtra.

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Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.

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, well in advance, so that the necessary information can be made available at the Meeting.



Notice to Shareholders

NOTICE is hereby given that the Fifty-First Annual General Meeting of Bayer CropScience Limited will be held on Tuesday, 8th September, 2009 at 11.00 a.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, 2009 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, 2009.
3. To appoint a Director in place of Mr. Johannes Dietsch, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sharad M. Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. Re-appointment of Mr. Stephan Gerlich as Vice Chairman & Managing Director and revision/payment of remuneration
To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Central Government, if applicable, approval of the Company be and is hereby accorded to the revision in remuneration payable to Mr. Stephan Gerlich, Vice Chairman & Managing Director with effect from 1st April, 2009, as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 316, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, if applicable, approval of the Company be and is hereby accorded to the re-appointment of Mr. Stephan Gerlich as the Vice Chairman & Managing Director of the Company for a period of five years commencing from 1st July, 2009 and payment of remuneration on the terms, conditions and stipulations as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the remuneration, aforesaid, including expressly the benefits and amenities aforesaid, shall be paid and provided as minimum remuneration to Mr. Stephan Gerlich, subject to the approval of the Central Government, if necessary, or any other authority notwithstanding the absence or inadequacy of profits in any accounting year of the Company during the tenure of his office as the Vice Chairman & Managing Director of the Company.

RESOLVED FURTHER THAT in the event of any relaxation made by the Government in the guidelines or ceiling on Managerial Remuneration during the period of this agreement, the remuneration (including "Minimum Remuneration") payable to the Vice Chairman & Managing Director shall be increased as the Board may deem fit in accordance with the guidelines or ceiling.

RESOLVED FURTHER THAT the Board, may subject to the requisite approvals, if required of the Central Government, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Stephan Gerlich, including the monetary value thereof, upto the limits prescribed in that behalf under or pursuant to the Companies Act, 1956 or any statutory amendment, modification or re-enactment thereof from time to time in force and/or the guidelines for managerial remuneration issued by the Central Government from time to time, from the date of the statutory amendment, modification, re-enactment and/or the guidelines coming into force.

RESOLVED FURTHER THAT so long as Mr. Stephan Gerlich functions as Vice Chairman & Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Mr. Stephan Gerlich shall not be liable to retire by rotation during his tenure as Vice Chairman & Managing Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."

7. Variation in terms and conditions of appointment of Mr. Kaikobad B. Mistry

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if applicable, the Company hereby accords its approval to vary the terms and conditions of the appointment of Mr. Kaikobad B. Mistry, Whole-time Director with effect from 1st April, 2009 as set out under Item No.7 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."

Notice to Shareholders (Contd.)**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 resolutions / 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 (the Act), in respect of the Special Business under Item Nos. 6 and 7 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, 25th August, 2009 to Tuesday, 8th September, 2009 (both days inclusive).
- (d) The dividend of Rs. 2.80 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 51st Annual General Meeting to be held on 8th September, 2009, will be paid at par within 30 days of 8th September, 2009:
- (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, 8th September, 2009.
 - (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, 25th August, 2009, as per the details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
- (e) The shareholders are requested to address all correspondence to TSR Darashaw Limited, the Registrars & Share Transfer Agents of the Company 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 the Company's Registrars and Share Transfer Agents on or before 24th August, 2009, 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
 - (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 mode are requested to intimate all changes pertaining to their bank details, ECS, mandates, nominations, power of attorney, change of address/name etc. to their depository participant only and not to the Company's Registrars and Share Transfer Agents. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Share Transfer Agents 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 (the Act) dividends remaining unclaimed for seven years from the date they were transferred to the unpaid dividend account are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government under Section 205C of the Act. Members shall not be able to claim any unpaid dividend from the said Fund or the Company thereafter.**
- (i) Members can avail of 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 the Company's Registrars and Share Transfer Agents, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
- (j) Kindly forward all accounts related queries well in advance, so as to reach the Company atleast 10 days before the Annual General Meeting.
- (k) 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

Mumbai, 30th June, 2009
 Registered Office:
 Bayer House, Central Avenue,
 Hiranandani Gardens, Powai,
 Mumbai - 400 076.

Notice to Shareholders

NOTICE is hereby given that the Fifty-First Annual General Meeting of Bayer CropScience Limited will be held on Tuesday, 8th September, 2009 at 11.00 a.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, 2009 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, 2009.
3. To appoint a Director in place of Mr. Johannes Dietsch, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sharad M. Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. Re-appointment of Mr. Stephan Gerlich as Vice Chairman & Managing Director and revision/payment of remuneration
To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Central Government, if applicable, approval of the Company be and is hereby accorded to the revision in remuneration payable to Mr. Stephan Gerlich, Vice Chairman & Managing Director with effect from 1st April, 2009, as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 316, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, if applicable, approval of the Company be and is hereby accorded to the re-appointment of Mr. Stephan Gerlich as the Vice Chairman & Managing Director of the Company for a period of five years commencing from 1st July, 2009 and payment of remuneration on the terms, conditions and stipulations as set out under Item No. 6 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the remuneration, aforesaid, including expressly the benefits and amenities aforesaid, shall be paid and provided as minimum remuneration to Mr. Stephan Gerlich, subject to the approval of the Central Government, if necessary, or any other authority notwithstanding the absence or inadequacy of profits in any accounting year of the Company during the tenure of his office as the Vice Chairman & Managing Director of the Company.

RESOLVED FURTHER THAT in the event of any relaxation made by the Government in the guidelines or ceiling on Managerial Remuneration during the period of this agreement, the remuneration (including "Minimum Remuneration") payable to the Vice Chairman & Managing Director shall be increased as the Board may deem fit in accordance with the guidelines or ceiling.

RESOLVED FURTHER THAT the Board, may subject to the requisite approvals, if required of the Central Government, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Stephan Gerlich, including the monetary value thereof, upto the limits prescribed in that behalf under or pursuant to the Companies Act, 1956 or any statutory amendment, modification or re-enactment thereof from time to time in force and/or the guidelines for managerial remuneration issued by the Central Government from time to time, from the date of the statutory amendment, modification, re-enactment and/or the guidelines coming into force.

RESOLVED FURTHER THAT so long as Mr. Stephan Gerlich functions as Vice Chairman & Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Mr. Stephan Gerlich shall not be liable to retire by rotation during his tenure as Vice Chairman & Managing Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."

7. Variation in terms and conditions of appointment of Mr. Kaikobad B. Mistry

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if applicable, the Company hereby accords its approval to vary the terms and conditions of the appointment of Mr. Kaikobad B. Mistry, Whole-time Director with effect from 1st April, 2009 as set out under Item No.7 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution."

Annexure to Notice (Contd.)

The agreement entered into with Mr. Gerlich is available 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. An Abstract as required under Section 302 of the Companies Act, 1956 has already been circulated to all the Members of the Company.

The Board recommends the re-appointment of Mr. Gerlich as the Vice Chairman & Managing Director of the Company for a period of five years from 1st July, 2009. Except Mr. Gerlich, no Director is concerned or interested in the passing of this resolution.

Item No. 7

Mr. Kaikobad B. Mistry was appointed as the Whole-time Director of the Company for a period of five years from 1st July 2008. It is now proposed to vary the terms and conditions of appointment of Mr. Kaikobad B. Mistry, with effect from 1st April 2009, as set out hereunder:

Total Salary Grade (Rs.) Rs. 1,48,00,000 per annum to Rs. 2,00,00,000 per annum

The aforesaid variation in terms of appointment of Mr. Kaikobad B. Mistry as the Whole-time Director of the Company has been approved at the Meeting of the Remuneration Committee and the Board of Directors and are within the limits as prescribed under Schedule XIII of the Companies Act, 1956.

An Abstract as required under Section 302 of the Companies Act, 1956 has already been circulated to all the Members of the Company.

The Board recommends the variation in terms and conditions of appointment of Mr. Mistry. Except Mr. Mistry, no Director is concerned or interested in the passing of this resolution.

By Order of the Board of Directors

SHIRIN V. BALSARA
Vice President - Legal & Company Secretary

Mumbai, 30th June, 2009

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



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty-First Annual Report on the business and operations of the Company together with the audited Accounts along with the Report of the Auditors for the year ended 31st March, 2009.

FINANCIAL PERFORMANCE:

Particulars	Rs. Million	
	1.4.2008 to 31.3.2009	1.1.2007 to 31.3.2008
Net Sales and Other Operating Income	14,825.91	12,383.20
Other Income	215.63	230.41
Total Income	15,041.54	12,613.61
Profit before Interest, Depreciation, Impairment Loss, Exceptional Items and Taxation	1,856.18	1,112.28
Less: Interest	(107.99)	(58.91)
Profit before Depreciation, Impairment Loss, Exceptional Items and Taxation	1,748.19	1,053.37
Less: Depreciation (including Amortisation and Impairment)	(239.92)	(262.84)
Profit for the Period before Exceptional Items and Taxation	1,508.27	790.53
Less: Exceptional Items (Net)	—	(110.97)
Profit for the year Before Tax	1,508.27	679.56
Less: Current Tax	(510.84)	(284.06)
Less: Deferred Tax	(21.03)	139.39
Less: Fringe Benefit Tax	(31.81)	(43.86)
Profit for the year After Tax	944.59	491.03
Add: Profit & Loss balance brought forward from previous period	2,350.25	2,019.23
Amount available for Appropriation	3,294.84	2,510.26
Appropriations:		
Proposed Dividend	110.60	94.80
Provision for Taxation on Proposed Dividend	18.80	16.11
Transferred to General Reserve	94.46	49.10
Profit & Loss balance carried forward	3,070.98	2,350.25

Operations:

The Company's profit after tax increased to Rs. 944.59 million during the year ended 31st March, 2009 as compared to Rs. 491.03 million in the previous period, an increase of 92.37%.

Dividend:

The Board of Directors is pleased to recommend the payment of dividend of Rs. 2.80 per Equity Share of Rs. 10/- each for the year ended 31st March, 2009 subject to the approval of members (previous year Rs. 2.40 per Equity Share of Rs. 10/- each). The proposed dividend will absorb a sum of Rs. 110.60 million. The Register of Members will remain closed from 25th August, 2009 to 8th September, 2009 both days inclusive.

Exports:

The Company is a recognised Export House. The export turnover (FOB) during the year ended 31st March, 2009 is Rs.1,695.43 million compared to Rs. 1,423.62 million achieved during the previous period.

Public Deposits:

The Company discontinued its Public Deposit Scheme in the year 2003. A sum of Rs. 3,21,000 relating to 13 deposits remained unclaimed as on 31st March, 2009. No interest is payable on such unclaimed deposits after the maturity dates.

Insurance:

The 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.

DIRECTORS' REPORT (Contd.)

Foreign Exchange Management:

The Company's exposure to foreign exchange risk comprises the risk of a foreign currency versus the local currency. The goal is to reduce the negative impact of the risks arising from fluctuations in exchange rates in the earnings. The majority of the Forex transactions are denominated in USD. To mitigate the currency fluctuations, the net exposure of 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, 2009 and of the profit of the Company for the year ended on 31st March, 2009;
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 accords high priority to health, safety and environment.

Your Company had one lost time injury during the year ended 31st March, 2009. The Company also celebrated National Safety week and Fire Prevention week with various activities throughout the week to spread greater awareness amongst 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.

Social Responsibility:

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

Thane

The Company organised transport and books for the differently abled children of Holy Cross Convent School, Thane and also provided chairs to the Municipal School, Thane.

Your Company assisted the Kapurbawdi Police Station, Thane in handling of an emergency during an instance of chemical leak inside a neighbouring company in Gautam Nagar, Balkum. Assistance was also provided to the Air Force Base, Kolshet Road, Thane in handling a chlorine leak emergency within their premises.

Himatnagar

The Company has contributed steel kitchen sets to Bihar relief fund (to flood affected families) in response to an appeal made by District Collector, Himatnagar.

Ankleshwar

The Company provided note-books to 500 students of Sarangpur village school and also provided blackboards to the school. Sponsorship was given for education of underprivileged students in Training Institute in Jhagadia village to pursue technical education. The Company provided steel plates to 1390 school children of surrounding village schools for having their mid-day meal.

Being a Responsible Care Signatory, your Company continued to support the local community as an active member of local and district crisis group - Disaster Prevention Management Centre, GIDC Estate, Ankleshwar. The Company participated in the Safety Awareness programs conducted by local Industries.

The Company provided assistance in the form of Air monitoring and un-interrupted water supply to the fire tenders to Bharuch Enviro Infrastructure Ltd. (BEIL) and Gujarat Pollution Control Board during the explosion that occurred in the BEIL unit at GIDC Estate, Ankleshwar on 3rd April, 2008.

The Company also undertook tree plantation at the Collector's office in Bharuch and also at Ankleshwar factory premises and surrounding areas (total 2200 nos.) and distribution of 700 tree guards in the Bharuch District residential area. The Company gave

DIRECTORS' REPORT (Contd.)

financial assistance to the Gujarat Ecological Commission for carrying out Mangrove plantation project at Kantiyajal Village in Hansot Taluka (40,000 plants). The Company also made monetary contribution towards Bihar Flood Relief Fund.

Awareness programs for various groups of society viz. Students, Farmers, Distributors, Shareholders etc were conducted by your Company.

CORPORATE SUSTAINABILITY

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.

Child Care Programme:

The Child Care Programme launched by Bayer CropScience is a first-of-its-kind model developed to get working children off the fields of contract farmers and into the school.

Bayer-Ramanaidu Vignana Jyothi School of Agriculture:

As a part of Bayer CropScience overarching umbrella 'Learning for Life' strategy that aims to foster (science) education globally, the Bayer-Ramanaidu Vignana Jyothi School of Agriculture was established. The School trains deserving and talented rural youth with child labour background in the areas of agronomy, crop protection, seed production and communication and helps them gain a sustainable livelihood for the life. The new centre became operational in the first quarter of 2008. In January 2009, 29 students graduated from the one-year Farm Assistantship course that the School offers. All the students have been placed after the completion of the course.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

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

Human Resources:

Your Company, in its maiden participation in the Hewitt Best Employers Survey, had its engagement score at 78%. The engagement showed a marked increase by 5 points from the last survey which was exclusively done for Bayer.

Focus on learning continues to be an investment area for the Company, with the launch of the Bayer CropScience Academy. Towards the identification of the career and development path of its key talents, three Bayer Group Orientation Centres were held. The top potentials of the Organisation were recognised at various forums.

Drawing on Bayer Group's global talent management practices, training programs on Marketing, Strategic Management and Leadership Development were conducted in the Company and high participation from our employees were hallmarks of these events.

Your Company further enhanced its reputation in various educational and professional campuses across the country with its employment and training offers and corporate image campaigns.

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

The information as prescribed by Section 217(2A) of the Companies Act, 1956, (the Act), read along with the Companies (Particulars of Employees) Rules, 1975, as amended is sent out as an annexure to the Director's Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report and Accounts are being sent to the shareholders excluding the statement giving particulars of employees under Section 217(2A) of the Act. Any shareholder 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. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The 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 and Analysis Report:

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

Directors:

Mr. Johannes Dietsch and Mr. Sharad M. Kulkarni retire by rotation and, being eligible, offer themselves for re-appointment.

Mr. Stephan Gerlich has been re-appointed as Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 1st July, 2009. The appointment of Mr. Gerlich is subject to the approval of shareholders in the ensuing Annual General Meeting and the Central Government, if applicable.

A brief profile of the Directors 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.

Your Board 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, 2010. 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 Auditors for the year 1st April, 2009 to 31st March, 2010.

Members are requested to consider and re-appoint M/s. Price Waterhouse, Chartered Accountants, as the Statutory Auditors of the Company for the year 1st April, 2009 to 31st March, 2010.

Acknowledgements:

The Board of Directors wishes to express 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. We also acknowledge the continued support and guidance from Bayer AG, Bayer CropScience AG and Bayer CropScience SA.

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

Dr. Vijay Mallya
Chairman

Mumbai, 30th June, 2009

Annexure to the Directors' Report (Annexure I)

Information as per Section 217(1)(e) read with 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 March 31, 2009.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

1. Installation of a new co-generation plant with high electrical efficiency at Ankleshwar.
2. Installation of waste heat recovery boiler and vapour absorption chiller increasing overall cycle efficiency of co-generation plant at Ankleshwar.
3. Maintained overall power factor above 0.9 by load management and capacitor bank control at Ankleshwar.
4. Installation of a VFD driven air compressor for WP Plant at Himatnagar.
5. Maintained overall power factor above 0.95 by load management and capacitor bank control at Himatnagar.

(b) Additional Investment and proposals for energy conservation

1. Energy efficiency study on processes through climate check initiative at Ankleshwar.
2. Install additional capacitors to maintain power factor near to unity at Ankleshwar.
3. Renewal of street light system by installing energy efficient fittings at Ankleshwar.

(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.

Annexure to the Directors' Report (Annexure I) (Contd.)

(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 (1st Apr, 2008 - 31st Mar, 2009)	Previous Period (1 st Jan, 2007 - 31 st Mar, 2008)
1. Electricity:		
(a) Purchased: Thane Plant		
Unit (KWH)	9,723,385	14,957,532
Total Amount (Rs. Mio.)	46.94	65.21
Rate/unit (Rs.)	4.83	4.36
(b) Purchased: Himatnagar Plant		
Unit (KWH)	1,455,180	1,145,020
Total Amount (Rs. Mio.)	9.21	7.12
Rate/unit (Rs.)	6.33	6.22
(c) Purchased: Ankleshwar Plant		
Unit (KWH)	2,142,360	1,374,350
Total Amount (Rs. Mio.)	12.79	7.78
Rate/unit (Rs.)	6.00	5.66
(d) Own Generation: Thane Plant		
Through diesel generator		
Units (KWH)	54,182	34,119
Units/litre of diesel oil	2.89	2.60
Cost/unit — No separate unit cost calculated since generation is marginal		
(e) Own Generation: Himatnagar Plant		
Through diesel generator		
Units (KWH)	4,878	2,853
Units/litre of diesel oil	4.10	3.01
Cost/unit — No separate unit cost calculated since generation is marginal		
(f) Own Generation: Ankleshwar Plant		
Through gas turbine / generator		
Units	6,754,332	7,462,624
Units/Sm ³ of gas	3.40	3.52
Cost/Units	5.00	7.72
2. Coal:		
Quantity (tonnes)	N.A.	N.A.
Total cost	N.A.	N.A.
Average cost (Rs.)	N.A.	N.A.
3. Furnace oil + LSHS: Thane Plant		
Quantity (Kl)	230	415
Total amount (Rs. Mio.)	6.72	10.48
Average rate (Rs./Kl)	29,250	25,259
4. Other fuels: Thane Plant		
Quantity (kgs.) - Briquette	428,170	534,470
Total cost (Rs. Mio.)	1.99	1.92
Rate/unit (Rs.)	4.64	3.60
5. Other fuels: Ankleshwar Plant		
Quantity (Sm ³) - Natural Gas	1,996,180	2,162,460
Total cost (Rs. Mio.)	24.52	26.79
Rate/unit (Rs.)	12.28	12.39

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.

Annexure to the Directors' Report (Annexure I) (Contd.)**II. TECHNOLOGY ABSORPTION**

Efforts made in technology absorption as per Form B hereunder:

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, the Company has evaluated 42 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 in the country.

The Company continued its initiatives in contract farming vigorously in crops like cotton, 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 Research & Development, in 2008, your Company secured registrations and launched Fenamidone 10 + Mancozeb 50 WP (Sectin 60 WP) – a broad-spectrum fungicide for use in Grape and Potato.

During the year 2008, the Company has also obtained approvals for various herbicides exclusively for Export to other countries viz. Aclonifen Technical ; Fentrazamide Technical and Fentrazamide 6.75 + Propanil 37.5 WP (Lecspro 44.25 WP).

The Company has also complied with the requirement of National MRLs (Maximum Residue Limits) fixation in crops (food commodities), as a pre-requisite for registration/ introduction of new agrochemical products. This is one of the safety norms, which the Company has fulfilled.

The Company, after dedicated research and spending resources in generating required scientific data, has submitted in 2008 applications for registration of following new products for future launch.

- a) Ethiprole 40 + Imidacloprid 40 WG (80 WG) – A unique insecticide for use in Rice for control of dreaded insect pest, Brown Plant Hopper (BPH) and White Backed Plant Hoppers (WBPH).
- b) Spirotetramat 120 + Imidacloprid 360 SC (Movento Energy 480 SC) – A broad-spectrum and highly effective insecticide for use against Cotton mealy bug menace.
- c) Fenoxaprop-p-ethyl 6.9% EC (Ricestar) – An effective herbicide for transplanted and direct seeded rice.

2. Future Plans:

With the ushering in of WTO and implementation of Patent Regime, the Company is planning to introduce some excellent high technology products in Crop Protection as well as Environmental Science.

The year 2009 will see the launch of globally renowned speciality acaricide Oberon 240 SC, to control mites affecting tea, chilli, brinjal and apple etc., Fipronil 80 WG (Jump 80 WG), an insecticide for use in rice ; Imidacloprid 350 SC (Confidor Super), an insecticide for control of sucking pests in rice ; Melody Duo 66.75 WP, a fungicide for use in grape and potato.

Pursuing its philosophy of offering new and better cost-effective solutions to farmers to manage insect pests, diseases and weed menace in various crops, the Company is evaluating a number of molecules for use in a variety of key crops.

Launch of some of our products in small packs to cater the needs of niche customers, promoting Health & Hygiene on ready to use formulation/packs is also planned.

3. Expenditure on R & D:**(Rs. in million)**

(a) Capital	NIL
(b) Recurring	138.34
(c) Total	138.34
(d) Total R & D Expenses are 0.99% 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 numbers 21(11) to 21(15) of the Notes to Accounts.

Corporate Governance

1.0 Company's Philosophy on Corporate Governance

Corporate Governance is a process by which Company's resources are channelised in a controlled and systematic manner to enhance its wealth generating capacity. The Company's philosophy of 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 which is the primary responsibility of the Board of Directors, management and employees.

For Bayer CropScience, it is a key priority to conduct our business in a responsible manner, fulfill our commitment to Sustainable Development and achieve long-term growth with superior financial returns. Our values express what organisational, cultural and ethical references we wish to promote in managing our employees and business.

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 in a responsible manner 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 summarised 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 conflicts 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 '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.

1.3 Sexual Harassment Policy

Bayer's quest for competitive excellence consists of our commitment to lawful and ethical conduct and adhering to Bayer's values. Integrity, honesty and respect for people remain some of our core values. The Bayer's 'Prevention of Sexual Harassment Policy' 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 the 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

Mr. N.V. Chalapathi Rao, General Manager – Internal Audit has been appointed as the Risk Management Champion for reporting the assessments made with regard to various risks, the manner of handling the risks, adequacy of mitigating factors, identify deviations, reporting to the Audit Committee and to recommend a corrective course of action. The necessary reporting has been made to the Audit Committee.

2.1 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 and an Independent Director.

Corporate Governance (contd.)

Presently the Board consists of a total of eight Directors, out of which two are Executive Directors and from the remaining six Non-Executive Directors, four 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 three other Directors are from the Promoter Group. The remaining four 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 Independent Non-Executive Directors comply with the requirements of the Listing Agreement applicable to "Independent Director".

Details of the 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:

Table 1 : Constitution of the Board - as on 31st March, 2009

Sr. No.	Name of Director	Status [@]	Age (years)	Directorship Tenure
1	Dr. Vijay Mallya, Chairman	NED-(I)	53	5 years and 3 months
2	Mr. Stephan Gerlich, Vice Chairman*	MD	50	5 years and 9 months
3	Mr. S. M. Kulkarni	NED-(I)	70	14 years and 7 months
4	Mr. Johannes M. Dietsch*	NED	47	8 years
5	Mr. A. K. R. Nedungadi	NED-(I)	51	5 years and 3 months
6	Mr. Bernd Naaf *	NED	50	1 year and 5 months
7	Mr. Vimal Bhandari	NED-(I)	50	9 months
8	Mr. Kaikobad B. Mistry*	WTD	49	9 months

@

MD - Managing Director

NED - Non-Executive Director

NED-(I) - Non-Executive and Independent Director

WTD - Whole-time Director

* Represent the Promoter Group.

Table 2: Directorship in other companies / committee position as at 31st March, 2009

Sr. No.	Name of Director	No. of other Directorships		No. of other Committee Memberships	
		Chairman	Memberships	Chairman	Memberships
1	Dr. Vijay Mallya, Chairman	1	11	NIL	NIL
2	Mr. Stephan Gerlich, Vice Chairman & Managing Director	1	1	NIL	NIL
3	Mr. S. M. Kulkarni	NIL	10	4	2
4	Mr. Johannes M. Dietsch	NIL	NIL	NIL	NIL
5	Mr. A. K. R. Nedungadi	NIL	7	NIL	3
6	Mr. Bernd Naaf	NIL	NIL	NIL	NIL
7	Mr. Vimal Bhandari	NIL	6	1	5
8	Mr. Kaikobad B. Mistry	NIL	1	NIL	NIL

Notes:

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



Corporate Governance (contd.)

2.2 RESPONSIBILITIES

2.2.1 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 apprises the Board about the performance of the Company. Mr. Gerlich has been re-appointed as Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 1st July, 2009. The appointment of Mr. Gerlich is subject to the approval of shareholders in the ensuing Annual General Meeting to be held on 8th September, 2009.

2.2.2 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 Management.

2.2.3 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.

3.1 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 agenda 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.

3.2 Information given to the Board

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

The information regularly provided to the Board includes:

- Annual operating plans, budgets and updates.
- Capital budgets and updates.
- Quarterly results for 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 in 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 service such as non-payment of dividend, delay in share transfer etc.

Corporate Governance (contd.)

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

Five board meetings were held during the year 1st April, 2008 to 31st March, 2009, the details of which are as under:

Sr. No.	Date of Meeting	For the Quarter	No. of days from previous Board Meeting	Maximum days permitted as per Clause 49
1	23 rd April, 2008	April - June	92	120 days (4 months)
2	30 th June, 2008	April - June	67	
3	24 th July, 2008	July - September	23	
4	21 st October, 2008	October - December	88	
5	20 th January, 2009	January - March	90	

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

The Annual General Meeting was held on 9th September, 2008. The attendance of the Directors at the Board and Annual General Meetings held during the year ended 31st March, 2009 is as under:

Director	Board Meetings held in Director's tenure	Attendance		Remark
		Board Meeting	AGM held on 9 th September, 2008	
Dr. Vijay Mallya	5	4	Yes	—
Mr. Sharad M. Kulkarni	5	4	Yes	—
Mr. Stephan Gerlich	5	5	Yes	—
Mr. Johannes M. Dietsch	5	0	Yes	—
Mr. A.K.R. Nedungadi	5	5	Yes	—
Mr. Bernd Naaf	5	1	No	—
Ms. Christiane Kunze	2	2	No	Ceased to be a Director with effect from 30 th June, 2008.
Mr. Vimal Bhandari	3	3	Yes	Appointed as Additional Director with effect from 1 st July, 2008.
Mr. Kaikobad B. Mistry	3	2	Yes	Appointed as Whole-time Director with effect from 1 st July, 2008.

4.0 Directors seeking appointment/re-appointment

Mr. Stephan Gerlich was appointed as the Managing Director of the Company for a period of five years from 14th September, 2004. His term is due to expire on 13th September, 2009. The Remuneration Committee as well as the Board of Directors have approved the re-appointment of Mr. Gerlich as the Vice Chairman & Managing Director of the Company for a further period of five years with effect from 1st July, 2009. The appointment is subject to the approval of shareholders at the ensuing Annual General Meeting to be held on 8th September, 2009.

Mr. Johannes Dietsch and Mr. Sharad M. Kulkarni retire by rotation and, being eligible, offer themselves for re-appointment.

Particulars of the above directors of the Company seeking appointment/re-appointment are as under.

4.1 Mr. Stephan Gerlich:

Mr. Stephan Gerlich started his career with Bayer AG in Germany in the year 1978. In different assignments, he worked for the Bayer Group in France, Mexico and United States of America and since 2003, in India. Mr. Gerlich is married and has two children, 19 and 17 years old.

He is on the Board of Directors of the following companies:

- Bayer MaterialScience Private Limited.
- Bayer Polychem (India) Limited.

He is also a Member of the following committees in the Company :

Sr. No.	Name of Company	Committee	Chairman / Member
1.	Bayer CropScience Limited	Sub-Committee for approval of matters relating to issue of duplicate share certificates, transmission of shares, consolidation / split of shares etc.	Member
2.	Bayer CropScience Limited	Shareholders'/Investors' Grievance	Member



Corporate Governance (contd.)

4.2 Mr. Johannes Dietsch

Mr. Dietsch is a Non – Executive Director and representative of the Promoter Group.

Mr. Dietsch, a Graduate from grammar school joined Bayer AG, Germany in 1981 for his apprenticeship as a commercial employee and internal training to the master of economics. He held the position of Head of Capital Markets Unit (within Finance Department) of Bayer AG, Germany during 1991-96. He was then appointed as a Representative Director and Senior Managing Director of Bayer Ltd and Chief Financial Officer of Bayer in Japan in 1996. Rapidly scaling new heights, he was appointed as Head of Corporate Finance at Bayer AG in 2001 and since 2002, he has been appointed as Finance Director and Head of Finance and is responsible for Treasury, Corporate Finance, Financial Controlling, Taxes, Mergers & Acquisition, Asset Management Pensions.

Mr. Dietsch is on the Board of the following companies:

- Bayer (China) Limited, China.
- Bayer Sp.z.o.o., Poland
- Bayer Hungaria, Hungary
- Bayer s.r.o., Czech. Rep.
- Pallas Versicherungs AG, Leverkusen, Germany
- Rheinische Pensionskasse VvaG, Germany
- Bayer Pension Trust e.V., Germany
- Bayer Pensionskasse VvaG, Germany

4.3 Mr. Sharad M. Kulkarni

Mr. Kulkarni who is a Non-Executive Independent Director, is a Bachelor in Engineering from the University of Pune and is also a Fellow of the Institute of Engineers India.

He is a Business Advisor and Management Consultant to several Indian and International companies. He is also a member of Asia Pacific Advisory Board of Johnson Diversey Inc of USA. He is associated with several NGOs and Education Trusts. He is past President and currently member of the Governing Board of Maharashtra Economic Development Corporation-MEDC, an economic research and analysis wing created by various chambers of commerce in Mumbai.

His expertise is in the area of Business Development, International Alliance Management, Educational Institutions of higher learning, Investments and Institutional Economic Research & Analysis across industries.

Mr. Kulkarni is on the Board of the following companies:

- Hindustan Construction Company Limited
- INEOS ABS (India) Limited
- KEC International Limited
- Raychem RPG Limited
- RPG Enterprises Limited
- Travel Voyages Private Limited
- J. M. Financial Trustee Company Private Ltd
- HCC Real Estate Limited
- Navin Fluorine International Limited
- Camlin Fine Chemicals Limited
- Global Procurement Consultants Limited
- Lavasa Corporation Limited

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

Sr. No.	Name of Company	Committee	Chairman / Member
1.	Bayer CropScience Limited	Audit	Chairman
2.	Bayer CropScience Limited	Shareholders' Grievance	Member
3.	Bayer CropScience Limited	Remuneration	Member
4.	INEOS ABS Limited	Audit	Chairman
5.	INEOS ABS Limited	Remuneration	Member
6.	Hindustan Construction Co. Ltd.	Audit	Chairman

Corporate Governance (contd.)

Sr.	Name of Company	Committee	Chairman / Member
7.	Hindustan Construction Co. Ltd.	ESOP, Compensation and Allotment Committee for Warrants/Shares	Member
8.	KEC International Limited	Audit	Member
9.	KEC International Limited	Remuneration	Member
10.	Navin Fluorine International Limited	Audit	Member
11.	Navin Fluorine International Limited	Remuneration	Member
12.	Camlin Fine Chemicals Limited	Audit	Chairman
13.	Camlin Fine Chemicals Limited	Remuneration	Member
14.	HCC Real Estate	Audit	Chairman

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 meetings attended.

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

5.2 Sitting fees paid during the year ended 31st March, 2009

(Rs. in Lakhs)

Sr. No.	Director	Fees paid for attending Board and Committee Meetings
1.	Dr. Vijay Mallya	0.80
2.	Mr. A.K.R. Nedungadi	2.00
3.	Mr. Sharad M. Kulkarni	1.60
4.	Mr. Vimal Bhandari	1.20

5.3 Remuneration paid to Managing/Whole-time Directors

Mr. Stephan Gerlich, Vice Chairman & Managing Director was paid remuneration for the year ended 31st March, 2009 as per his Agreement with the Company, which has been approved by the Board as well as the shareholders. Mr. Gerlich has been re-appointed as Vice Chairman & Managing Director of the Company with effect from 1st July, 2009. The re-appointment is subject to the approval of the shareholders.

Mr Kaikobad B. Mistry, Whole-time Director, was paid remuneration for the year ended 31st March, 2009, as per the Agreement entered into by him with the Company which has been approved by the Board. The members had approved the same at the Annual General Meeting of the Company held on 9th September, 2008.

Details of the remuneration during the year ended 31st March, 2009

(All figures in Rupees)

Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
Mr. Gerlich	Managing Director	43,356,626	7,862,154	51,218,780	14.09.2004 to 13.09.2009
Mr. Mistry	Whole-time Director	19,127,112	6,444,591	25,571,703	01.07.2008 to 30.06.2013
Ms. Kunze	Whole-time Director	3,142,290	591,517	3,733,807	01.04.2006 to 30.06.2008

5.4 Service contract, notice period and severance fees

Mr. 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 five years and terminable by six 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 five years and terminable by six 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 Managing Director or Whole-time Director.



Corporate Governance (contd.)

6.0 COMMITTEES OF THE BOARD

6.1 Audit Committee

The Audit Committee comprises all Non-Executive Directors, with the majority of them being Independent, as under:

Name	Designation	Category
Mr. Sharad M. Kulkarni	Chairman	Non-Executive Independent
Mr. A.K.R. Nedungadi	Member	Non-Executive Independent
Mr. Vimal Bhandari	Member	Non-Executive Independent
Mr. Bernd Naaf	Member	Non-Executive

The Committee held five meetings during the year ended 31st March, 2009. The meetings were held on 30th June, 2008, 24th July, 2008, 21st October, 2008, 26th November, 2008 and 20th January, 2009. The attendance at the meetings was as under:

Name	Number of Audit Committee Meetings held in Director's tenure	No. of Committee Meetings attended
Mr. Kulkarni	5	4
Mr. Nedungadi	5	5
Mr. Naaf	5	1
Mr. Bhandari	4	3

The Managing Director, Chief Financial Officer, the Head of Corporate Accounting and 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 the one side and the Board of Directors of the Company on the other side.

The role of the Audit Committee includes the following:

1. Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required in the Director's Responsibility Statement to be included in 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
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors on any significant findings and follow up there on.
9. 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.
10. 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.

Corporate Governance (contd.)

11. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. 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 9th September 2008.

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 shareholders of the Company.

The composition of the Committee is as under :

Name	Designation	Category
Mr. A. K. R. Nedungadi	Chairman	Non-Executive Independent
Mr. Sharad M. Kulkarni	Member	Non-Executive Independent
Mr. Stephan Gerlich	Member	Vice Chairman & Managing Director
Mr. Kaikobad B. Mistry	Member	Whole-time Director

Meetings and attendance during the year ended 31st March, 2009

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

During the year ended 31st March, 2009, the Company received six grievances, all of which have been resolved to the satisfaction of the shareholders. 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, 2009 is given below:

Nature of Complaints	1.4.2008 to 31.3.2009	
	Received	Resolved
Non receipt of Share Certificates duly transferred	0	0
Non receipt of dividend warrant	0	0
Non receipt of Annual Report	0	0
Letters from SEBI	3	3
Letters from Stock Exchange	1	1
Letters referred by Reserve Bank of India / Ministry of Corporate Affairs	1	1
Letters referred by other Government bodies	1	1

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 have been delegated to the officials of the Company.

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:

Name	Designation	Category
Mr. Stephan Gerlich	Chairman	Vice Chairman & Managing Director
Mr. Kaikobad B. Mistry	Member	Whole-time Director
Shirin V. Balsara	Member	Vice President - Legal & Company Secretary



Corporate Governance (contd.)

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	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 : 8th September, 2009
 Venue and time : Yashwantrao Chavan Pratishthan Auditorium
 Y. B. Chavan Centre, Gen. J. Bhosale Marg
 Mumbai - 400 021 at 11.00 a.m.

8.2 Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 25th August, 2009 to Tuesday, 8th September, 2009 (both days inclusive).

8.3 Proposed Date of Dividend Payment

The dividend of Rs. 2.80 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 51st Annual General Meeting to be held on 8th September, 2009 will be paid at par within 30 days of 8th September, 2009:

- 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, 8th September, 2009.
- In respect of shares held in electronic form, to the beneficial owners of the shares as at the close of business hours on Tuesday, 25th August, 2009, 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, 2009	: End July, 2009
Half year ending 30 th September, 2009	: Mid October, 2009
Third quarter ending 31 st December, 2009	: End January, 2010
Year ending 31 st March, 2010	: On or before 30 th June, 2010
Annual General Meeting for the year ending 31 st March, 2010	: On or before 30 th September, 2010

8.6 Registered Office

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

8.7 Listing of Equity Shares on Stock Exchanges

The Company is listed with the Bombay Stock Exchange Limited and has paid the annual listing fees.

8.8 Stock Code

Bombay Stock Exchange Limited : 506285
 Phiroze Jeejeebhoy Towers
 Dalal Street, Mumbai - 400 023.

Demat International Security Identification Number (ISIN): INE462A01022 in NSDL and CDSL for equity shares.

Corporate Governance (contd.)

8.9 Stock Price Data

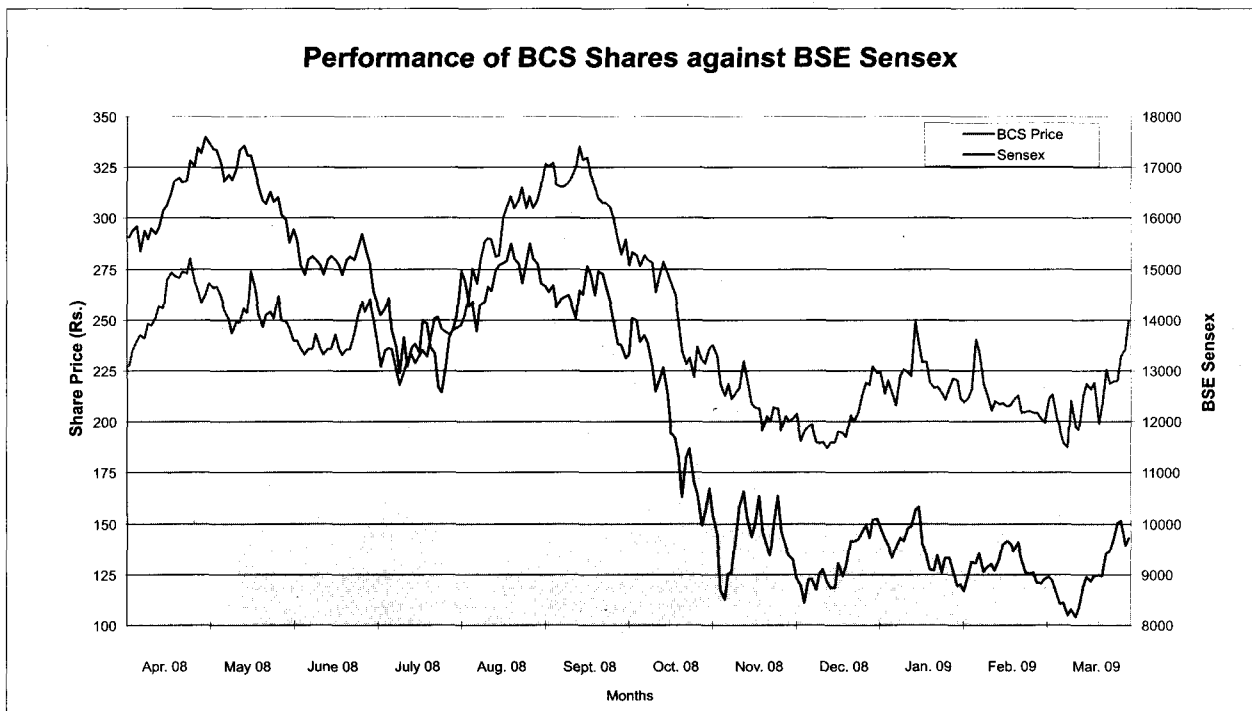
The monthly high and low prices of the Company's shares on Bombay Stock Exchange Limited, Mumbai (BSE) during the year from 1st April, 2008 to 31st March, 2009 was as under:

Month	Share Prices (Rs.)	
	High	Low
April	287.00	221.15
May	278.00	237.20
June	264.00	220.05
July	292.50	208.00
August	343.00	276.80
September	336.85	244.10
October	295.00	191.70
November	235.00	180.20
December	231.65	181.00
January	255.00	205.00
February	233.00	195.00
March	251.00	186.10

8.10 Stock Performance

Stock performance of the Company on the Bombay Stock Exchange Limited from 1st April, 2008 to 31st March, 2009.

BCS SHARE PRICE - BOMBAY STOCK EXCHANGE 1st April, 2008 to 31st March, 2009



8.11 Registrars & Share Transfer Agents:

TSR Darashaw Limited (TSRDL) acts as the Registrars and 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 :



Corporate Governance (contd.)

TSR DARASHAW LTD. (Unit – Bayer CropScience Limited)

6-10, Haji Moosa Patrawala Ind. Estate,

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai - 400 011

Tel : 022-6656 8484

Fax : 022-6656 8494

E-mail : csg-unit@tsrdarashaw.com

Web : www.tsrdarashaw.com

Contact Persons: Ms. Madhuri Narang and Ms. Ramya Madansingh

Investors may also contact the following TSRDL branch offices:

1 TSR DARASHAW LTD.

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 LTD.

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 LTD.

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 LTD.

2/42, Sant Vihar,

Ansari Road, Daryaganj,

New Delhi – 110 002

Tel : 011 – 2327 1805,

Fax : 011 – 2327 1802

E-mail : tsrdldel@tsrdarashaw.com

Agent :

Shah Consultancy Services Limited

Sumatinath Complex, 2nd Dhal

Pritam Nagar, Ellisbridge

Ahmedabad – 380 006

Telefax : 079 – 2657 6038

E-mail : shahconsultancy@hotmail.com

8.12 Share Transfer System

The shares of the Company, being in compulsory demat list, are transferable through the depository system. Shares in physical form for transfer should be lodged with the office of the Company's Registrars & Share Transfer Agents, 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 respect. The transfers processed are approved by the Company approximately thrice a month.

8.13 Distribution of shareholding as on 31st March, 2009

Range of Shares	Number of Shareholders	Number of Shares	% to Total Shareholders
1 – 500	17,327	1,814,997	92.15
501 – 1,000	819	615,499	4.36
1,001 – 2,000	373	538,562	1.98
2,001 – 3,000	95	231,309	0.50
3,001 – 4,000	43	153,216	0.23
4,001 – 5,000	35	161,482	0.19
5,001 – 10,000	48	344,920	0.26
10,001 and above	63	35,638,762	0.33
Total	18,803	39,498,747	100.00

Corporate Governance (contd.)

Shareholding Pattern as on 31st March, 2009 as per Clause 35 of 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	654850	654850	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	654850	654850	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	27431812	19509146	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	27431812	19509146	69.45	69.45	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4	28086662	20163996	71.11	71.11	0	0.00
(B)	Public Shareholding						NA	NA
	(1) Institutions						NA	NA
	(a) Mutual Funds / UTI	9	939223	938933	2.38	2.38		
	(b) Financial Institutions / Banks	26	12480	7350	0.03	0.03		
	(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	9	3785476	3785126	9.58	9.58		
	(f) Foreign Institutional Investors	7	276541	275625	0.70	0.70		
	(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)	51	5013720	5007034	12.69	12.69		
	(2) Non-Institutions						NA	NA
	(a) Bodies Corporate	358	2010921	2001304	5.09	5.09		
	(b) Individuals -							
	i Individual shareholders holding nominal share capital upto Rs. 1 lakh	18355	3656553	3010748	9.26	9.26		
	ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	28	729443	578057	1.85	1.85		
	(c) Any Other							
	i Director	1	53	0	0.00	0.00		
	ii Foreign Company	1	333	333	0.00	0.00		
	iii Trusts	5	1062	996	0.00	0.00		
	Sub-total (B) (2)	18748	6398365	5591438	16.20	16.20		
	Total Public Shareholding (B) = (B)(1)+(B)(2)	18799	11412085	10598472	28.89	28.89	NA	NA
	TOTAL (A)+(B)	18803	39498747	30762468	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)	18803	39498747	30762468	100.00	100.00		



Corporate Governance (contd.)

8.14 Dematerialisation of Shares and Liquidity

As per the Notification received from Securities 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 shareholders 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 shareholder 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 are offering this facility. After opening the demat account, the shareholder has to handover the physical share certificates along with the Demat Request Form to his DP who in turn will forward the documents to the Registrar and Share Transfer Agent (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 a credit into your demat account maintained with the DP.

As of 31st March, 2009, 30,762,468 (77.88%) shares issued by the Company have been dematerialised.

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

Not Applicable

8.16 Plant Locations

- (a) Plot No. 6009 - 10 & 6301 - 10A
G.I.D.C. Industrial Estate,
Ankleshwar - 393 002, Gujarat
- (b) 66/1 to 75/2, G.I.D.C. Industrial Estate,
Himatnagar - 383 001, Gujarat
- (c) Kolshet Road, Thane - 400 607,
Maharashtra

8.17 Address for correspondence:

Investors and shareholders can correspond with

1. The Company at the following address :

Bayer CropScience Limited
Secretarial & Legal Department
Bayer House, Central Avenue,
Hiranandani Gardens,
Powai, Mumbai 400076.
Tel. : (91-22) 2571 1395/1388
Fax : (91-22) 2570 0147
E-mail : shirin.balsara@bayercropscience.com
Website : www.bayer.co.in

2. The Registrars & Share Transfer Agents of the Company – TSR Darashaw Limited at their following address :

TSR DARASHAW LTD. (Unit – Bayer CropScience Limited)
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011
E-mail : csg-unit@tsrdarashaw.com
Web : 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 may please be addressed to the Company's Registrars and Share Transfer Agents 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

Corporate Governance (contd.)

9.0 OTHER DISCLOSURES

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

Year	Location	Date	Time
2007-08	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhosale Marg, Mumbai 400 021	9 th September, 2008	2.00 p.m.
2006	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhosale Marg, Mumbai 400 021	15 th June, 2007	12.15 p.m.
2005	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhosale Marg, Mumbai 400 021	12 th June, 2006	11.30 a.m.

9.2 Special resolutions passed in the previous 3 Annual General Meetings

- Variation in terms and conditions of appointment of Mr. Stephan Gerlich, Vice Chairman & Managing Director - passed unanimously (AGM held on 12th June, 2006).
- Approval of Company to appoint Ms. Christiane Kunze as a Whole-time Director of the Company for a period of 5 years with effect from 1st April, 2006 - passed unanimously (AGM held on 12th June, 2006).
- Relocating the Statutory Register, Records and copies of all annual returns to the new premises of TSR Darashaw Ltd located at 6-10, Haji Moosa Patrawala Ind. Est., 20, Dr. E. Moses Rd, Mahalaxmi, Mumbai – 400011 – passed unanimously (AGM held on 15th June, 2007).
- 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).

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 a 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 Standard 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 Bayer CropScience Limited 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 the Stock Exchange in accordance with the Listing Agreement.

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.

SEBI EDIFAR: The shareholding pattern, annual report etc. of the Company are periodically uploaded on SEBI's website: www.sebiedifar.nic.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 shareholders 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, 30th June, 2009



Corporate Governance (contd.)

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 year ended 31st March, 2009, 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 statement of 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 Nilesh A. Pradhan & Co.,

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

Place: Mumbai

Date: 25th June, 2009

Corporate Governance (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, 2009, Profit & Loss Account for the year ended on that date along with all its schedules, notes to accounts as well as cash flow statements and Directors' Report for the year and based on our knowledge and information confirm that:
 - a. these statements do not contain any materially untrue statement or omit to state 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 year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We, along with 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 year in which this report is being prepared; and
 - b. evaluated the effectiveness of the Company's disclosure, controls and procedures.
5. We, along with 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 year under review;
 - b. Significant changes in accounting policies during the 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,
30th June, 2009



Management Discussion & Analysis Report

1.0 OVERVIEW

The liberalizing economic reforms in the late 1980s and early 1990s have played a vital role in propelling Indian economy into one of the world's fastest growing economies. However, the global financial crisis has not left the country unscathed. From over 9% GDP growth in the previous four years, the growth has slipped drastically in 2008-09 with the latest estimates standing at 6.7%.

The best part of the economy was its resilience in the form of fiscal actions from the Government to reverse the slow down. While the agriculture sector grew at only about 2.5 % a year for a number of years, recent growth has touched 4.7 % a year, facilitated by good monsoons, greater production of high-value crops, an increase in the minimum support prices for grains, and the rise in global prices for agricultural products.

The silver lining came in the form of food grain production in 2008. Focused and target oriented implementation of mission initiatives by the Ministry of Agriculture resulted in bumper production of wheat, rice and pulses. The production of wheat has increased by 3.4% to 78.40 Million tonnes during 2007-08. The total production of rice has increased by 3.3% to 96.43 Million tonnes whereas the total production of pulses also increased by 6.4% to 15.11 Million tonnes during the same period.

The rise in crop yield is being attributed to increasing awareness among Indian farmers about the advent of new farming methods such as improved adoption of high yielding hybrids, biotechnology, modern plant protection products and modern cultivation practices and advanced system of grain storage. The Food Security Mission and Horticulture Mission of Ministry of Agriculture are playing an important role to increase production and productivity.

The Government of India is attaching a lot of significance to reforms in agricultural marketing. Post-harvest and marketing infrastructure including grading, packaging, transportation and storage to be created on a large scale is also point of focus for the Government. To attract private investment in agriculture, a scheme of Development/Strengthening of Agricultural Marketing Infrastructure Grading and Standardization has been launched.

According to the World Bank Country Overview 2008, going forward, it will be essential for India to facilitate rural, non-farm entrepreneurship to get the rural economy moving. Encouraging policies that promote competition in agricultural marketing will also ensure that farmers receive better prices.

2.0 INDUSTRY STRUCTURE AND DEVELOPMENT

Compared to the last few years, the Indian crop protection chemicals market displayed a remarkable upsurge posting a double digit compounded annual growth rate. Overall, the consumption of crop protection products in India has shown a marked improvement as the Indian farmer has become more 'market savvy' in terms of ensuring both qualitative and quantitative produce. The rising demand for foodgrain has also been a contributing factor. Adding to this scenario, crop protection manufacturers embarked on focused product awareness campaigns to Indian farmers, as the country's affordability has increased with the cultivation of high-value crops. Farmers today are more aware about modern crop protection products which have better efficacy and safety to users, to the environment and also to the consumer though, we still have a long way to go to reach desired levels.

Favourable market factors as above have sustained and even consistently increased the profitability of manufacturers despite the rising prices of raw materials.

The crop protection industry is displaying changing dynamics with herbicides and the fungicides segments showing faster growth compared to the insecticides segment as seen since last few years.

According to industry analysts, crop protection industry manufacturers increasingly have to look towards providing holistic solutions with innovative products in order to maintain their stakes in the market.

Under Environmental Science (ES) Division, Public Health business segment in India was stable during the year 2008. There were no serious reports of epidemics of vector borne diseases like malaria, dengue, chikungunya or Japanese Encephalitis. DDT, malathion, synthetic pyrethroids continue to be used as Indoor Residual Spray products in the malaria control programme. The consumption of Space spray chemicals increased. Larviciding activities are likely to increase due to urbanisation. No new major products were introduced in Public Health segment during the year.

The Professional Pest Control (PPC) segment has seen the entry of some international players. With the growing economy, this segment is likely to grow. Disposable income, urbanisation, entry of foreign conglomerates, increase in pest pressure etc. have resulted in growth of the segment during the year.

3.0 ACTIVITIES

The total sales & other operating income for the year ended 31st March, 2009 amounted to Rs.14,825.91 Million as compared to Rs. 12,383.20 Million for the last financial period and profit after tax for the year increased to Rs. 944.59 Million as against Rs. 491.03 Million for the last financial period.

Management Discussion & Analysis Report (Contd.)

4.0 REVIEW OF OPERATIONS

The conditions of the crop protection market have been quite favorable in the recent years. Good commodity prices, increasing demand for vegetables, labour shortage and government focus on food security have supported the market growth. Positive farmer's mind-set to invest in profitable crops and low overall channel inventories have further added to the positive sentiments.

During the year 2008-09, your Company was well positioned to fully utilise this favourable situation. The Company, in a very competitive form due to the operational improvement exercises taken up in recent past like portfolio streamlining and a Project to offer a holistic 'Seed to Harvest' solutions, has seized the market opportunity to its fullest advantage. With the largest sales and distribution network across all geographies, young products and new launches with potential for growth and big existing brands with high brand equity amongst farmers, the Company could achieve substantial growth in terms of turnover and market share. The 'Seed to Harvest' concept launched offers Seeds and Crop Protection solutions through an integrated platform. The Bayer Business strategy has become successful. This concept has proven to be very successful in delivering a comprehensive crop management solution to farmers.

During the year, the Company successfully managed the critical challenges like the increasing cost of raw materials affected by annual inflation in India (reaching to a near four year high of >8%), domestic oil price hike, increasing cost of operations in India and reduced imports from China as the country was shutting down factories to reduce air pollution for the Beijing Olympics.

The Company launched a number of new products like Sectin®, Alanto® and Flotis® during the year and strengthened its portfolio in Rice, Potatoes and Grapes. Our highly trained teams have taken new technologies to farmer's field to ensure their effective utilisation in actual farm conditions.

The Food Chain partnership initiative also evolved further with new agreements signed with large corporate retailers maintaining our leadership in this emerging field.

Moreover, the Company also implemented several business excellence initiatives such as Customer Loyalty Programmes, Sales Force Automation and Customer Relationship Management to build the long term sustainable competitive advantage.

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

In the PPC segment, your Company was in discussions with an international player to establish a business tie-up. The sales in the segment have increased due to strategies implemented by your company. As in the past, the Company participated in the annual convention of India Pest Control Association and supported its activities.

5.0 OPPORTUNITIES AND OUTLOOK

Long term mega trends in agriculture remain as challenging as ever. Securing the world's food supply is one of the greatest challenges of our times. The agricultural sector faces major challenges, as global food reserves have already fallen to the lowest level in thirty years. Increasing the amount of land used to produce food is scarcely an option. However, there is rising demand for food, animal feed and plants to produce biofuels. Another important issue is the sharp rise in prices of key agricultural raw materials.

In order to meet the challenges of food production and optimise use of our agricultural resources against the background of a continuously growing world population, we need intensive agricultural research. Your Company's strong focus on innovation and substantial investments in Research & Development enables it to contribute significantly to global food safety and resolution of the aforesaid critical challenges.

The innovation focus will also help the Company to further gain the competitive advantage in a stringent product patent regime which is rapidly taking shape in India. Moreover, due to the R&D focus on environmentally safe products, the Company remains well prepared to stay ahead of the competition amidst the constantly strengthening safety and residue standards. Your Company has launched several such products recently in the new chemistry segment and also has a strong pipeline which goes beyond the regulatory requirements of safety and residue levels.

Under the Environmental Science Division, the growing awareness on vector borne diseases in the Public and Government Agencies is an opportunity. Resistance to synthetic pyrethroids by mosquitoes, is an opportunity to your Company to launch Bendiocarb 80% WP, a carbamate insecticide, as resistance management tool. In the space spray market, your Company would be launching soon a state of art product "Aqua K-Othrine" which will provide a solution for need of a greener product in the market.

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

The market leadership position is being maintained by the Company with its highly qualified sales and technical staff, quality products and post sales service.

Management Discussion & Analysis Report (Contd.)

6.0 RISKS, CONCERNS AND THREATS

The inflation in the country has come down to a very marginal level from last year's peak. Oil prices, costs of operations and raw material prices have also returned to reasonable levels. While this helps to reduce the supply side pressure and brings down the cost of goods, the same cost reduction is leveraged by the competition to put a downward pressure on the product prices and the overall market value.

However, since your Company is in a business of innovation, it remains less affected as the pricing pressure is more likely to affect the generic products. Newly launched products like 'Fame' are also gaining ground and will further help the Company to steer clear from any price competition.

The entry of generics in public health segment, slowing down of global economy, availability of funds for health segment, tolerance of some pests to insecticides are some of the risks and threats seen in the Environmental Science business. Your Company is well aware of the threats and taking several measures to mitigate them.

7.0 INTERNAL CONTROL SYSTEMS

The 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.

8.0 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 Worker's Union & the Company Management at Himatnagar & Ankleshwar plants are at an advanced stage.

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

Cautionary Statement

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the 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 operates 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 Algerie S.P.A.	Algeria
2	Bayer S.A.	Argentina
3	Innhorm Sociedad Anonima, Industrial, Comercial y Financiera	Argentina
4	Justesa Imagen Argentina, S.A.	Argentina
5	Bayer Australia Limited	Australia
6	Bayer CropScience Holdings Pty Ltd.	Australia
7	Bayer CropScience Pty Limited	Australia
8	Bayer CropScience Seeds Pty. Ltd.	Australia
9	Cotton Growers Services Pty. Ltd.	Australia
10	C-Qentec Diagnostics Pty. Ltd.	Australia
11	Imaxeon Pty. Ltd.	Australia
12	Laserlite Australia Pty. Ltd.	Australia
13	Schering Pty. Ltd.	Australia
14	U I M Agrochemicals (Aust) Pty. Ltd.	Australia
15	Bayer Austria Gesellschaft m.b.H.	Austria
16	Intendis Austria Handels GesmbH	Austria
17	Bayer CropScience Ltd.	Bangladesh
18	Bayer Bel IOOO	Belarus
19	Bayer Antwerpen NV	Belgium
20	Bayer BioScience N.V.	Belgium
21	Bayer CropScience SA-NV	Belgium
22	Bayer SA-NV	Belgium
23	Bayer Sheet Europe N.V.	Belgium
24	Indaver N.V.	Belgium
25	Medrad Belgium BVBA	Belgium
26	Rhone Poulenc Plant SA	Belgium
27	Bayer Boliviana Ltda	Bolivia
28	Bayer d.o.o. Sarajevo	Bosnia & Herzegovina
29	Bayer Distribuidora de Produtos Quimicos e Farmaceuticos Ltda.	Brazil
30	Bayer S.A.	Brazil
31	Campo Limpo - Reciclagem e Transformacao de Plasticos S.A.	Brazil
32	Farmaco Ltda.	Brazil
33	Intendis do Brasil Farmaceutica Ltda.	Brazil
34	Justesa Imagem do Brasil S/A	Brazil
35	Medrad do Brasil Ltda.	Brazil
36	Nunhems do Brasil Comercio de Sementes Ltda	Brazil
37	Schering do Brasil Quimica e Farmaceutica Ltda.	Brazil
38	Bayer Bulgaria FOOD	Bulgaria
39	Bayer Canadian Holdings Inc.	Canada
40	Bayer CropScience Holdings Inc.	Canada
41	Bayer CropScience Inc.	Canada
42	Bayer Inc.	Canada
43	BayOne Canada, Inc.	Canada
44	Berlex Canada, Inc.	Canada
45	Schein Pharmaceutical Canada, Inc.	Canada
46	Alimtec S.A.	Chile
47	Bayer S.A.	Chile
48	Laboratorio Berlimed S.A..	Chile
49	Nunhems Chile S.A.	Chile
50	Bayer CropScience SA	Colombia
51	Bayer S.A.	Colombia

Sr.No	Company name	Country
52	Bayer Central America Sociedad Anonima	Costa Rica
53	Bayer S.A.	Costa Rica
54	Bayer d.o.o.	Croatia
55	Quimicas Unidas S.A.	Cuba
56	AgrEvo Middle East (Cyprus) Ltd.	Cyprus
57	Kyrgyz Agra Investment Company Ltd.	Cyprus
58	Bayer s.r.o.	Czech Republic
59	BaySystems a.s.	Czech Republic
60	Bayer A/S	Denmark
61	BaySystems Northern Europe A/S	Denmark
62	Medrad Denmark ApS	Denmark
63	Bayer S.A.	Dominican Republic
64	Bayer S.A.	Ecuador
65	Bayer S.A.	El Salvador
66	Corporacion Bonima S.A. de C.V.	El Salvador
67	Bayer OÜ	Estonia
68	Bayer Oy	Finland
69	Bayer Schering Pharma Oy	Finland
70	Baule SAS	France
71	Bayer CropScience France S.A.S.	France
72	Bayer CropScience Holding SA	France
73	Bayer CropScience Nufarm SA	France
74	Bayer CropScience S.A.	France
75	Bayer Environmental Science S.A.S.	France
76	Bayer Immobilier SAS	France
77	Bayer Polyols S.N.C.	France
78	Bayer S.A.S.	France
79	Bayer Sante Familiale SAS	France
80	Bayer Sante SAS	France
81	GIE AIFOR	France
82	Medrad France S.A.R.L.	France
83	Novance SA	France
84	Nunhems France S.A.R.L.	France
85	PYCO SA	France
86	Secmer SARL	France
87	Societe Immobiliere de Gaillard d'Economie Mixte (SIGEM)	France
88	1. BCrSV GmbH	Germany
89	2. BHCV GmbH	Germany
90	Agreva GmbH	Germany
91	AgrEvo Verwaltungsgesellschaft mbH	Germany
92	AiCuris GmbH & Co. KG	Germany
93	AiCuris Verwaltungs-GmbH	Germany
94	Ausbildungsinitiative Rheinland GmbH	Germany
95	Bayer 04 Immobilien GmbH	Germany
96	Bayer 04 Leverkusen Fußball GmbH	Germany
97	Bayer 04 Leverkusen Sportförderung GmbH	Germany
98	Bayer 04 Marketing GmbH	Germany
99	Bayer 04 Mobilien GmbH	Germany
100	Bayer Aktiengesellschaft	Germany
101	Bayer Animal Health GmbH	Germany
102	Bayer Beteiligungsverwaltung Goslar GmbH	Germany
103	Bayer Beteiligungsverwaltungsgesellschaft mbH	Germany
104	Bayer BioScience GmbH	Germany



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

Sr.No	Company name	Country
105	Bayer Bitterfeld GmbH	Germany
106	Bayer Business Services GmbH	Germany
107	Bayer Chemicals Aktiengesellschaft	Germany
108	Bayer CropScience Aktiengesellschaft	Germany
109	Bayer CropScience Beteiligungsgesellschaft mbH	Germany
110	Bayer CropScience Deutschland GmbH	Germany
111	Bayer CropScience Vermögensverwaltungsgesellschaft mbH	Germany
112	Bayer Direct Services GmbH	Germany
113	Bayer Gastronomie GmbH	Germany
114	Bayer Gesellschaft für Beteiligungen mbH	Germany
115	Bayer HealthCare Aktiengesellschaft	Germany
116	Bayer Innovation GmbH	Germany
117	Bayer Innovation Ventures GmbH	Germany
118	Bayer International Services G.m.b.H.	Germany
119	Bayer MaterialScience Aktiengesellschaft	Germany
120	Bayer MaterialScience Customer Services GmbH	Germany
121	Bayer Real Estate GmbH	Germany
122	Bayer Schering Pharma AG	Germany
123	Bayer Sheet Europe GmbH	Germany
124	Bayer Technology Services GmbH	Germany
125	Bayer Unterstützungskasse GmbH	Germany
126	Bayer Verwaltungsgesellschaft für Anlagevermögen m.b.H.	Germany
127	Bayer Vital GmbH	Germany
128	Bayer-Handelsgesellschaft mbH	Germany
129	Bayer-Kaufhaus GmbH	Germany
130	Bayfin GmbH	Germany
131	BayInvest GmbH	Germany
132	BaySecur GmbH	Germany
133	BaySports-Travel GmbH	Germany
134	BaySystems Büfa Polyurethane GmbH & Co. KG	Germany
135	BaySystems Büfa Polyurethane Verwaltungs GmbH	Germany
136	Baywoqe GmbH	Germany
137	BBB Management GmbH Campus Berlin-Buch	Germany
138	BIO Mitteldeutschland GmbH	Germany
139	BKV Beteiligungs- und Kunststoffverwertungsgesellschaft mbH	Germany
140	byometric systems AG	Germany
141	Chemion Logistik GmbH	Germany
142	Currenta Geschäftsführungs-GmbH	Germany
143	Currenta GmbH & Co. OHG	Germany
144	Drugofa GmbH	Germany
145	Dynevo GmbH	Germany
146	Ehrfeld Mikrotechnik BTS GmbH	Germany
147	EPUREX Films Geschäftsführungs-GmbH	Germany
148	EPUREX Films GmbH & Co. KG	Germany
149	Erste K-W-A Beteiligungsgesellschaft mbH	Germany
150	Euroservices Bayer GmbH	Germany
151	Farbenfabriken Bayer GmbH	Germany
152	Faserwerke Hüls GmbH	Germany
153	Fünfte Bayer VV GmbH	Germany
154	Generics Holding GmbH	Germany
155	GENUS Grundstücks-Vermietungsgesellschaft mbH & Co.KG	Germany
156	GIGAS Grundstücks-Vermietungsgesellschaft mbH	Germany
157	GP Grenzach Produktions GmbH	Germany
158	Hi-BIS GmbH	Germany

Sr.No	Company name	Country
159	Hild Samen GmbH	Germany
160	HTV Gesellschaft für Hochtemperaturverbrennung mbH.	Germany
161	ICON Genetics GmbH	Germany
162	Intendis Dermatologie GmbH	Germany
163	Intendis GmbH	Germany
164	ISF Internationale Schule Frankfurt-Rhein-Main GmbH & Co. KG	Germany
165	Jenapharm GmbH & Co. KG	Germany
166	Job@ctive GmbH	Germany
167	KeyNeurotek Pharmaceuticals AG	Germany
168	KOSINUS Grundstücks-Verwaltungsgesellschaft mbH	Germany
168	KOSINUS Grundstücks-Verwaltungsgesellschaft mbH & Co. Gamma OHG	Germany
170	KVP Pharma+Veterinär-Produkte GmbH	Germany
171	LYTTRON Technology GmbH	Germany
172	Marotrast GmbH.	Germany
173	Medrad Medizinische Systeme GmbH	Germany
174	MENADIER Heilmittel GmbH	Germany
175	Pallas Versicherung Aktiengesellschaft	Germany
176	Partner für Berlin Holding Gesellschaft für Hauptstadt-Marketing mbH	Germany
177	Pharma mall Gesellschaft für Electronic Commerce mbH	Germany
178	Pharma Verlagsbuchhandlung GmbH	Germany
179	PharmLog Pharma Logistik GmbH	Germany
180	Salzgewinnung Westfalen Verwaltungs GmbH	Germany
181	Salzgewinnungsgesellschaft Westfalen mbH & Co. KG	Germany
182	Sauerstoff- und Stickstoffrohrleitungsgesellschaft mbH	Germany
183	SBB Abfallerzeuger GbR	Germany
184	Schering Aktiengesellschaft	Germany
185	Schering GmbH und Co. Produktions KG	Germany
186	Schering International Holding GmbH	Germany
187	Schering Kahlbaum GmbH	Germany
188	Schering Verwaltungsgesellschaft mbH	Germany
189	Sechste Bayer VV GmbH	Germany
190	SOLAVISTA GmbH & Co. KG	Germany
191	Solavista Verwaltungs GmbH	Germany
192	Sportrechte Vermarktungs- und Verwertungs-GmbH & Co. oHG	Germany
193	SuNyx GmbH	Germany
194	SYGNIS Pharma AG	Germany
195	Tecpol Technologieentwicklungs GmbH für ökoeffiziente Polymerverwert.	Germany
196	TECTRION GmbH	Germany
197	TravelBoard GmbH	Germany
198	Viverso GmbH	Germany
199	WFL Wirtschaftsförderung Leverkusen GmbH	Germany
200	Zweite K-W-A Beteiligungsgesellschaft mbH	Germany
201	Bayer Hellas AG	Greece
202	Bayer S.A.	Guatemala
203	Comercial Interamericana, S.A.	Guatemala
204	Miles, S.A. Guatemala Branch	Guatemala
205	Bayer S.A. de C.V.	Honduras
206	Bayer Far East Service Co. Ltd.	Hong Kong
207	Bayer HealthCare Limited	Hong Kong
208	Bayer MaterialScience Limited	Hong Kong
209	Vincent Medical Manufacturing Co., Limited (Hong Kong)	Hong Kong

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

Sr.No	Company name	Country
210	Bayer Hungaria Kft.	Hungary
211	CSEBER Csomagoloeszköz Begyűjtesi Rendszer Kht	Hungary
212	Nunhems Hungary Kft.	Hungary
213	Bayer BioScience Private Limited	India
214	Bayer CropScience Limited	India
215	Bayer MaterialScience Private Limited	India
216	Bayer Pharmaceuticals Private Limited	India
217	Bayer Polychem (India) Lirhted	India
218	Bilag Industries Private Limited	India
219	Nunhems India Private Limited	India
220	PT. Bayer Indonesia	Indonesia
221	PT. Bayer MaterialScience Indonesia	Indonesia
222	Bayer Limited	Ireland
223	Bayer Parsian AG	Islam Rep Iran
224	Bayer Israel LTD.	Israel
225	Mediterranean Seeds Ltd.	Israel
226	Palthrough Industries (1998) Ltd.	Israel
227	Polygal Plastics Industries Ltd.	Israel
228	3R ASSOCIATI S.p.A.	Italy
229	Axxam Srl	Italy
230	Bayer CropScience S.r.l.	Italy
231	Bayer HealthCare Manufacturing S.r.l.	Italy
232	Bayer Healthcare Srl	Italy
233	Bayer MaterialScience S.r.l.	Italy
234	Bayer S.p.A.	Italy
235	Bayer Sheet Europe S.p.A.	Italy
236	BaySystems Italia S.p.A.	Italy
237	Consorzio Dafne	Italy
238	Intendis Manufacturing S.p.A.	Italy
239	Intendis S.p.A.	Italy
240	Medrad Italia S.r.l.	Italy
241	Nunhems Italy S.r.l.	Italy
242	Bayer CropScience K.K.	Japan
243	Bayer Holding Ltd.	Japan
244	Bayer MaterialScience Ltd.	Japan
245	Bayer Yakuhin, Ltd.	Japan
246	DIC Bayer Polymer Ltd.	Japan
247	Hokkai Sankyo Co. Ltd.	Japan
248	Intendis K.K.	Japan
249	Nihon Medrad K.K.	Japan
250	Sumika Bayer Urethane Co., Ltd.	Japan
251	Teijin-Bayer Polytec Ltd.	Japan
252	TOO Bayer KAZ	Kazakhstan
253	Bayer East Africa Ltd.	Kenya
254	Bayer CropScience Ltd.	Korea Republic
255	Bayer Korea Ltd.	Korea Republic
256	Bayer Sheet Korea Ltd.	Korea Republic
257	SIA Bayer	Latvia
258	UAB Bayer	Lithuania
259	INDURISK RÜCKVERSICHERUNG AG	Luxembourg
260	Aventis CropScience Malawi Ltd.	Malawi
261	Bayer (Malaysia) Sdn. Bhd.	Malaysia
262	Bayer Co. (Malaysia) Sdn Bhd	Malaysia
263	Bayer CropScience (OHQ) (Malaysia) Sdn Bhd	Malaysia

Sr.No	Company name	Country
264	Schering (Malaysia) Sdn Bhd	Malaysia
265	Bayer S.A.	Maroc
266	Bayer de Mexico, S.A. de C.V.	Mexico
267	Bayer IMSA, S.A. de C.V.	Mexico
268	Centro Estrategico Canada Latinoamerica S.A. de C.V.	Mexico
269	Intendis Mexicana S.A. de C.V.	Mexico
270	Junta Comercializadora de Productos de Latinoamerica, S.A. de C.V.	Mexico
271	Justesa Imagen Mexicana, S.A. de C.V.	Mexico
272	Medrad Mexicana S. de R.L. de CV	Mexico
273	Nunhems Mexico S.A. de C.V.	Mexico
274	PROQUINA Productos Quimicos Naturales, S.A. de C.V.	Mexico
275	Bayer Schering Pharma Mocambique, Lda	Mozambique
276	Myanmar Aventis CropScience Ltd.	Myanmar
277	Bayer Namibia (Proprietary) Limited	Namibia
278	Bayer B.V.	Netherlands
279	Bayer Capital Corporation B.V.	Netherlands
280	Bayer CropScience B.V.	Netherlands
281	Bayer Polyurethanes B.V.	Netherlands
282	BaySystems B.V.	Netherlands
283	Berlipharm B.V.	Netherlands
284	Biogenetic Technologies BV	Netherlands
285	Lyondell Bayer Manufacturing Maasvlakte VOF	Netherlands
286	Medrad Europe B.V.	Netherlands
287	Nunhems BV	Netherlands
288	Nunhems Netherlands B.V.	Netherlands
289	Plant Genetics System International NV	Netherlands
290	Zilip Pharma B.V.	Netherlands
291	Bayer New Zealand Limited	New Zealand
292	Bayer S.A.	Nicaragua
293	Bayer AS	Norway
294	Mediwest Norway AS	Norway
295	Bayer CropScience (Private) Limited	Pakistan
296	Bayer DAS (Private) Limited	Pakistan
297	Bayer Pakistan (Private) Limited	Pakistan
298	BCS (Private) Limited	Pakistan
299	Chemdyes Pakistan (Private) Limited	Pakistan
300	Medipharm (Pvt) Ltd.	Pakistan
301	Bayer S.A.	Panama
302	Bayer S.A.	Paraguay
303	Bayer S.A.	Peru
304	CROPSA S.A.C.	Peru
305	Schering Peruana S.A.	Peru
306	Bayer CropScience, Inc.	Philippines
307	Bayer Philippines, Inc.	Philippines
308	Bayer Sp.z.o.o.	Poland
309	Intendis Polska SP.Z.O.O.	Poland
310	Nunhems Poland Sp.Zo.o.	Poland
311	Bayer CropScience (Portugal)-Produtos para a Agricultura, Lda	Portugal
312	Bayer Portugal S.A.	Portugal
313	Bayhealth Comercializacao de Produtos Farmaceuticos Unipessoal Lda.	Portugal
314	Berlex Especialidades Farmaceuticas Lda..	Portugal
315	Berlifarma Lda	Portugal



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

Sr.No	Company name	Country
316	Berlimed-Especialidades Farmaceuticas Lda..	Portugal
317	CENTROFARMA-Industria e Comercio de Prod. Farmaceuticos,Lda.	Portugal
318	Intendis Portugal Sociedade Unipessoal Lda.	Portugal
319	Lusal Producao Quimico Farmaceutica Luso-Alema, Lda.	Portugal
320	Lusalfarma-Especialidades Farmaceuticas, Lda	Portugal
321	Bayer (Beijing) Sheet Company Limited	PR China
322	Bayer (China) Limited	PR China
323	Bayer (Sichuan) Animal Health Co., Ltd.	PR China
324	Bayer Coatings Systems Shanghai Co. Ltd.	PR China
325	Bayer CropScience (China) Company Ltd.	PR China
326	Bayer Healthcare Co. Ltd.	PR China
327	Bayer Jinling Polyurethane Co., Ltd.	PR China
328	Bayer MaterialScience Trading (Shanghai) Company Limited	PR China
329	Bayer Polymers (Shanghai) Co. Ltd.	PR China
330	Bayer Polyurethanes (Shanghai) Co. Ltd.	PR China
331	Bayer Technology and Engineering (Shanghai) Company Limited	PR China
332	Bayer TPU (Shenzhen) Co. Ltd.	PR China
333	Guangzhou Bayer MaterialScience Company Limited	PR China
334	Medrad Medical Equipment Trading Company	PR China
335	Nunhems Beijing Seeds Co. Ltd.	PR China
336	TianJin Greenstone Polymer Technology Co. Ltd.	PR China
337	Vincent Medical(Dongguan) Manufacturing Co., Limited	PR China
338	Bayer Puerto Rico Inc.	Puerto Rico
339	BCS Romania Srl	Romania
340	SC Bayer SRL	Romania
341	Schering Romania srl	Romania
342	A/O Bayer	Russia
343	Schering ZAO	Russia
344	ZAO Rhone-Poulenc AO	Russia
345	Bayer d.o.o.	Serbia
346	Bayer (South East Asia) Pte Ltd	Singapore
347	Medrad Asia Pte. Ltd.	Singapore
348	Schering (Singapore) Private Limited	Singapore
349	Schering Asia-Pacific Private Limited	Singapore
350	Bayer, spol. s.r.o.	Slovakia
351	Bayer d.o.o.	Slovenia
352	AgrEvo South Africa (Pty) Ltd.	South Africa
353	Bayer (Proprietary) Limited	South Africa
354	Coopers Environmental Health Pty Ltd.	South Africa
355	Rustenburg Chrome Mine Holdings (Pty) Ltd.	South Africa
356	Schering (Pty) Ltd.	South Africa
357	Wenkem SA (Proprietary) Limited	South Africa
358	Aguas Industriales de Tarragona, S.A. (AITASA)	Spain
359	Bayer CropScience S.L.	Spain
360	Bayer Hispania, S.L.	Spain
361	Bayer MaterialScience, S.L.	Spain
362	Bayer Schering Pharma Medical, S.L.	Spain
363	Bayhealth S.L.	Spain
364	Berlimed, S.A.	Spain
365	Consorci D'aigües de Tarragona	Spain
366	Disalfarm, S.A.	Spain
367	Euroservices Bayer S.L.	Spain
368	Intendis Farma S.A.	Spain

Sr.No	Company name	Country
369	Justesa Imagen, S.A.	Spain
370	Nunhems Spain, S.A.	Spain
371	Quimica Farmaceutica Bayer, S.L.	Spain
372	Racks de la zona Sur, C.B.	Spain
373	Schering Espana S.A.	Spain
374	Sociedad Espanola de materiales Plasticos, S.A.	Spain
375	Bayer AB	Sweden
376	Medrad Sweden AB	Sweden
377	Bayer (Schweiz) AG	Switzerland
378	Bayer Consumer Care AG	Switzerland
379	Bayer International S.A.	Switzerland
380	Berlis AG	Switzerland
381	Chemie-Beteiligungsaktiengesellschaft	Switzerland
382	EMP-Estrusione Materiali Plastici S.A.	Switzerland
383	Bayer CropScience Co., Ltd.	Taiwan
384	Bayer Polyurethanes Taiwan Ltd.	Taiwan
385	Bayer Taiwan Company Ltd.	Taiwan
386	Bayer Uretech Ltd.	Taiwan
387	AgrEvo (Thailand) Limited	Thailand
388	Bayer CropScience (Thailand) Company Limited	Thailand
389	Bayer Thai Co., Ltd.	Thailand
390	Bayer Türk Kimya Sanayi Limited Sirketi	Turkey
391	Intendis Ilac Ticaret Limited Sirketi	Turkey
392	Nunhems Tohumculuk Limited Sirketi	Turkey
393	Bayer Ltd.	Ukraine
394	Bayer Middle East FZE	United Arabian Emirates
395	BaySystems Pearl FZCO	United Arabian Emirates
396	Astex Therapeutics Ltd.	United Kingdom
397	Baule UK Ltd.	United Kingdom
398	Bayer AEH Limited	United Kingdom
399	Bayer AGCO Limited	United Kingdom
400	Bayer Agriculture Limited	United Kingdom
401	Bayer CropScience Holdings Limited	United Kingdom
402	Bayer CropScience Limited	United Kingdom
403	Bayer CropScience Nufarm Limited	United Kingdom
404	Bayer Diagnostics Manufacturing Limited	United Kingdom
405	Bayer Public Limited Company	United Kingdom
406	Bayer UK Limited	United Kingdom
407	CIS (U.K.) Limited	United Kingdom
408	Medrad UK Limited	United Kingdom
409	pbi Home & Garden Limited	United Kingdom
410	Schering Agrochemicals Holdings	United Kingdom
411	Schering Health Care Limited	United Kingdom
412	Schering Holdings Ltd.	United Kingdom
413	Schering Industrial Products	United Kingdom
414	Schering Industrial Products Holdings	United Kingdom
415	Scipher plc	United Kingdom
416	ACT Biotech, Inc.	United States
417	AEROVANCE, INC.	United States
418	AgraQuest, Inc.	United States
419	Anthra Pharmaceuticals Inc.	United States
420	Avigen Inc.	United States
421	Baule Inc.	United States
422	Baule USA LLC	United States
423	Bayer Business and Technology Services LLC	United States

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

Sr.No	Company name	Country	Sr.No	Company name	Country
424	Bayer Corporation	United States	457	iSense Development Corporation	United States
425	Bayer Cotton Seed International Inc.	United States	458	Lifecor Inc.	United States
426	Bayer CropScience Holding Inc.	United States	459	Medrad Saxonburg Inc.	United States
427	Bayer CropScience Inc.	United States	460	Medrad, Inc.	United States
428	Bayer CropScience LLC	United States	461	MTFP Inc.	United States
429	Bayer CropScience LP	United States	462	Myopoint Inc.	United States
430	Bayer HealthCare LLC	United States	463	NGEN Enabling Technologies Fund, LP	United States
431	Bayer HealthCare Pharmaceuticals Inc.	United States	464	NGEN II, L.P.	United States
432	Bayer HealthCare Pharmaceuticals LLC	United States	465	NippoNex Inc.	United States
433	Bayer MaterialScience LLC	United States	466	NOR-AM Agro LLC	United States
434	Bayer Pharma Chemicals Inc.	United States	467	NOR-AM Land Company	United States
435	BayOne Urethane Systems LLC	United States	468	Nunhems USA, Inc.	United States
436	Baypo I LLC	United States	469	Odyssey Thera, Inc.	United States
437	Baypo II LLC	United States	470	OncoGenex Pharmaceuticals, Inc.	United States
438	BAYPO Limited Partnership	United States	471	Onyx Pharmaceuticals, Inc.	United States
439	BHCP Holdings LLC	United States	472	Pallas North America Insurance Company, Inc.	United States
440	BIPPO Corporation	United States	473	Paratek Pharmaceuticals, Inc.	United States
441	Boston Poly Company	United States	474	PO JV, LP	United States
442	Burrill Nutraceuticals Capital Fund Limited Partnership	United States	475	SB Capital Corporation	United States
443	Chromatin, Inc.	United States	476	Schering Berlin Inc.	United States
444	CMEA Ventures II, L.P.	United States	477	Schering Berlin Venture Corporation	United States
445	Cobalt Biofuels	United States	478	SCIC Holdings LLC	United States
446	Collateral Therapeutics, Inc.	United States	479	Scynexis, Inc.	United States
447	Cooper Land Company of New Jersey, Inc.	United States	480	Sheffield Plastics Inc.	United States
448	CuraGen Corporation	United States	481	Stoneville Pedigreed Seed Company	United States
449	Deerfield Urethane, Inc.	United States	482	STWB Inc.	United States
450	Delinting and Seed Treating Company	United States	483	The SDI Divestiture Corporation	United States
451	E-Markets	United States	484	Viterion TeleHealthcare LLC	United States
452	Guidance Interactive Healthcare, Inc	United States	485	Bayer SA	Uruguay
453	ICON Genetics, Inc.	United States	486	Bayer S.A.	Venezuela
454	InPhase Technologies, Inc.	United States	487	Bayer Vietnam Ltd.	Vietnam
455	Intendis Inc.	United States	488	Bayer CropScience Zimbabwe (Private) Limited	Zimbabwe
456	iSense Corporation	United States	489	Bayer Zimbabwe (Private) Limited	Zimbabwe



AUDITORS' REPORT

TO THE MEMBERS OF BAYER CROPSCIENCE LIMITED

1. We have audited the attached Balance Sheet of Bayer CropScience Limited as at March 31, 2009, 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, 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, 2009 and taken on record by the Board of Directors, no director is disqualified as on March 31, 2009 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, 2009;
 - (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 : June 30, 2009

Vasant Gujarathi
Partner
Membership No. F-17866
For and on behalf of
Price Waterhouse
Chartered Accountants

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, 2009)

- (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 of 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, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (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.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of customs duty, wealth tax, service tax as at March 31, 2009 which have not been deposited on account of any dispute. Refer Appendix A for particulars of dues of income-tax, sales-tax, excise duty and cess thereon as at March 31, 2009 which have not been deposited on account of dispute.
- (x) The Company has no accumulated losses as at March 31, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.



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, 2009)

- (xi) According to the records of the Company examined by us and the information and explanations 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 : June 30, 2009

Vasant Gujarathi
Partner
Membership No. F-17866
For and on behalf of
Price Waterhouse
Chartered Accountants

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, 2009]

	Name of the Statute	Nature of Dues and Period	Amount (Rs. in '000s)	Forum where dispute is pending	
1. Excise Duty	The Central Excise Act, 1944	Excise Duty liability (including penalty and interest, where applicable) pertaining to Years 1986 to 1991, 1994 to 1996 and 2004 to 2007.	11,368	The Assistant Commissioner of Central Excise	
		Excise Duty liability (including penalty and interest, where applicable) pertaining to Years 1994 and 2000 to 2004.	20,536	The Custom, Excise and Service Tax Appellate Tribunal	
		Excise Duty liability (including penalty and interest, where applicable) pertaining to Year 2000.	1,610	Bombay High Court	
		Excise Duty liability (including penalty and interest, where applicable) pertaining to Year 1994.	2,038	Madhya Pradesh High Court	
		Excise Duty liability (including penalty and interest, where applicable) pertaining to Year 2000-2001.	3,336	The Supreme Court of India	
		Excise Duty liability (including penalty and interest, where applicable) pertaining to Years 1993 to 1995 and 1998 to 2003.	3,120	The Commissioner of Central Excise (Appeals)	
		Sub Total		42,008	
		2. Income Tax	The Income Tax Act, 1961	Income Tax liability (including penalty and interest, where applicable) for the Assessment Years 1996-1997, 2001-2002 and 2003-2004.	43,813
Income Tax liability (including interest) for the Assessment Year 2005-2006.	1,062			The Commissioner of Income Tax (Appeals)	
Sub Total	44,875				
3. Sales Tax	The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax liability (including penalty and interest, where applicable) for the Years 2001-2002 and 2003-2004.	123	Assessing Authority	
		Sales Tax liability (including penalty and interest, where applicable) for the Years 1977-1978 to 1984-1985 and 2001-2002.	383	Assistant Commissioner of Commercial Tax	
		Sales Tax liability (including penalty and interest, where applicable) for the Years 2002-2003 and 2004-2005.	609	Commissioner of Commercial Tax	
		Sales Tax liability (including penalty and interest, where applicable) for the Years 1994-1995, 1995-1996, 1997-1998, 1999-2000 to 2004-2005 and 2006.	244,652	Deputy Commissioner (Appeals)/ Commercial Tax	
		Sales Tax liability (including penalty and interest, where applicable) for the Years 1999-2000, 2001-2002 and 2007-2008.	3,422	Joint Commissioner of Commercial Tax (Appeal)/ Sales Tax (Appeal)	
		Sales Tax liability (including penalty and interest, where applicable) for the Years 1989-1990 to 1991-1992 and 2000-2001.	1,377	Sales Tax Tribunal	
		Sales Tax liability (including penalty and interest, where applicable) for the Year 2003-2004.	688	Senior Deputy Commissioner of Sales Tax	
		Sales Tax liability (including penalty and interest, where applicable) for the Year 2003-2004.	59,300	The High Court of Chennai	
		Sales Tax liability (including penalty and interest, where applicable) for the Years 1994-1995 and 1995-1996.	239	The Kerala Appellate Tribunal, Kerala	
		Sales Tax liability (including penalty) for the Year 1999.	1,086	The Rajasthan Tax Board, Ajmer	
		Sales Tax liability (including penalty and interest, where applicable) for the Years 1996, 1999 and 1999-2000.	3,456	West Bengal Commercial Taxes Appellate and Revision Board	
		Sub Total	315,335		
		Total	402,218		

Balance Sheet as at March 31, 2009

Rupees '000s

	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	394,987	394,987
Reserves and Surplus	2	4,114,639	3,299,436
		4,509,626	3,694,423
LOAN FUNDS			
Secured Loans	3	23,064	133,022
Unsecured Loans	4	403,882	559,082
		426,946	692,104
		4,936,572	4,386,527
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	4,413,559	4,161,840
Less: Depreciation/ Amortisation/ Impairment Loss		1,818,593	1,794,955
Net Block		2,594,966	2,366,885
Capital Work-In-Progress		105,832	112,040
		2,700,798	2,478,925
INVESTMENTS	6	102,163	603,324
DEFERRED TAX ASSET (NET) (Refer Note 4 of Schedule 21)		144,062	165,089
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	3,236,805	2,018,151
Sundry Debtors	8	1,995,768	1,808,703
Cash and Bank Balances	9	183,373	275,767
Loans and Advances	10	1,009,355	1,052,878
		6,425,301	5,155,499
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	4,065,217	3,712,130
Provisions	12	370,535	304,180
		4,435,752	4,016,310
NET CURRENT ASSETS		1,989,549	1,139,189
		4,936,572	4,386,527
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

Vasant Gujarathi
Partner
Membership No.: F-17866
For and on behalf of
Price Waterhouse
Chartered Accountants

Shirin V. Balsara
Vice President - Legal &
Company Secretary

Chairman **Dr. Vijay Mallya**
Vice Chairman &
Managing Director **Stephan Gerlich**
Directors **A. K. Ravi Nedungadi**
Vimal Bhandari
Sharad M. Kulkarni
Kaikobad B. Mistry

Place : Mumbai
Date : June 30, 2009

Place : Mumbai
Date : June 30, 2009

Profit And Loss Account for the year ended March 31, 2009

Rupees '000s

	Schedule	01.04.2008 to 31.03.2009	01.01.2007 to 31.03.2008
INCOME			
Sales		14,789,092	12,456,334
Less: Excise Duty		849,043	822,817
		13,940,049	11,633,517
Other Operating Income	13	885,863	749,683
Other Income	14	215,632	230,407
		15,041,544	12,613,607
EXPENDITURE			
Materials Consumed	15	3,894,287	3,181,473
(Increase)/ Decrease in Stock	16	(451,102)	60,840
Cost of Traded Goods Sold	17	5,475,083	4,484,409
Employee Cost	18	1,343,374	1,220,884
Other Expenses	19	2,905,458	2,537,128
Finance Charges	20	126,256	75,507
Depreciation/ Amortisation		241,389	261,223
Impairment Loss/ (write-back) on Fixed Assets		(1,468)	1,614
		13,533,277	11,823,078
		1,508,267	790,529
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION			
Exceptional Items		—	194,021
- Profit on Sale of Long Term Investments		—	(304,987)
- Voluntary Retirement Expenditure		—	(110,966)
		1,508,267	679,563
PROFIT BEFORE TAXATION			
Taxation			
- Current Tax		510,839	284,069
[including charge/ (credit) for earlier years (net) Rs. 11,840 (Previous Year Rs. (14,241))]			
- Deferred Tax charge/ (credit)		21,027	(139,391)
- Fringe Benefit Tax			
[including (credit)/ charge for earlier years (net) Rs. (194) (Previous Year Rs. Nil)]		31,806	43,860
		563,672	188,538
		944,595	491,025
Add: Balance brought forward from previous year		2,350,246	2,019,232
AMOUNT AVAILABLE FOR APPROPRIATION			
		3,294,841	2,510,257
APPROPRIATIONS			
Proposed Dividend		110,596	94,797
Provision For Tax on Proposed Dividend		18,796	16,111
Transfer to General Reserve		94,460	49,103
Balance carried to Balance Sheet		3,070,989	2,350,246
		3,294,841	2,510,257
Earnings Per Share - Basic and Diluted (Refer Note 24 of Schedule 21)		23.91	12.43
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

Vasant Gujarathi

Partner

Membership No.: F-17866

For and on behalf of

Price Waterhouse

Chartered Accountants

Shirin V. BalsaraVice President - Legal &
Company Secretary

Chairman

Dr. Vijay MallyaVice Chairman &
Managing Director**Stephan Gerlich**

Directors

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

Place : Mumbai

Date : June 30, 2009

Place : Mumbai

Date : June 30, 2009



Schedules forming part of the Balance Sheet as at March 31, 2009

Rupees '000s

SCHEDULE 1

SHARE CAPITAL

Authorised:

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

**As at
31.03.2009**

As at
31.03.2008

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:

- (a) 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.
- (b) 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.
- (c) 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

949,190

897,101

Add: Transfer from Profit and Loss Account

94,460

49,103

Add: Transfer from Investment Allowance Utilised Reserve

—

2,986

1,043,650

949,190

Investment Allowance Utilised Reserve

As per last Balance Sheet

—

2,986

Less: Transfer to General Reserve

—

2,986

Profit and Loss Account

3,070,989

2,350,246

4,114,639

3,299,436

SCHEDULE 3

SECURED LOANS

Loan from Banks

23,064

133,022

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

[Due within a year Rs. 23,064 (Previous Year Rs. 133,022)]

23,064

133,022

SCHEDULE 4

UNSECURED LOANS

Short Term Loan from Banks

403,882

559,082

[Due within a year Rs. 403,882 (Previous Year Rs. 559,082)]

403,882

559,082

Schedules forming part of the Balance Sheet as at March 31, 2009

**SCHEDULE 5
FIXED ASSETS**

Rupees '000s

Assets	Gross Block (at Cost)			Depreciation/ Amortisation					Impairment Loss			Net Book Value		
	As at 01.04.2008	Additions	Deletions	As at 31.03.2009	As at 01.04.2008	For the year	On Deletions	Upto 31.03.2009	As at 01.04.2008	Loss/ (write- back) for the year	On Deletions	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Intangibles														
Goodwill	93,256	—	—	93,256	93,256	—	—	93,256	—	—	—	—	—	—
Technical Knowhow	15,633	—	—	15,633	15,633	—	—	15,633	—	—	—	—	—	—
Sub-total	108,889	—	—	108,889	108,889	—	—	108,889	—	—	—	—	—	—
Tangibles														
Freehold Land	949,010	—	—	949,010	—	—	—	—	—	—	—	—	949,010	949,010
Leasehold Land	18,003	963	—	18,966	1,793	212	—	2,005	—	—	—	—	16,961	16,210
Buildings	881,732	67,503	27,313	921,922	299,383	55,482	8,336	346,529	35,033	—	4,723	30,310	545,083	547,316
Leasehold Improvement	3,034	—	—	3,034	1,618	809	—	2,427	—	—	—	—	607	1,416
Plant and Machinery	1,481,171	306,027	65,488	1,721,710	912,979	105,144	60,287	957,836	16,602	(1,412)	3,708	11,482	752,392	551,590
Office Equipment and Computers	391,859	69,054	119,269	341,644	275,926	43,106	115,246	203,786	8,716	—	939	7,777	130,081	107,217
Furniture and Fixtures	126,976	18,246	17,219	128,003	73,766	10,233	15,239	68,760	9,541	(56)	656	8,829	50,414	43,669
Vehicles	201,166	31,928	12,713	220,381	50,709	26,403	7,149	69,963	—	—	—	—	150,418	150,457
Sub-total	4,052,951	493,721	242,002	4,304,670	1,616,174	241,389	206,257	1,651,306	69,892	(1,468)	10,026	58,398	2,594,966	2,366,885
Total	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	2,594,966	2,366,885
Previous Year	3,397,464	1,176,948	412,572	4,161,840	1,812,394	261,223	348,554	1,725,063	68,278	1,614	—	69,892		
Capital Work-In-Progress includes Capital Advances													105,832	112,040
													2,700,798	2,478,925

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, 2009

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

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

QUOTED

Nil (Previous Year 120,646) 6.75% Tax Free US64 Bonds of Rs. 100 each
Market Value Rs. Nil (Previous Year Rs. 12,238)

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

NON-TRADE

QUOTED

4,999,251 (Previous Year 7,150,361) units of Rs. 10 Each in Birla Sun Life Cash Manager - IP

Net Asset Value Rs. 50,008 (Previous Year Rs. 71,525)

4,991,024 (Previous Year 11,422,043) units of Rs. 10 Each in Birla Sun Life Cash Plus - Institutional Premium

Net Asset Value Rs. 50,007 (Previous Year Rs. 114,443)

Nil (Previous Year 4,099,746) units of Rs. 10 Each in HDFC Liquid Fund Premium Plan

Net Asset Value Rs. Nil (Previous Year Rs. 50,262)

Nil (Previous Year 5,002,629) units of Rs. 10 Each in HSBC Cash Fund - Institutional Plus

Net Asset Value Rs. Nil (Previous Year Rs. 50,054)

Nil (Previous Year 1,228,342) units of Rs. 10 Each in Kotak Liquid (Institutional Premium)

Net Asset Value Rs. Nil (Previous Year Rs. 15,020)

Nil (Previous Year 1,603,674) units of Rs. 10 Each in Prudential ICICI Institutional Liquid Plan

Net Asset Value Rs. Nil (Previous Year Rs. 19,004)

Nil (Previous Year 5,007,340) units of Rs. 10 Each in Prudential ICICI Institutional Liquid Plan - Super Institutional

Net Asset Value Rs. Nil (Previous Year Rs. 50,076)

Nil (Previous Year 4,219,745) units of Rs. 10 Each in Prudential ICICI Liquid Plan Institutional Plus

Net Asset Value Rs. Nil (Previous Year Rs. 50,010)

Nil (Previous Year 2,039,424) units of Rs. 10 Each in Reliance Liquid Fund - Treasury Plan Institutional Option

Net Asset Value Rs. Nil (Previous Year Rs. 31,178)

Nil (Previous Year 6,171,136) units of Rs. 10 Each in Reliance Liquidity Fund

Net Asset Value Rs. Nil (Previous Year Rs. 61,730)

Nil (Previous Year 22,928) units of Rs. 10 Each in Tata Liquid Super High Investment Fund

Net Asset Value Rs. Nil (Previous Year Rs. 25,554)

Nil (Previous Year 49,295) units of Rs. 10 Each in UTI Liquid Cash Plan Institutional

Net Asset Value Rs. Nil (Previous Year Rs. 50,255)

Note: Aggregate Market Value of Quoted Investments Rs. 100,015 (Previous Year Rs. 601,349)

	As at 31.03.2009	As at 31.03.2008
	49	49
	2,099	2,099
	2,148	2,148
	—	12,065
	—	12,065
	50,008	71,525
	50,007	114,443
	—	50,262
	—	50,054
	—	15,020
	—	19,004
	—	50,076
	—	50,010
	—	31,178
	—	61,730
	—	25,554
	—	50,255
	100,015	589,111
	102,163	603,324

Schedules forming part of the Balance Sheet as at March 31, 2009

Rupees '000s

SCHEDULE 7**INVENTORIES**

	As at 31.03.2009	As at 31.03.2008
Stores and Spares	47,370	48,145
Stock-in-Trade:		
Raw Materials	858,306	544,008
Packing Materials	87,497	75,545
Semi-Finished Goods	602,808	384,693
Finished Goods	683,626	450,639
Traded Goods	532,609	361,396
Goods In Transit	424,589	153,725
	<u>3,236,805</u>	<u>2,018,151</u>

SCHEDULE 8**SUNDRY DEBTORS**

Debts outstanding for a period exceeding six months		
Considered Good	27,029	143,760
Considered Doubtful	90,069	214,133
	<u>117,098</u>	<u>357,893</u>
Other Debts		
Considered Good [Includes due from a Company in which Directors are interested Rs. 23,617 (Previous Year Rs. 9,586)]	1,968,739	1,664,943
Considered Doubtful	699	3,803
	<u>1,969,438</u>	<u>1,668,746</u>
Less: Provision for Doubtful Debts	90,768	217,936
	<u>1,995,768</u>	<u>1,808,703</u>
Sundry Debtors		
Secured	64,962	46,239
Unsecured	1,930,806	1,762,464
	<u>1,995,768</u>	<u>1,808,703</u>

SCHEDULE 9**CASH AND BANK BALANCES**

Cash on Hand	531	490
Balance with Scheduled Banks:		
In Current Accounts	112,741	124,292
In Deposit Accounts	150	150
In Cash Credit Accounts	67,447	148,504
In Unclaimed Dividend Accounts	2,504	2,331
	<u>183,373</u>	<u>275,767</u>



Schedules forming part of the Balance Sheet as at March 31, 2009

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. 125,565]

Advance payment of Income Tax

[Net of Provision for Taxation Rs. 3,132,741 (Previous Year Rs. 2,582,684)]

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

Fringe Benefit Tax [Net of Advance Tax Rs. Nil (Previous Year Rs. 84,288)]

Direct Tax Matters (Refer Note 7 of Schedule 21)

[Net of Advance Tax of Rs. 128,574 (Previous Year Rs. 167,959)]

Indirect Tax Matters (Refer Note 7 of Schedule 21)

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

	As at 31.03.2009	As at 31.03.2008
	261,483	209,900
	4,228	11,312
	265,711	221,212
	4,228	11,312
	261,483	209,900
	88,481	80,087
	10,433	14,150
	98,914	94,237
	10,433	14,150
	88,481	80,087
	220,073	217,387
	1,665	—
	437,653	545,504
	1,009,355	1,052,878
	15,056	9,102
	3,334,741	3,048,139
	552,180	446,793
	8,033	4,709
	2,504	2,331
	321	373
	69,934	73,010
	82,448	127,673
	4,065,217	3,712,130
	110,596	94,797
	18,796	16,111
	88,026	59,964
	78,377	67,342
	8,096	7,854
	10,664	10,560
	—	9,471
	28,270	28,103
	25,218	6,886
	2,492	3,092
	370,535	304,180

Schedules forming part of the Profit And Loss Account for the year ended March 31, 2009

Rupees '000s

SCHEDULE 13**OTHER OPERATING INCOME**

	01.04.2008 to 31.03.2009	01.01.2007 to 31.03.2008
Commission - Indenting Business and others [Tax deducted at source Rs. Nil (Previous Year Rs. 44)]	5,558	5,039
Manufacturing Services rendered [Tax deducted at source Rs. Nil (Previous Year Rs. 999)]	—	46,878
Recovery from Group Companies and Third Parties [Tax deducted at source Rs. 27,048 (Previous Year Rs. 12,072)]	880,305	697,766
	<u>885,863</u>	<u>749,683</u>

SCHEDULE 14**OTHER INCOME**

Interest Received [Tax deducted at source Rs. 139 (Previous Year Rs. 243)]	1,565	2,156
Dividend Income from Current Investments	18,534	11,476
Rent Income [Tax deducted at source Rs. 17,578 (Previous Year Rs. 8,671)]	84,477	36,022
Insurance Claims	1,032	4,561
Bad Debts recovered	984	422
Provisions No Longer Required Written Back	54,614	97,587
Export Incentives	20,913	42,594
Miscellaneous	33,513	35,589
	<u>215,632</u>	<u>230,407</u>

SCHEDULE 15**MATERIALS CONSUMED ***

Raw Materials		
Opening Stock	544,008	576,540
Add: Purchases	3,913,192	2,876,637
	4,457,200	3,453,177
Less: Closing Stock	858,306	544,008
	3,598,894	2,909,169
Packing Materials consumed	295,393	272,304
	<u>3,894,287</u>	<u>3,181,473</u>

* Includes Rs. 26,635 (Previous Year Rs. 10,257) on account of Write off / Write downs in carrying values of Raw Materials and Packing Materials.



Schedules forming part of the Profit And Loss Account for the year ended March 31, 2009

	01.04.2008 to 31.03.2009	Rupees '000s 01.01.2007 to 31.03.2008
SCHEDULE 16		
(INCREASE)/ DECREASE IN STOCK *		
Opening Stock		
- Semi-Finished	384,693	337,050
- Finished	450,639	559,122
	835,332	896,172
Closing Stock		
- Semi-Finished	602,808	384,693
- Finished	683,626	450,639
	1,286,434	835,332
	(451,102)	60,840
* Includes Rs. 48,978 (Previous Year Rs. 53,071) on account of Write off/ Write downs in carrying values of Finished Goods.		
SCHEDULE 17		
COST OF TRADED GOODS SOLD *		
Opening Stock	361,396	194,024
Add: Purchases	5,646,296	4,651,781
	6,007,692	4,845,805
Less: Closing Stock	532,609	361,396
	5,475,083	4,484,409
* Includes Rs. 11,955 (Previous Year Rs. 15,204) on account of Write off/ Write downs in carrying values of Traded Goods.		
SCHEDULE 18		
EMPLOYEE COST		
Payments to and Provisions for:		
Salaries, Wages, Bonus and Allowances	1,162,325	1,031,573
Contribution to Provident, Gratuity, Superannuation and Other Funds	113,154	130,003
Staff Welfare Expenses	67,895	59,308
	1,343,374	1,220,884

Schedules forming part of the Profit And Loss Account for the year ended March 31, 2009

	01.04.2008 to 31.03.2009	Rupees '000s 01.01.2007 to 31.03.2008
SCHEDULE 19		
OTHER EXPENSES		
Stores and Spares consumed	41,381	55,556
Power, Fuel and Water charges	202,530	213,211
Freight and Clearing charges	322,805	299,063
Rent	123,923	95,578
Rates and Taxes	59,366	66,293
Job work	62,455	77,889
Insurance	14,391	21,367
Excise Duty	21,720	56,177
Repairs and Maintenance:		
Plant and Machinery	24,634	34,428
Buildings	54,141	62,626
Others	56,916	47,748
	135,691	144,802
Travelling and Conveyance	271,978	249,103
Communication	132,059	112,383
Printing and Stationery	13,176	12,148
Directors' Sitting Fees	560	680
Auditors' Remuneration (Refer Note 5 of Schedule 21)	7,920	9,260
Advertisement and Publicity and Sales Promotion	759,116	490,843
Legal and Professional Fees	123,764	105,709
Discounts	305,850	235,509
Commission	23,409	48,428
Donations	210	135
Bad Debts	127,406	61,498
Less: Withdrawn from Provision for Doubtful Debts	126,555	59,772
	851	1,726
Royalty	14,173	14,394
Compensation	—	7,500
Provision for Doubtful Debts	—	29,087
Provision for Doubtful Deposits/ Advances	1,570	—
Loss on assets sold/ discarded (Net)	17,502	13,931
Foreign Exchange Fluctuations (Net)	45,886	30,498
Miscellaneous	203,172	145,858
	2,905,458	2,537,128
SCHEDULE 20		
FINANCE CHARGES		
Interest on:		
— Loan from Banks	92,042	43,513
— Others	15,952	15,394
Bank Charges	18,262	16,600
	126,256	75,507



Schedules Annexed to the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

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 and Technical Knowhow is 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.

Commission income is recognised when no significant uncertainty as to measurability or collectibility exist.

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, 2009 and Profit and Loss Account for the year ended March 31, 2009.**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 determined on the basis of an actuarial valuation at the year-end.

(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. 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, 2009 and Profit and Loss Account for the year ended March 31, 2009.

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. 381,279 ('000s) [Previous Year Rs. 123,736 ('000s)].

3. Contingent Liabilities

Rupees in '000s

Particulars	As at March 31, 2009	As at March 31, 2008	Remarks
(a) In respect of Bank Guarantees	19,915	22,741	Pertains to guarantees issued in favour of various statutory bodies and custom authorities. The Company does not foresee any outflow in this regard.
(b) Counter Guarantee by the Company	2,967	2,967	Pertains to guarantees issued in favour of Gujarat Industrial Development Corporation. The Company does not foresee any outflow in this regard.
(c) Claims against the Company not acknowledged as debts (to the extent ascertainable)	18,719	7,781	Pertains to litigation/ claims against the Company by customers/ vendors/ labour. The Company does not foresee any outflow in this regard.
(d) In respect of non-fulfillment of Export obligation	83,027	77,340	Represents custom duty liability arising due to non-fulfillment of export obligation against advance licenses acquired by the Company. The Company does not foresee any outflow in this regard.
(e) In respect of Excise matters (including Service tax)	35,442	27,337	Pertains to litigations/ disputes with various tax authorities. The Company has filed appeal against the demand. The Company does not expect any outflow in this regard.
(f) In respect of Sales tax matters	353,790	111,630	
(g) In respect of Income tax matters	140,326	112,644	
(h) Demand raised by Ministry of Chemicals and Fertilizers, Department of Chemicals and Petro Chemicals. The Company has filed a writ petition in the Hon'able High Court of Mumbai, challenging this demand	27,581	27,581	Demand dated October 25, 1990, for payment to the credit of the Drug Prices Equalisation Account, being the difference between the pooled price and the retention price on the production of Chloroquine Phosphate from 1979-1980 up to December 14, 1988. The Company does not foresee any outflow in this regard.

Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (Contd.)

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, 2009	As at March 31, 2008
Deferred Tax Assets		
Provision for Doubtful Debts/ Advances/ Deposits	35,835	82,730
VRS Expenses	78,145	98,434
Disallowances under section 40(a)(i) and 40(a)(ia)	85,551	58,891
Liabilities allowed on payment basis	62,363	47,998
Others	15,030	19,697
	<u>276,924</u>	<u>307,750</u>
Deferred Tax Liability		
Depreciation/ Impairment of Assets	132,862	142,661
	<u>132,862</u>	<u>142,661</u>
Net Deferred Tax Assets	<u>144,062</u>	<u>165,089</u>

5. Auditors' Remuneration

Particulars	Rupees in '000s	
	April 1, 2008 to March 31, 2009	January 1, 2007 to March 31, 2008
(a) Audit fees		
- for statutory audit	3,500	3,000
- for limited review	1,500	1,800
- for certification	25	-
(b) Tax Accounts/ Tax Audit	560	1,763
(c) Audit of Foreign Reporting Package	2,200	2,500
(d) Reimbursement of out-of-pocket expenses	135	197
Total	<u>7,920</u>	<u>9,260</u>
6. Research and Development Expense		
Research and Development Revenue Expenses	138,341	128,924

7. Disclosure of Provisions

Particulars	Rupees in '000s		
	Income Tax (net of advance tax)	Indirect Tax	Commercial and Other Matters
Opening balance	28,103	6,886	3,092
	(26,300)	(6,886)	(3,092)
Additional provision/ adjustment on account of regrouping during the year	11,840	18,332	—
	(25,946)	(—)	(—)
Less: Advance Tax payment during the year	—	—	—
	(12,803)	(—)	(—)
Less: Provision utilized/ transferred during the year	11,673	—	—
	(—)	(—)	(—)
Less: Provision reversed during the year	—	—	600
	(11,340)	(—)	(—)
Closing balance	28,270	25,218	2,492
	(28,103)	(6,886)	(3,092)

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



Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (Contd.)

Direct and Indirect tax

Provisions in this category represent 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")

Rupees in '000s

Particulars	For the year ended March 31, 2009	For the Period ended March 31, 2008
(a) Principal amount remaining unpaid as at year end and Interest due thereon, if any.	15,056	9,102
(b) (i) Interest paid during the year in terms of Section 16 of the MSMED Act	1,268	712
(b) (ii) Principal amount where payment is delayed beyond the appointed date during the year	140,200	56,283
(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	1,268	712
(e) Further interest remaining due and payable even in the succeeding years	—	—

9. Managerial Remuneration

Rupees in '000s

Particulars	April 1, 2008 to March 31, 2009	January 1, 2007 to March 31, 2008
(a) Directors' Sitting Fees	560	680
(b) Salaries and Allowances *	79,475	77,121
(c) Contribution to Provident Fund *	1,049	—
Total	81,084	77,801

* The above remuneration includes amount aggregating to Rs. 17,930 ('000s) [Previous Year Rs. 17,536 ('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	3,258	1,657,344
		(3,843)	(1,563,699)
(b) Formulations			
(1) Powders	Tons	3,323	2,447,479
		(3,800)	(2,290,676)
(2) Liquids	KL	9,527	6,219,085
		(10,385)	(4,962,277)
(3) Wettable dispersible Granules	Tons	9,572	1,158,768
		(9,086)	(772,217)
(4) Tablets	'000s Nos.	—	—
		(98)	(797)
(5) Seeds	Tons	14,663	2,130,563
		(14,633)	(1,759,919)
(c) Others			1,175,853
			(1,106,749)
Total			14,789,092
			(12,456,334)

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

Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (Contd.)

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

Class of Goods	Unit of Measurement	Opening Stock		Closing Stock	
		Quantity	Value	Quantity	Value
		(Rupees in '000s)		(Rupees in '000s)	
(a) Active Ingredients	Tons	28	1,935	3	21,101
		(1)	(43)	(28)	(1,935)
(b) Formulations					
(1) Powders	Tons	488	185,088	579	266,977
		(598)	(229,729)	(488)	(185,088)
(2) Liquids	KL	1,080	453,396	1,932	766,225
		(1,406)	(446,391)	(1,080)	(453,396)
(3) Wettable dispersible Granules	Tons	526	113,107	1,285	93,742
		(768)	(76,466)	(526)	(113,107)
(4) Tablets	'000s Nos.	10	54	6	5
		(116)	(517)	(10)	(54)
(5) Seeds	Tons	562	58,455	502	68,185
		(-)	(-)	(562)	(58,455)
Total			812,035		1,216,235
			(753,146)		(812,035)

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 do not include Semi-finished goods.
- (3) Figures shown in brackets are in respect of previous period.

(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	4,810	3,238
		(4,725)	(3,868)
(b) Formulations (Refer notes 2, 3 and 4 below)			
(1) Powders	Tons	3,650	1,987
		(4,563)	(2,189)
(2) Liquids	KL	10,025	6,979
		(13,281)	(7,319)
(3) Wettable dispersible Granules	Tons	700	10,389
		(375)	(8,861)
(4) Tablets	'000s Nos.	6,200	—
		(7,750)	(95)

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 period.

(d) Purchase of Traded goods

Class of Goods	Unit of Measurement	April 1, 2008 to March 31, 2009		January 1, 2007 to March 31, 2008	
		Quantity	Value	Quantity	Value
		(Rupees in '000s)		(Rupees in '000s)	
Liquids	KL	3,552	2,031,700	2,846	1,490,245
Powders	Tons	1,536	666,688	1,523	635,769
Seeds	Tons	14,628	1,841,724	15,204	1,578,151
Wettable dispersible Granules	Tons	4	6,739	2	3,067
Others			1,099,445		944,549
Total			5,646,296		4,651,781



Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (Contd.)

(e) Raw Materials Consumed

Material Description	April 1, 2008 to March 31, 2009		January 1, 2007 to March 31, 2008	
	Quantity	Value	Quantity	Value
	Tons	(Rupees in '000s)	Tons	(Rupees in '000s)
1-Phenyl-3-Hydroxyl-1,2,4 Triazole	1,324	320,525	1,021	184,696
Imidacloprid Tech. (Local)	92	182,922	91	178,559
Fipronil CN TC 1X20kg. Cas WW	38	181,564	4	18,197
Phosphorous Oxychloride Stv IN	1,368	176,017	1,196	43,684
Buprofezin Bulk(T)Sc262,5 1X200L	256	167,937	—	—
Endosulfan Tech.	788	167,192	863	182,131
N Propyl Mercaptan	1,065	154,057	952	118,130
Solvent CIX Tan IN	2,955	150,346	2,698	132,680
DETCL (Import)	906	136,658	430	31,065
Flubendiamide B Tc 1X300Kg. Fbc WW	17	131,153	13	98,955
Others		1,830,523		1,921,072
Total		3,598,894		2,909,169

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

	April 1, 2008 to March 31, 2009				January 1, 2007 to March 31, 2008			
	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	1,538,725	43	2,073	5	1,413,645	49	7,552	14
Indigenous	2,060,169	57	39,308	95	1,495,524	51	48,004	86
Total	3,598,894	100	41,381	100	2,909,169	100	55,556	100

11. Remittance in foreign currency on account of dividend on equity shares

Particulars	Number of non-resident shareholders	Rupees in '000s	
		April 1, 2008 to March 31, 2009	January 1, 2007 to March 31, 2008
Net amount of final dividend for the fifteen months ended March 31, 2008 on 27,433,252 Equity Shares	4	65,840	—
Net amount of final dividend for the year ended December 31, 2006 on 27,433,252 Equity Shares	4	—	65,840

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

Particulars	Rupees in '000s	
	April 1, 2008 to March 31, 2009	January 1, 2007 to March 31, 2008

12. Value of Imports on C.I.F. basis

Raw and Packing Material	3,005,805	2,377,635
Traded Goods	9,027	—
Stores, Spares and Components	2,935	14,192
Capital Goods	60,846	11,495

13. Expenditure in Foreign Currency

(on Payment basis)

Royalty	5,946	11,396
Professional/ Consultation/ Communication charges	135,725	75,601
Other Expenses	53,045	49,344

14. Export of Goods on F.O.B. basis

	1,695,434	1,423,615
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15. Earnings in Foreign Currency

Indenting Commission and Others	5,558	4,618
Recoveries from Group Companies	484,827	283,880

Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (Contd.)

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. 44,898 ('000s) [Previous Year Rs. 21,186 ('000s)] has been debited to Profit and Loss Account.

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

Period	Rupees in '000s	
	As on March 31, 2009	As on March 31, 2008
Not later than one year	41,439	32,053
Later than one year and not later than five years	24,244	41,051
Later than five years	—	—

The Company has entered into cancellable leasing arrangement for office, residential and warehouse premises. The lease rental of Rs. 79,025 ('000s) [Previous Year Rs. 74,392 ('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. 81,222 ('000s) [Previous Year Rs. 24,322 ('000s)] has been credited to Profit and Loss Account.

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

Premises	Rupees in '000s		
	Gross Block as on March 31, 2009	Accumulated Depreciation as on March 31, 2009	Depreciation provided from April 1, 2008 to March 31, 2009
Building	57,097	55,217	22,562

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

Period	Rupees in '000s	
	As on March 31, 2009	As on March 31, 2008
Not later than one year	21,798	80,107
Later than one year and not later than five years	11,103	9,870
Later than five years	—	—

The Company has entered into cancellable lease arrangement for Building on operating lease. The lease rentals aggregating to Rs. 2,752 ('000s) [Previous Year Rs. 11,071 ('000s)] has been included under the head Other Income - 'Rent Income' under Schedule 14 to the Profit and Loss Account.

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.

Secondary Segmental Reporting

	Rupees in '000s	
	For the year ended March 31, 2009	For the period ended March 31, 2008
1. Segmental Revenue		
(a) Segment - Local	13,694,342	11,709,755
(b) Segment - Exports	2,196,245	1,726,669
Total	15,890,587	13,436,424
2. Segmental Assets (excluding Deferred Tax Assets)		
(a) In India	8,697,346	7,807,020
(b) Outside India	530,916	430,728
Total	9,228,262	8,237,748
3. Capital Expenditure during the year in India	487,513	1,233,802



Schedules Annexed To The Balance Sheet As At March 31, 2009 And Profit And Loss Account For The Year Ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (Contd.)

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

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

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

- Bayer (China) Limited, Beijing
- Bayer (Malaysia) Sdn. Bhd., Petaling Jaya
- Bayer BioScience Private Limited, Hyderabad
- Bayer Business Services GmbH
- Bayer Corporate and Business Services GmbH
- Bayer CropScience AG
- Bayer CropScience (CHINA) Co Limited, Hangzhou
- Bayer CropScience K.K., Tokyo
- Bayer CropScience Limited, Bangladesh
- Bayer CropScience LP, USA
- Bayer CropScience OHQ (Malaysia) Sdn Bhd
- Bayer CropScience Pty Limited, Australia
- Bayer CropScience S.A., France
- Bayer CropScience, Inc, Philippines
- Bayer Direct Services GmbH
- Bayer Environmental Science S.A.
- Bayer Environmental Science SAS
- Bayer HealthCare AG, Germany
- Bayer HealthCare Berkeley
- Bayer HealthCare Company Limited
- Bayer Industry Services GmbH
- Bayer Parsain AG
- Bayer Korea Limited, Seoul
- Bayer Limited, Japan
- Bayer MaterialScience AG
- Bayer MaterialScience Limited, Hongkong
- Bayer MaterialScience Private Limited, Mumbai
- Bayer Pakistan (Private) Limited, Karachi
- Bayer Pharmaceuticals Private Limited, Mumbai
- Bayer Polychem (India) Limited
- Bayer Public Limited Company, United Kingdom
- Bayer S.A., Bogota
- Bayer (South East Asia) Pte Limited, Singapore
- Bayer Technology and Engineering (Shanghai) Co. Limited
- Bayer Technology Services, Leverkusen
- Bayer Thai Company Limited, Bangkok
- Bayer Türk Kimya Sanayi Limited Sti., Istanbul
- Bayer Vietnam Limited
- Bilag Industries Private Limited, Gujarat
- EuroServices Bayer GmbH, Leverkusen
- GE Bayer Silicones India Pvt Ltd.
- Nunhems Seeds Private Limited
- PT Bayer Indonesia
- Sumika Bayer Urethane Co. Ltd.

(iii) **Key Management Personnel**

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

Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

(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	
	2008-09 *	2007-08 **	2008-09 *	2007-08 **	2008-09 *	2007-08 **
Purchase of Goods						
Bayer CropScience AG	—	—	1,904,004	1,555,360	1,904,004	1,555,360
Bayer BioScience Private Limited	—	—	1,742,139	1,505,614	1,742,139	1,505,614
Bilag Industries Private Limited	—	—	402,706	444,228	402,706	444,228
Others	—	—	448,887	91,975	448,887	91,975
Total	—	—	4,497,736	3,597,177	4,497,736	3,597,177
Sale of Goods						
Bayer CropScience AG	—	—	1,345,686	1,120,296	1,345,686	1,120,296
Bayer CropScience S. A.	—	—	114,593	160,301	114,593	160,301
Others	—	—	207,992	105,659	207,992	105,659
Total	—	—	1,668,271	1,386,256	1,668,271	1,386,256
Sale of Services						
Bayer Pharmaceuticals Private Limited	—	—	—	46,878	—	46,878
Total	—	—	—	46,878	—	46,878
Dividend paid						
Bayer AG	19,854	19,854	—	—	19,854	19,854
Bayer CropScience AG	—	—	26,968	26,968	26,968	26,968
Bayer CropScience S.A.	—	—	19,014	19,014	19,014	19,014
Bayer MaterialScience Private Limited	—	—	1,572	1,572	1,572	1,572
Total	19,854	19,854	47,554	47,554	67,408	67,408
Purchase of Services						
Bayer Polychem (India) Limited	—	—	—	19,379	—	19,379
Total	—	—	—	19,379	—	19,379
Interest Expense						
Bayer Pharmaceuticals Private Limited	—	—	1,160	1,633	1,160	1,633
Bayer BioScience Private Limited	—	—	5,533	3,378	5,533	3,378
Bayer MaterialScience Private Limited	—	—	—	74	—	74
Total	—	—	6,693	5,085	6,693	5,085
Commission Income						
Bayer CorpScience AG	—	—	5,558	4,618	5,558	4,618
Total	—	—	5,558	4,618	5,558	4,618
Rental Income						
Bayer BioScience Private Limited	—	—	503	629	503	629
Total	—	—	503	629	503	629
Recoveries from Group Companies						
Bayer AG	471	1,894	—	—	471	1,894
Bayer Business Service GmbH	—	—	242,608	156,041	242,608	156,041
Bayer Corporate and Business Service GmbH	—	—	113,514	43,413	113,514	43,413
Bayer MaterialScience Private Limited	—	—	110,634	94,758	110,634	94,758
Bayer Pharmaceuticals Private Limited	—	—	54,609	53,982	54,609	53,982
Others	—	—	238,987	184,118	238,987	184,118
Total	471	1,894	760,352	532,312	760,823	534,206



Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

Rupees in '000s

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Total	
	2008-09 *	2007-08 **	2008-09 *	2007-08 **	2008-09 *	2007-08 **
Expenses Reimbursement/ Other Support Charges						
Bayer AG	14,479	10,994	—	—	14,479	10,994
Bayer South East Asia Pte Limited	—	—	90,994	67,858	90,994	67,858
Bayer MaterialScience Limited, Hongkong	—	—	15,882	6,465	15,882	6,465
Bayer Business Services GmbH	—	—	12,200	19,532	12,200	19,532
Others	—	—	25,988	16,162	25,988	16,162
Total	14,479	10,994	145,064	110,017	159,543	121,011
Sale of Fixed Assets						
Bayer Pharmaceuticals Private Limited	—	—	288	—	288	—
Total	—	—	288	—	288	—
Purchase of Fixed Assets						
Bayer BioScience Private Limited	—	—	—	949	—	949
Bayer Polychem (India) Limited	—	—	9,047	—	9,047	—
Total	—	—	9,047	949	9,047	949
Sale of Investments						
Bayer MaterialScience Private Limited	—	—	—	39,040	—	39,040
Total	—	—	—	39,040	—	39,040
Inter Corporate Deposit Taken						
Bayer Pharmaceuticals Private Limited	—	—	172,500	409,300	172,500	409,300
Bayer BioScience Private Limited	—	—	710,000	901,800	710,000	901,800
Bayer MaterialScience Private Limited	—	—	—	69,000	—	69,000
Total	—	—	882,500	1,380,100	882,500	1,380,100
Royalty Expense						
Bayer CropScience AG	—	—	14,173	13,463	14,173	13,463
Total	—	—	14,173	13,463	14,173	13,463
Outstanding Receivables net of Payable						
Bayer MaterialScience Private Limited	—	—	22,072	9,586	22,072	9,586
Bayer CropScience Limited, Bangladesh	—	—	18,919	5,410	18,919	5,410
Bayer Business Services GmbH	—	—	15,335	38,591	15,335	38,591
Bayer CropScience S. A.	—	—	—	28,579	—	28,579
Bayer CorpScience LP USA	—	—	—	16,618	—	16,618
Others	—	—	67,257	31,064	67,257	31,064
Total	—	—	123,583	129,848	123,583	129,848
Outstanding Payables net of Receivable						
Bayer AG	—	149	—	—	—	149
Bayer CorpScience AG	—	—	295,311	307,485	295,311	307,485
Bilag Industries Private Limited	—	—	155,844	122,680	155,844	122,680
Bayer BioScience Private Limited	—	—	149,266	73,823	149,266	73,823
Bayer HealthCare AG	—	—	—	77,952	—	77,952
Others	—	—	22,933	20,094	22,933	20,094
Total	—	149	623,354	602,034	623,354	602,183

Rupees in '000s

Related Party	Designation	Nature of Transaction	2008-09 *	2007-08**
Mr. Stephan Gerlich	Managing Director	Remuneration	51,219	56,927
Ms. Christiane Kunze	Whole Time Director	Remuneration	3,734	20,194
Mr. Kaikobad B. Mistry	Whole Time Director	Remuneration	25,571	-
Total			80,524	77,121

* For the year ended March 31, 2009

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

Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

19. Current Investments purchased & 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	71,165,000	710,505	73,316,110	732,025
Cash Plus - Institutional	55,412,415	598,000	55,412,415	598,000
Cash Plus - Institutional Premium	52,066,620	520,008	58,497,639	584,443
DSP Blackrock Mutual Fund				
Liquidity Fund - Institutional Plan	667,440	442,000	667,440	442,000
Cash Manager Fund - Institutional Plan	50,021	50,000	50,021	50,000
DWS Mutual Fund				
Insta Cash Plus Fund - Institutional Plan	87,000,276	420,000	87,000,276	420,000
Insta Cash Plus Fund - Super Institutional Plan	65,197,765	652,000	65,197,765	652,000
Fidelity Mutual Fund				
Cash Fund (Institutional)	16,021,597	160,000	16,021,597	160,000
Cash Fund (Super Institutional)	21,238,034	212,000	21,238,034	212,000
HDFC Mutual Fund				
Cash Management Fund - Saving Plan	32,868,315	349,500	32,868,315	349,500
Liquid Fund Premium Plan	52,512,239	643,000	56,611,985	693,262
HSBC Mutual Fund				
Cash Fund - Institutional Plus	18,429,085	184,000	23,431,714	234,054
IDFC Mutual Fund				
Cash Fund - Inst Plan B	18,443,730	195,000	18,443,730	195,000
Cash Fund - Super Inst Plan C	25,005,977	250,000	25,005,977	250,000
JM Financial Mutual Fund				
High Liquidity Fund - Super Institutional Plan	33,167,476	332,000	33,167,476	332,000
High Liquidity Fund Institutional Plan	27,673,066	277,000	27,673,066	277,000
JP Morgan Mutual Fund				
India Liquid Fund	5,002,709	50,000	5,002,709	50,000
Kotak Mutual Fund				
Liquid (Institutional Premium)	58,604,364	683,500	59,832,706	698,520
Liquid (Institutional)	4,094,861	50,000	4,094,861	50,000
Prudential ICICI Mutual Fund				
Institutional Liquid Plan	39,889,831	472,000	41,493,504	491,004
Institutional Liquid Plan - Super Institutional	56,452,431	563,000	61,459,771	613,076
Liquid Plan Institutional Plus	45,583,383	539,500	49,803,128	589,510
Reliance Mutual Fund				
Liquid Fund -Treasury Plan	32,370,596	474,000	34,410,021	505,177
Liquidity Fund	56,678,319	565,500	62,849,455	627,230
Standard Chartered Mutual Fund				
Liquidity Manager - Plus	71,567	71,500	71,567	71,500
Tata Mutual Fund				
Liquid Fund High Investment	191,334	213,000	191,334	213,000
Liquid Super High Investment Fund	541,297	577,500	564,226	603,054
UTI Mutual Fund				
Liquid Cash Plan Institutional	3,194,598	497,000	3,243,893	547,254
Money Market Fund	19,481,795	403,000	19,481,795	403,000
Total		11,154,513		11,643,609



Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

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 scheme, 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.

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

Particulars	Rupees in '000s	
	2008-09	2007-08**
Superannuation	37,388	34,659
Provident fund	35,757	32,084

* Included in Schedule 18 - 'Employee Cost'

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

	Rupees in '000s			
	Gratuity (Funded plan)		Pension (Non-funded plan)	
	2008-09	2007-08**	2008-09	2007-08**
(i) Change in Defined Benefit Obligation:				
Opening defined benefit obligation	201,680	153,740	7,854	8,266
Current service cost	9,363	9,976	182	218
Interest cost	16,183	14,946	635	811
Actuarial loss/ (gain)	26,635	49,486	(371)	(691)
Curtailment	—	3,055	—	—
Transfer of Employees (Net)*	(3,622)	(1,019)	—	—
Benefits paid	(17,520)	(28,504)	(204)	(750)
Closing defined benefit obligation	232,719	201,680	8,096	7,854
* Represent liability discharged in respect of employees transferred to group companies				
(ii) Change in fair Value of Assets:				
Opening fair value of plan assets	134,338	129,346	—	—
Expected return on plan assets	12,017	13,336	—	—
Actuarial gain/ (loss)	870	1,890	—	—
Contributions by employer	24,637	18,270	—	—
Benefits paid	(17,520)	(28,504)	—	—
Closing fair value of Plan Assets	154,342	134,338	—	—
(iii) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets:				
Present value of funded obligation	232,719	201,680	8,096	7,854
Fair Value of Plan Assets	154,342	134,338	—	—
Funded Status	154,342	134,338	—	—
Present Value of unfunded obligation as at year end	78,377	67,342	8,096	7,854
Unfunded Net Asset/ (Liability) recognised in Balance Sheet*	(78,377)	(67,342)	(8,096)	(7,854)
*included in Schedule 12 - 'Provisions'				
(iv) Amount recognised in the Balance Sheet:				
Present value of obligations as at year end	232,719	201,680	8,096	7,854
Fair value of plan assets as at year end	154,342	134,338	—	—
Amount not recognised as an asset	—	—	—	—
Net (Asset)/ Liability recognised	78,377	67,342	8,096	7,854

Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

		Rupees in '000s			
		Gratuity (Funded plan)		Pension (Non-funded plan)	
		2008-09	2007-08**	2008-09	2007-08**
(v) Expenses recognised in the Profit and Loss Account:					
Current service cost		9,363	9,976	182	218
Interest on defined benefit obligation		16,183	14,946	635	811
Expected return on plan assets		(12,017)	(13,336)	—	—
Curtailment		—	3,055	—	—
Net actuarial loss/ (gain) recognised in the current year		25,765	47,596	(371)	(691)
Total expense (Included in Schedule 18 - 'Employee Cost')		39,294	62,237	446	338
(vi) Expected employer's contribution for the next year		21,517	17,181	—	—
(vii) Principal actuarial assumptions used:					
Discount rate (p.a.)		7.75%	8.00%	7.75%	8.00%
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 Funds by Insurance Regulatory and Development Authority regulation.

- d) The liability for leave encashment and compensated absences as at year end is Rs. 88,026 ('000s) [Previous Period 59,964 ('000s)] and long service award is Rs. 10,664 ('000s) [Previous Period 10,560 ('000s)].

** For the period from 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	8,360	411,915
	(1)	(2,823)	(112,839)
EURO	1	8,000	539,840
	(1)	(12,000)	(758,640)

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

Amount in '000s			
Foreign Currency		Indian Rupees equivalent	
US Dollar	3,980	202,793	
	(5,916)	(236,446)	
EURO	52	3,480	
	(853)	(53,808)	

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

Schedules Annexed to the Balance sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

SCHEDULE 21 - NOTES TO ACCOUNTS (contd.)

23. Bayer AG, the ultimate parent company, had granted 949 stock appreciation rights (SARs) namely 'Bayer AG Stock Option Program (SOP)' to Mr. Stephan Gerlich on August 31, 2004. The Company had recorded the liability based on the estimated fair value of each of SAR by applying Monte Carlo Simulation pricing Model by Bayer AG.

The SARs allocated to a participant depends on personal performance and on the value created by its subgroup. These SARs vest over the period of three years with a right to exercise the same within two years from thereof and shall be settled in cash. If the option rights have not been exercised by the participant by end of five years from the grant date, they will be exercised automatically in his favour.

As per the SOP, the value of SARs is conditional upon certain performance criteria which shall be settled in cash.

The number of SARs under SOP is as follows:

Particulars

- (i) Outstanding at the beginning of the year
- (ii) Exercised during the year *
- (iii) Outstanding at the end of the year
- (iv) Exercisable at the end of the year

April 1, 2008 to March 31, 2009
949
949
—
—

January 1, 2007 to March 31, 2008
949
—
949
949

* Exercise Price – Euro 135.09

Other information regarding employee SAR based payment plan is as below:

Particulars

- Opening balance of liability for SAR plan
- Expenses arising from SAR plan *
- Payments made during the year
- Closing balance of liability for SAR plan

April 1, 2008 to March 31, 2009
7,297
1,243
8,540
—

Rupees in '000s January 1, 2007 to March 31, 2008
—
7,297
—
7,297

* Included in Managerial Remuneration

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)

April 1, 2008 to March 31, 2009
944,595
39,498,747
10
23.91

January 1, 2007 to March 31, 2008
491,025
39,498,747
10
12.43

Schedules Annexed To The Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

25. 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	:	31-03-2009

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)	:	9,372,324
Total Assets	:	9,372,324

Sources of Funds :

Paid-up Capital	:	394,987
Reserves and Surplus	:	4,114,639
Secured Loans	:	23,064
Unsecured Loans	:	403,882

Application Of Funds :

Net Fixed Assets	:	2,700,798
Net Current Assets *	:	2,133,611
Investments	:	102,163
Miscellaneous Expenditure	:	Nil

*Including Deferred Tax Assets Rs. 144,062 ('000s)

IV. Performance of the Company

		(Amount in Rs. Thousands)
Total Income **	:	15,041,544
Total Expenditure ***	:	13,533,277
+/- Profit/ Loss Before Tax	:	1,508,267
+/- Profit/ Loss After Tax	:	944,595
Earning per Share in Rs.	:	23.91
Dividend %	:	28%

** Including Other Income

*** Including Other Expenses

V. Generic Names of Principal Product(s)/ Service(s) of Company

(as per monetary terms)

Item Code No. (ITC Code)	:	380810.11
Product Description	:	IMIDACLOPRID
Item Code No. (ITC Code)	:	380810.99
Product Description	:	TRIAZOPHOS
Item Code No. (ITC Code)	:	380850.00
Product Description	:	FIPRONIL

26. The figures of the current year are not comparable with that of the previous period, as the financial statements of the current year is for twelve months from April 1, 2008 to March 31, 2009 as against previous period for fifteen months from January 1, 2007 to March 31, 2008.

27. Previous period figures have been re-grouped/ re-classified wherever necessary.

Signature to Schedules 1 to 21.

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

Place : Mumbai

Date : June 30, 2009



Cash Flow Statement for the year ended March 31, 2009

	01.04.2008 to 31.03.2009	Rupees '000s 01.01.2007 to 31.03.2008
A. Cash flow from operating activities:		
Profit before Exceptional Item and Taxation	1,508,267	790,529
Adjustments for:		
Depreciation/ Amortisation	241,389	261,223
Interest Expense	107,994	58,907
Interest Income	(1,565)	(2,156)
Dividend Income	(18,534)	(11,476)
Loss on Assets sold/ discarded (Net)	17,502	13,931
Bad Debts (net of recovery)	126,422	61,076
Provision for Doubtful Debts/ Advances written back	(125,598)	(30,685)
Provisions no longer required written back	(54,001)	(97,587)
Provision for Employee benefits	43,836	65,935
Inventory write off/ write down	87,568	78,532
Impairment loss on Fixed assets	(1,468)	1,614
Unrealised foreign exchange loss/ (gain)	(164)	15,202
	423,381	414,516
Operating Profit before Working Capital changes	1,931,648	1,205,045
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Sundry Debtors	(172,473)	312,579
(Increase)/ Decrease in Other Receivables	(64,233)	(177,701)
(Increase)/ Decrease in Inventories	(1,306,222)	(209,482)
Increase/ (Decrease) in Trade and Other Payables	454,647	1,195,485
	(1,088,281)	1,120,881
Cash generated from Operations	843,367	2,325,926
Taxes Paid	(445,763)	(721,344)
Payment under Voluntary Retirement Scheme	(51,399)	(200,761)
	(497,162)	(922,105)
Net cash from Operating activities	346,205	1,403,821
B. Cash Flow from Investing activities:		
Purchase of Fixed Assets	(487,513)	(558,210)
Proceeds from Sale of Fixed Assets	8,217	50,654
Proceeds from Sale of Long Term Investments	12,065	219,851
Interest Received	1,565	2,156
Dividend Received	18,534	39,349
Net cash used in Investing activities	(447,132)	(246,200)
C. Cash flow from Financing activities:		
(Repayment of) short term borrowings	(265,158)	(389,315)
Interest Paid	(104,670)	(58,257)
Dividend Paid	(94,624)	(94,952)
Dividend Tax Paid	(16,111)	(16,111)
Net cash used in Financing activities	(480,563)	(558,635)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(581,490)	598,986

Cash Flow Statement for the year ended March 31, 2009 (Contd.)

	01.04.2008 to 31.03.2009	Rupees '000s 01.01.2007 to 31.03.2008
Cash and Cash Equivalents at the beginning of the period	864,878	265,892
Cash and Cash Equivalents at the end of the period	283,388	864,878
Cash and Cash Equivalents comprise		
Cash on hand	531	490
Balance with Scheduled Banks - in Unclaimed dividend account	2,504	2,331
Balance with Scheduled Banks - in other accounts	180,338	272,946
Short Term Investments	100,015	589,111
	283,388	864,878

Notes:

- 1) The above Cash flow statement has been prepared under the "Indirect Method" setout in Accounting Standard - 3 on Cash Flow Statements notified under Section 211(3C) of the Companies Act, 1956.
- 2) Taxes paid includes TDS deducted by third parties aggregating to Rs. 44,626 (Previous Year Rs. 21,786).
- 3) Short Term Investments comprise of Investments in Mutual Funds which are highly liquid and have an insignificant risk of change in value.
- 4) Previous Year's figures have been reclassified to conform to the current years presentation.

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

Vasant Gujarathi

Partner

Membership No.: F-17866

For and on behalf of

Price Waterhouse

Chartered Accountants

Shirin V. BalsaraVice President - Legal &
Company Secretary

For and on behalf of the Board

Chairman

Dr. Vijay MallyaVice Chairman &
Managing Director**Stephan Gerlich**

Directors

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

Place : Mumbai

Date : June 30, 2009

Place : Mumbai

Date : June 30, 2009

Facts

	1999	2000	2001	2002	2003+	2004	2005	2006	2007-08 \$	2008-09
Million Rupees										
Sales & Other Operating Income @	5,486.81	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
Export Revenue	(513.83)	(506.83)	(458.42)	(545.87)	(845.46)	(688.17)	(942.58)	(1,440.56)	(1,726.67)	(2,196.25)
Pre-tax Profit	85.44	95.54	162.33	277.75	472.04	524.04	746.84	890.53	679.56	1,508.27
Dividend (%)	40.55 (25.00)	32.44 (20.00)	32.44 (20.00)	35.68 (22.00)	86.90 (22.00)	86.90 (22.00)	86.90 (22.00)	94.80 (24.00)	94.80 (24.00)	110.60 (28.00)
Share Capital	162.20	162.20	162.20	162.20	394.99	394.99	394.99	394.99	394.99	394.99
Reserves and Surplus	653.63	690.54	604.34	718.84	2,024.75	2,189.27	2,461.65	2,919.32	3,299.44	4,114.64
Borrowings	1,895.04	2,113.65	1,566.53	1,475.72	2,263.82	776.09	1,160.56	1,081.42	692.10	426.95
Gross Block	2,056.74	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
Net Block	1,140.17	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
Net Current Assets	1,501.46	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
Expenditure on Employees	496.21	570.38	579.98	591.17	653.24	658.08	574.31	671.23	1,220.88	1,343.37
Number of Employees	1,816	1,513	1,441	1,316	1,059	1,024	984	1,020	1,159	1,325
Rupees										
Earnings Per Share (on the basis of profits after tax)	31.09	44.80	56.52	95.41	11.74	6.67	9.40	14.39	12.43	23.91
Book Value per Share	502.97	525.74	472.59	543.18	61.26	65.43	72.32	83.91	93.53	114.17
Share Price at Stock Exchange – High	2,916.00	1,594.95	1,160.00	1,998.00	2,200.00	317.00	323.65	303.40	474.50	343.00
– Low	1,450.00	425.10	341.35	880.10	2,198.30*	135.35	160.00	101.00	199.05	180.20
Number of Shareholders	13,390	12,541	11,494	10,502	20,972	20,552	20,539	21,180	18,852	18,803

@ 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.

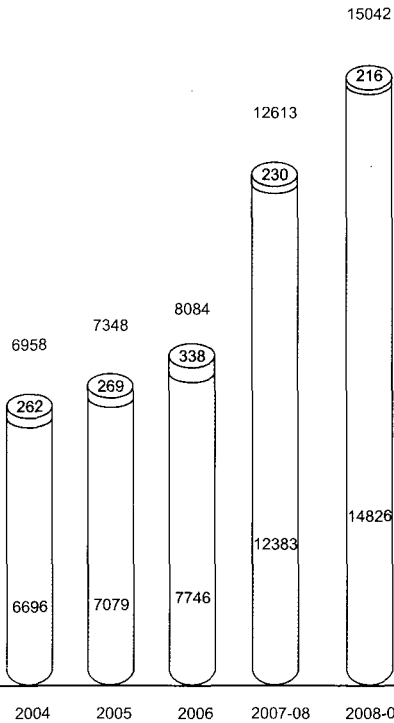
\$ Figures of the period 2007-08 are for fifteen months.

Figures have been regrouped wherever necessary.

SALES AND OTHER OPERATING INCOME/ OTHER INCOME

(Rs. in Million)

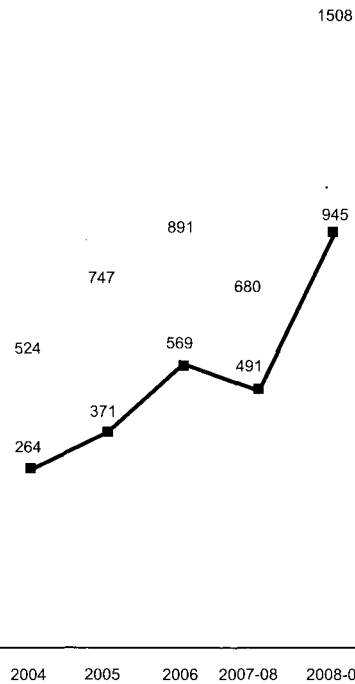
- OTHER INCOME
- SALES & OTHER OPERATING INCOME



PROFITS

(Rs. in Million)

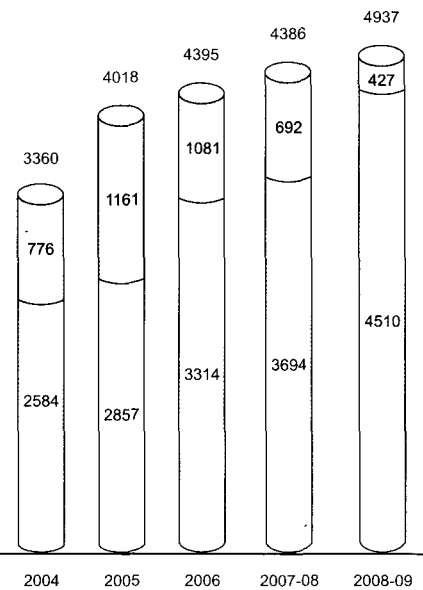
- PROFIT BEFORE TAX
- PROFIT AFTER TAX



DEBT : EQUITY

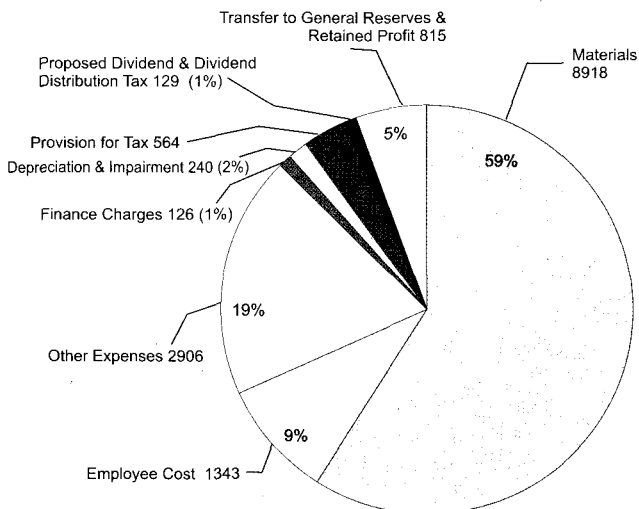
(Rs. in Million)

- DEBT
- EQUITY



DISTRIBUTION OF INCOME 2008-09

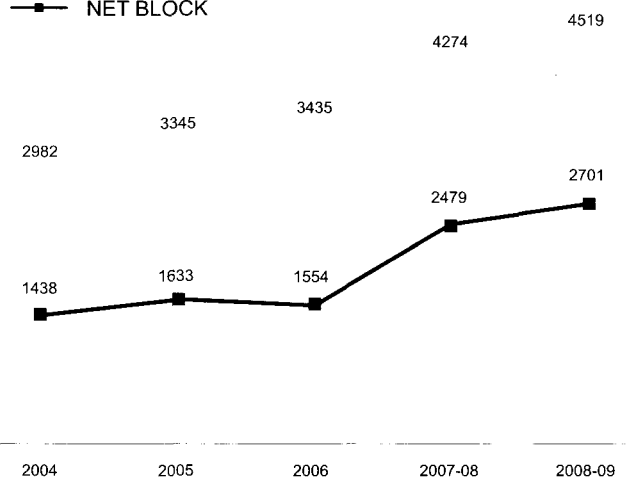
(Rs. in Million (%))



FIXED ASSETS

(Rs. in Million)

- GROSS BLOCK
- NET BLOCK





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