



Bayer CropScience

**BAYER
CROPSCIENCE
LIMITED**

54TH

**ANNUAL
REPORT** APRIL 2011 -
MARCH 2012





BOARD OF DIRECTORS



Dr. Vijay Mallya
Chairman



Stephan Gerlich
Vice Chairman &
Managing Director



Sharad M Kulkarni
Non-Executive
Independent Director



AKR Nedungadi
Non-Executive
Independent Director



Vimal Bhandari
Non-Executive
Independent Director



Peter Mueller
Non-Executive Director



Tobias Marchand
Non-Executive Director



Kaikobad B Mistry
Whole-time Director

SCIENCE FOR A BETTER LIFE

Bayer is a global enterprise with core competencies in the fields of healthcare, nutrition and hi-tech materials. As an inventor company, we set trends in research-intensive areas. Our products and services are designed to benefit people and improve their quality of life. At the same time, we aim to create value through innovation, growth and high earning power. We are committed to the principles of sustainable development and to our social and ethical responsibilities as a corporate citizen.



Bayer CropScience



At Bayer CropScience, we have extraordinary expertise, the passion and integrity of a farmer, the willingness to listen closely to our customers' needs across the globe and the vision to foresee issues and seize opportunities across the entire value chain.

By uniting our energy, our talents, our integrity and our creativity to solve issues – big or small – for our customers, we will be in a position to gain the leader's seat at the table... **Propelling Farming's Future.**



Bayer CropScience's innovative products help raise the quality of life. The Company is continuously engaged in finding new ways to strengthen and improve its distribution and marketing activities along the entire value chain – from seed to shelf.

Bayer CropScience offers high-quality seed, effective crop protection and expertise in environmental protection, efficiency and safety – thus generating value for all partners.

FROM SEED TO SHELF

LAUNCHES
2011-2012



Accord Plus

A post-emergent herbicide that is an excellent Resistant Phalaris Management tool in wheat

Lesenta

Lesenta

The soil pest specialist from Bayer (Coming soon)



Arize 6444 Gold (DSR Segment)

Bayer's hybrid for Direct Seeded Rice segment



Surpass SP 7007 BG II

Bayer's high yielder Cotton hybrid with wider adaptability in North India



Proagro 9450

Bayer's higher yielding, lodging and Downy Mildew (DM) disease tolerant Millet hybrid



Directors	Dr. Vijay Mallya	– Chairman
	Stephan Gerlich	– Vice Chairman & Managing Director
	Sharad M. Kulkarni	
	A. K. R. Nedungadi	
	Vimal Bhandari	
	Peter Mueller	
	Tobias Marchand	
	Kaikobad B. Mistry	– Whole-time Director

Vice President - Law, Patents & Compliance & Company Secretary Shirin V. Balsara

Bankers	Bank of America
	BNP Paribas
	Central Bank of India
	Citibank N.A.
	Credit Agricole Corporate and Investment Bank
	Deutsche Bank
	HDFC Bank Limited
	Societe Generale
	Standard Chartered Bank
	State Bank of India
Union Bank of India	

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 & Share Transfer Agents TSR Darashaw Limited (TSRDL) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011.
Tel. No.: 91 22 6656 8484
Fax No.: 91 22 6656 8494

Factories (1) Plot Nos. 6008 - 10 & 6301 - 10A, G.I.D.C. Industrial Estate, Ankleshwar - 393 002, Gujarat.
(2) Plot Nos. 66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.

Contents

Board of Directors	1
Notice	2
Directors' Report	5
Corporate Governance Report	12
Management Discussion & Analysis Report	29
Auditors' Report	34
Balance Sheet	38
Statement of Profit and Loss	39
Notes to the financial statements	40
Cash Flow	62
Facts	64

Members are requested to:

- direct all shares related correspondence to TSRDL.
- bring their copy of the Annual Report to the Annual General Meeting.
- send their queries, if any, relating to the accounts of the Company, at least 10 days before the Annual General Meeting, so that the necessary information can be made available at the Meeting.



NOTICE

NOTICE is hereby given that the 54th Annual General Meeting of Bayer CropScience Limited will be held on Friday, August 24, 2012 at 2.00 p.m. at Rangaswar Hall, 4th Floor, Y.B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale 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 financial year ended March 31, 2012 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 financial year ended March 31, 2012.
3. To appoint a Director in place of Mr. Sharad M. Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vimal Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following Resolution with or without modification(s) as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Peter Mueller who was appointed as a Director of the Company by the Board from August 1, 2011 to fill in the casual vacancy caused due to the resignation of Mr. Johannes Dietsch, holds office upto the date of this Annual General Meeting under Section 262(1) of the Companies Act, 1956 read with Article 117(1) of the Articles of Association of the Company, but being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Peter Mueller as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation.”
7. To consider and, if thought fit, to pass the following Resolution with or without modification(s) as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Tobias Marchand who was appointed as a Director by the Board from August 1, 2011 to fill in the casual vacancy caused due to the resignation of Mr. Bernd Naaf, holds office upto the date of this Annual General Meeting under Section 262(1) of the Companies Act, 1956 read with Article 117(1) of the Articles of Association of the Company, but being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Tobias Marchand as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation.”

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy in order to be effective shall be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, Societies etc. must be supported by appropriate Resolution / Authority, as applicable, issued on behalf of the nominating organisation.
- (b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, 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 Friday, August 10, 2012 to Friday, August 24, 2012 (both days inclusive).
- (d) The dividend of ₹ 4.20 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 54th Annual General Meeting to be held on Friday, August 24, 2012 will be paid at par within 30 days of the said date:
 - (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Friday, August 24, 2012.
 - (ii) in respect of shares held in dematerialised form, to the Beneficial Owners of the shares as at the close of business hours on Thursday, August 9, 2012, as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- (e) Members are requested to direct all shares related correspondence to TSRDL at the following address:

TSR Darashaw Limited,
Unit : Bayer CropScience Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai – 400 011.
Tel. No.: 91 22 6656 8484
Fax No.: 91 22 6656 8494
e-mail: csg-unit@tsrdarashaw.com

NOTICE (contd.)

- (f) Members holding shares in physical form are requested to notify / send the following to TSRDL on or before Thursday, August 9, 2012 in order 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 form are requested to intimate all changes pertaining to their bank details, NECS mandates, nominations, power of attorney, change of address / name etc. to their Depository Participant only and not to the Company / TSRDL. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and TSRDL to provide efficient and better service to the members.
- (h) The Members are requested to encash the Dividend Warrants immediately on its receipt, as pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends remaining unclaimed for 7 years from the date they were transferred to the unpaid dividend account are required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956. Members shall not be able to claim any unpaid or unclaimed dividend from IEPF or the Company thereafter.
- (i) **The Members are requested to note that the dividend declared in June 2006 is due to be transferred to IEPF in July 2013.**
- (j) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to TSRDL.
- (k) 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 TSRDL, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
- (l) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon upto the date of the Annual General Meeting.
- (m) **The Ministry of Corporate Affairs (MCA), Government of India, vide its circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to the Members electronically as a part of its 'Green Initiative in Corporate Governance'. In line with the aforesaid circulars, the Company proposes to send documents like the Notice governing the general meetings, financial statements, Directors' Report, Auditors' Report etc. to the e-mail address provided by you to your depositories. Accordingly, members are requested to register their e-mail address and changes therein from time to time, by directly sending the relevant e-mail address alongwith the details of name, address, Folio No. and number of shares held:**
- (i) to TSRDL, for shares held in physical form and;
 - (ii) in respect of shares held in dematerialised form, also provide DP ID / Client ID with the above details and register the same with their respective Depository Participants.

By Order of the Board of Directors
For Bayer CropScience Limited

Shirin V. Balsara
Vice President – Law, Patents & Compliance &
Company Secretary

Mumbai, May 29, 2012

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



ANNEXURE TO NOTICE

The following Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 sets out all material facts relating to the business mentioned in Item Nos. 6 and 7 in the accompanying Notice dated May 29, 2012:

Explanatory Statement

Item No. 6

Mr. Peter Mueller was appointed as a Director to fill in the casual vacancy with effect from August 1, 2011 caused due to the resignation of Mr. Johannes Dietsch. He continues to hold office as a Director appointed in the casual vacancy upto the date of this Annual General Meeting and, being eligible, offers himself for re-appointment. A notice in writing under Section 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose Mr. Peter Mueller as a candidate for the office of Director.

A brief profile of Mr. Peter Mueller alongwith the required particulars are given in paragraph 4.3 of the Report on Corporate Governance for the information of the Members.

The Board recommends the appointment of Mr. Peter Mueller as a Director of the Company.

Except Mr. Mueller, none of the Directors are in any way concerned or interested in the passing of this resolution.

Item No. 7

Mr. Tobias Marchand was appointed as a Director to fill in the casual vacancy with effect from August 1, 2011 caused due to the resignation of Mr. Bernd Naaf. He continues to hold office as a Director appointed in the casual vacancy up to the date of this Annual General Meeting and, being eligible, offers himself for re-appointment. A notice in writing under Section 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose Mr. Tobias Marchand as a candidate for the office of Director.

A brief profile of Mr. Tobias Marchand alongwith the required particulars is given in paragraph 4.4 of the Report on Corporate Governance for the information of the Members.

The Board recommends the appointment of Mr. Tobias Marchand as a Director of the Company.

Except Mr. Marchand, none of the Directors are in any way concerned or interested in the passing of this resolution.

By Order of the Board of Directors
For Bayer CropScience Limited

Shirin V. Balsara
Vice President – Law, Patents & Compliance &
Company Secretary

Mumbai, May 29, 2012

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

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 54th Annual Report on the business and operations of the Company together with the audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2012.

Financial Performance:

₹ in Millions

Particulars	2011 - 12	2010 - 11
Revenue from Operation (Net)	22,723	21,373
Other Income	453	205
Total Revenue	23,176	21,578
Profit before Finance costs, Depreciation, Exceptional Items and Taxation	2,980	2,436
Less : Finance Costs	(17)	(83)
Less : Depreciation and Amortisation	(340)	(327)
Profit before Exceptional Items and Taxation	2,623	2,026
Less : Exceptional Items	(579)	(38)
Profit Before Tax	2,044	1,988
Less : Taxes	(654)	(672)
Profit After Tax	1,390	1,316
Add : Surplus in Statement of Profit and Loss at the beginning of the year	5,032	4,032
Amount available for Appropriation	6,422	5,348
Appropriations:		
Proposed Dividend	166	158
Taxation on Proposed Dividend	27	26
Transferred to General Reserve	139	132
Profit & Loss Balance Carried Forward	6,090	5,032

Operations:

Your Company's profit after tax increased to ₹ 1,390 Millions during the financial year ended March 31, 2012 as compared to ₹ 1,316 Millions in previous year, an increase of 5.62 %.

Dividend:

The Board of Directors is pleased to recommend the payment of dividend of ₹ 4.20 per Equity Share of ₹ 10 each for the financial year ended March 31, 2012, subject to the approval of the Members (previous year ₹ 4 per Equity Share of ₹ 10 each). The proposed dividend will absorb a sum of ₹ 166 Millions. The Register of Members will remain closed from Friday, August 10, 2012, to Friday, August 24, 2012 (both days inclusive).

Exports:

Your Company is a recognised Export House. The export sale (FOB) for the year ended March 31, 2012 was ₹ 3,096 Millions compared to ₹ 2,363 Millions during the previous year.

Public Deposits:

A sum of ₹ 15,000 relating to 1 deposit, which was claimed, but not encashed, remained balance as on March 31, 2012. No interest is payable on such unclaimed deposit after the maturity date. During the year under review, your Company has not accepted any public deposits.

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, environmental liability and product liability risks. All the employees are also covered against the risk of hospitalisation and personal accident.

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 US dollar. To mitigate the currency fluctuations, the net exposure of the Bayer Group is hedged after taking advantage of the natural hedge on every month end. Foreign currency loans, including interest, are completely hedged.



DIRECTORS' REPORT (contd.)

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 March 31, 2012 and of the profit of the Company for the financial year ended March 31, 2012;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the annual accounts have been prepared on a going concern basis.

Responsible Care and Quality:

Your Company observed National Safety Week and Fire Prevention Week in the year and conducted various activities throughout the week to spread awareness on safety amongst employees. September 13, 2011 was observed as the Bayer Safety Day.

Your Company, covering all the manufacturing units, all India business operations and supporting services, was audited on Quality Management System by TUV India Private Limited (TUV) and the Company was recommended continuation of ISO 9001:2008 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 and recycling of resources and cost savings.

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

Corporate Sustainability and Social Responsibility:

In our mission statement "Bayer: Science For A Better Life" we summarise what we stand for as a Company: "Innovative solutions to socially relevant problems". Our new values concept 'LIFE – which stands for Leadership, Integrity, Flexibility and Efficiency' combine innovative performance with the personal actions of each employee, thus providing orientation for our everyday business.

Sustainability – which essentially means future viability – forms an integral part of our business strategy. We are convinced that we can only be commercially successful in the long run, if we balance economic growth with ecological and social responsibility.

Bayer Model Village Project

As a key player in the agricultural industry, Bayer CropScience in India is playing an important role in driving innovation to improve agricultural productivity in the country.

Agriculture is the key to economic growth and prosperity. In order to provide livelihood for a majority of Indian farmers living in rural areas, Bayer CropScience has been taking a lead in developing a broad variety of measures that include, in particular, a strong focus on knowledge transfer on how sustainable crop production can increase productivity.

Child Care Programme (CCP) has been envisaged as a social intervention model to eliminate child labour in the seed supply chain and for protecting their right to education. CCP has been acknowledged as an exemplary model by NGOs and companies alike, for getting children off the farms of contract seed growers and into schools.

As a next step towards empowerment, Bayer is now using the insights gained during the implementation of CCP to launch the Model Village Project.

The "Model Village Project" is an inspired extension of CCP's objective – to usher in comprehensive rural development, by means of a variety of purposeful projects that focus on improving quality of life in Indian villages.

In the framework of the project, interim storage space for harvested crops, weather insurance schemes and micro loans for farm investments will also be included as core components. These programmes will help farmers to directly access markets by eliminating the ineffective and traditional ways of trade, e.g. through middlemen. Education and training opportunities for children are an essential part of this initiative.

The Model Village Project in India is to be implemented in two villages – Mangalgudda and Kadivala, both in Karnataka as pilots. Based on the success of the two pilot projects, Bayer intends to scale up this project in all seed production villages across the country.

Bayer's approach

Bayer and its partners will help farmers to improve their agricultural productivity and profitability by providing advice and making available quality inputs. Bayer and its partners intend to carry out various projects to contribute to the improvement of educational standards and the livelihood situation of the villagers.

The overall approach for execution of the project will be through developing partnerships with like-minded organisations and bringing their expertise to the table. To act as a focal point and incubator, Bayer has incorporated a separate legal entity, "Bayer Prayas Rural Development Association".

Bayer Prayas will facilitate community involvement, strong partnerships and possibility of turning the Model Villages into a hub of development activities, with the organisation working as a point of convergence and project sustainability.

DIRECTORS' REPORT (contd.)

Implementation update

Drip Irrigation

As an integral part of the Model Village Project, a drip irrigation project has been implemented in four cotton seed production plots located in the Gajendragada and the Sira districts of Karnataka on an experimental basis (pilot trial) for the Kharif (wet) season 2011. The results of the trial are very encouraging and, therefore, Bayer will replicate this irrigation scheme in the selected Model Villages.

Water Purification plant

Bayer has invited the company Smaat Aqua Water Technologies to partner in establishing water purification and distribution plants in two Model Villages. The objective is to help in improving the overall health and hygiene standards in the villages and facilitate the availability of safe drinking water.

The first Bayer-Smaat Water Purification Plant has been commissioned in Kadivala village on January 24, 2012. Mr. Stephan Gerlich formally inaugurated the plant which has a capacity of 500 litres per hour to serve safe drinking water to about 180 households.

Bayer Vidya Prayas Scholarships

Under Bayer Vidya Prayas initiatives, employees of Bayer and its associated companies in India can sponsor a child's education by voluntarily donating ₹ 5,000 every year. This donation will be utilised for the child's school fee and study material. Bayer Vidya Prayas is being implemented in the Model Villages and will cover 200 children initially. Bayer Vidya Prayas was formally launched by Mr. Stephan Gerlich on January 24, 2012 at Kadivala village. On the same day, about 50 children belonging to Kadivala, the beneficiaries of Bayer Vidya Prayas in the first phase, received school kits.

Bayer Rural Service Centres

Envisaged as a service delivery hub, Bayer Rural Service Centres located in the project villages provide comprehensive solutions to the local farming needs from 'Seed to Harvest' and help the farmers to improve their productivity and profitability. Training on farm mechanisation, commodity trading and quality consciousness are some of the key elements of this initiative.

Currently, 11 Bayer Rural Service Centres are operational serving around 262 villages in the State of Karnataka in and around the Model Villages. As on date, 2,408 farmers have registered with the Bayer Rural Service Centres.

Long-term Commitment

Bayer regards itself as a member of society and believes it needs society's long-term acceptance to be able to act entrepreneurially. Model Village Project is a shining example to illustrate this point. Through this project, our objectives clearly show the direction in which, we want to go, namely towards an even stronger integration of sustainability into our activities. In this way, we aim to further improve our position as a responsible enterprise and drive forward more strategically our contribution to the sustainable development of society.

Human Resources:

Employee engagement is an important factor in your Company's success. Central to this engagement are culture and our LIFE values. They provide the employees with guidance for daily work and encourage them for sustainable performance.

Your Company reaffirmed its commitment to personal growth and learning with the launch of 30 different training and development initiatives to support the employees in an increasingly dynamic and complex business landscape. The year was marked with special focus on self-leadership, leading people and customer service initiatives. Additionally, our employees were nominated to 22 identified external training programs.

Your Company further continued its strong Employer Branding initiatives and built upon its Corporate Image in the market by launching "Bayer Scholarship Program" with six top ranking universities in India, with the aim to further strengthen the interface between the educational institutes and the industry.

In line with Bayer's talent management philosophy of "Building the Leadership Pipeline" and "Valuing the Expertise of employees", a number of employees went through Development Centre exercises during the year and qualified for promotion at National Level. The assessments were conducted based on the specific skills, beliefs and competencies identified in XGEDO, the Bayer CropScience Training Academy.

In continuation to last year's efforts towards providing opportunities for learning and development to the employees, an initiative was launched to further strengthen the leadership abilities and feedback culture. Also, employees participated in the third batch of Bayer Management Program "NIEV".

Employee relations during the year were harmonious and cordial.

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

The information as prescribed by Section 217(2A) of the Companies Act, 1956, read along with the Companies (Particulars of Employees) Rules, 1975, as amended is set out as an Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Financial Statements are being sent to the Members excluding the statement giving particulars of employees under Section 217(2A). Any Member interested in obtaining a copy of the aforesaid statement may write to the Company Secretary at the Registered Office of the Company.

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 along with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters, form part of this Report and is annexed hereto.



DIRECTORS' REPORT (contd.)

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 Corporate Governance Report 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 Corporate Governance Report.

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

Mr. Peter Mueller and Mr. Tobias Marchand were appointed as Directors with effect from August 1, 2011 in the casual vacancies caused due to the resignations of Mr. Johannes Dietsch and Mr. Bernd Naaf respectively. Mr. Mueller and Mr. Marchand hold office till the ensuing Annual General Meeting as Directors appointed in casual vacancies and, being eligible, offer themselves for re-appointment.

Brief profiles of the above Directors are given under the Corporate Governance Report.

Cost Audit:

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

The Board of Directors has appointed M/s. N. I. Mehta and Co., qualified Cost Accountants for the conduct of the audit of Insecticides – Technical Grade for the year ending March 31, 2013. In terms of the Companies (Cost Audit Report) Rules, 2011 the cost audit report is required to be filed within 180 days from the end of the financial year. Your Company filed the Cost Audit Report for the financial year ended March 31, 2011 on September 23, 2011. The Cost Audit Report for the financial year ended March 31, 2012 will be filed within 180 days from the end of the financial year.

Auditors:

M/s. Price Waterhouse, Chartered Accountants, (Firm Registration Number 301112E) 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, Chartered Accountants, (Firm Registration Number 301112E) as Statutory Auditors for the financial year ending March 31, 2013.

Members are requested to consider and re-appoint M/s. Price Waterhouse, Chartered Accountants, (Firm Registration Number 301112E) as the Statutory Auditors of the Company for the financial year ending March 31, 2013.

Acknowledgements:

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

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

Dr. Vijay Mallya
Chairman

Mumbai, May 29, 2012

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) of Companies Act, 1956 read along with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended March 31, 2012.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

1. Installed Polycarbonate roofing sheet for natural lighting at Himatnagar plant.
2. Maintained overall power factor above 0.95 by load management and capacitor bank control at Ankleshwar plant.
3. Pinch Cooling in Brine compressors of AC 4 to reduce cooling water consumption.
4. Maximised operation of 1.4 MW power plant to achieve better ratio for natural gas to power conversion.
5. Optimisation of cycle time for Nitrogen plants to get better conversion ratio (Air to Nitrogen).
6. Optimisation of brine compressors of AC 4 for optimum plant utilisation during AC 4 production.

(b) Additional investment and proposals for energy conservation

Nil.

(c) Impact of the measure at (a) and (b) above for reduction of Energy Consumption and consequent impact on the cost of production of goods.

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

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

FORM A

	Current Year (April 1, 2011 - March 31, 2012)	Previous Year (April 1, 2010 - March 31, 2011)
A. Power and Fuel Consumption		
1. Electricity:		
(a) Purchased: Ankleshwar Plant		
Units (KWH)	2,686,572	953,020
Total Amount (₹ in Millions)	23.47	9.04
Rate / Unit (₹)	8.74	9.49
(b) Purchased: Himatnagar Plant		
Units (KWH)	2,364,650	2,178,730
Total Amount (₹ in Millions)	14.99	12.76
Rate / Unit (₹)	6.34	5.85
(c) Own Generation: Ankleshwar Plant		
Through gas turbine/generator		
Units	8,613,572	5,972,804
Units / Sm ³ of gas	3.52	3.55
Cost / Unit	6.67	4.5
(d) Own Generation: Himatnagar Plant		
Through diesel generator		
Units (KWH)	2,436	5,172
Units / litre of diesel oil	7.29	3.31
Cost / Unit - No separate unit cost calculated since generation is marginal		
2. Coal:		
Quantity (tonnes)	-	-
Total Cost	-	-
Average Cost (₹)	-	-
3. Other fuels: Ankleshwar Plant		
Quantity (Sm ³) - Natural Gas	3,158,370	2,116,685
Total Cost (₹ in Millions)	74.20	34.30
Rate / Unit (₹)	23.49	16.20



ANNEXURE TO THE DIRECTORS' REPORT (contd.)

B. Consumption per unit of production

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

II. TECHNOLOGY ABSORPTION

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

FORM B

Research and Development (R & D)

1. Specific Areas

As the frontrunner in Innovation and Excellence, your Company continues to bring in a number of novel and effective solutions to the farmers in the field of crop protection in order to keep pace with the ever-changing and dynamic scenario. A number of early phase compounds and many new molecules and mixtures were evaluated, for use in variety of agricultural and horticultural crops covering a wide spectrum of pest and disease segments to assess the suitability of product for marketing / business.

Continuing its success in R & D, your Company secured registrations for its key products and launched new molecule viz. Fenoxaprop 8% + Metribuzin 14% EC (Accord Plus 22 EC) – a new broad spectrum herbicide for use in wheat for control of Phalaris minor and broad leaf weeds.

6 new label extensions on existing product registrations were also obtained in 2011 which include Fipronil 80 WG (Jump 80 WG) in Grapes, Imidacloprid 200 SL (Confidor 200 SL) in Tomato, Fenoxaprop 9 EC (WhipSuper 9 EC) in Cotton and Black gram which will help to expand business and provide solutions in these crops.

Additionally, your Company also secured new approvals exclusively for export to other countries which include Ethiprole 10% SC.

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

With its focus on enhancing the productivity of farmers, after a lot of sustained research and resources spent in generating scientific data, in 2011, your Company has submitted applications to register new products to be launched in future:

- a) Fluopicolide 6.25% + Propamocarb Hydrochloride 62.5% (Infinito 68.75 SC) – A highly effective fungicide for use in Potato for control of Late Blight of Potato.
- b) Tembotrione 420 SC (Laudis 420 SC) – New Herbicide for control of broad spectrum weeds in Corn.
- c) Fluopyram 200 + Tebuconazole 200 SC (Luna Experience 400 SC) – A highly effective combination fungicide for control of powdery mildew disease in Grapes.
- d) Flubendiamide 240 + Thiacloprid 240 SC (Nical 480 SC) – The first Flubendiamide mixture with Thiacloprid for control of bollworms and sucking pests on Cotton.

Besides this, 11 new applications for label extensions of existing products on new crops / pests were submitted for approval which includes amongst other Fame 480 SC on Brinjal and Bengal Gram, Oberon 240 SC in Tomato and Cotton, Alanto 240 SC in Tea, Brinjal and Soybean.

In order to improve the productivity, quality and return on investment of farmers, your Company is developing and promoting seed to harvest packages in key agriculture and horticulture crops like hybrid rice, cotton, fresh fruits and vegetables. Your Company continuously provides guidance and inputs to farming community on safe and judicious use of pesticides through various Stewardship and Sustainable agriculture projects. Your Company provides a helpline dedicated to the farming community for seeking clarifications on appropriate use of its products.

2. Future Plans

In the new scenario of recent membership of India to the Organisation for Economic Co-operation & Development which will result in Regulatory Data Harmonisation and the move towards Regulatory Data Protection and effective implementation of Patent regime by the Government, in future, your Company will be introducing some excellent high technology products in Crop Protection as well as Environmental Science.

The year 2012 has an interesting line-up with the expected approval and launch of 2 globally renowned products – insecticides viz., Betacyfluthrin 9% + Imidacloprid 21% OD (Solomon 300 OD) for control of fruit and shoot borers and sucking pests in Okra and Brinjal, Fipronil + Imidacloprid 80 WG (Lesenta 80 WG) for use in Sugarcane against white grubs besides securing key label extensions in Crop Protection and Imidacloprid 0.5% GR (Quickbayt) for control of Housefly in Environmental Science business.

ANNEXURE TO THE DIRECTORS' REPORT (contd.)

3. Expenditure on R & D	(₹ in Millions)
(a) Capital	Nil
(b) Recurring	147
(c) Total	147
(d) Total R & D Expenses are 0.65% of the Revenue from operations (Net).	

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 exports, foreign exchange earnings and expenditure have been given under Note Nos. 30 to 33 of the Financial Statements.



CORPORATE GOVERNANCE REPORT

1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is based on preserving core values and ethical business conduct, commitment to maximise member 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. Our Board judiciously exercises its fiduciary responsibilities in a spirit of trust, transparency and fair play.

At Bayer, we aim to create value through innovation, growth and high earning power. We have geared up our internal control functions and risk management to meet the progressive governance standards.

Bayer is an inventor Company with a long tradition of research. By applying science to the major global challenges, we deliver innovations that address unmet customer and market needs.

Our focus on innovation is the key to maintaining or gaining a leading position in every market in which we operate. It is also the foundation for improving the lives of millions of people.

By working sustainably and accepting our role as a socially and ethically responsible corporate citizen and by committing to our Bayer values we create benefits for the communities in which we live.

Bayer has committed itself to the values of Leadership, Integrity, Flexibility and Efficiency (LIFE). These values provide guidance to all employees, both in business dealings and in working together within the Company. All employees are obligated to align their work to the LIFE values. This is taken into account in human resources development and the regular performance evaluations.

1.1 Corporate Compliance Program

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

Bayer expects legally and ethically impeccable conduct from all of its employees in day to day business operations, as the way they carry out their duties affects the Company's reputation. By ensuring regular dialogue between employees and their supervisors and providing training courses involving the Compliance Officer, the Company endeavours to acquaint its employees with internal codes of behaviour and with the numerous statutory and regulatory requirements. This lays the foundation for managing the business responsibly and in compliance with respective applicable laws.

The Corporate Compliance Policy states that Bayer is unreservedly committed to corporate compliance and will forgo any business transactions that would violate compliance principles. The policy also details the organisational framework for corporate compliance and specifies areas in which violations of applicable law can have particularly serious adverse consequences, both for the Group as a whole as also for individual employees. The principles set forth in the Corporate Compliance Policy are designed to guide employees in their business related actions and protect them from potential misconduct.

Its core requirements are:

- adherence to antitrust regulations,
- integrity in business transactions and a ban on exerting any kind of improper influence,
- the observance of product stewardship and the commitment to the principle of sustainability,
- the commitment to ensure fair and respectful working conditions across the Group.

Employees may contact their respective supervisors or Compliance Officers for support and advice on ensuring legally compliant conduct in specific business situations.

1.2 Whistle Blower Policy

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

1.3 Policy for Prevention of Sexual Harassment

Bayer's quest for competitive excellence consists of its commitment to lawful and ethical conduct and adherence to Bayer values. Integrity, honesty and respect for people remain some of its core values. The Company is committed to provide a safe and conducive work environment to its employees and expects them to combine "Expertise with responsibility". Bayer's 'Policy for Prevention of Sexual Harassment' has been formulated 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, thereby providing a safe and healthy work environment.

CORPORATE GOVERNANCE REPORT (contd.)

1.4 Code of Conduct

In compliance with the requirements of Clause 49 of the Listing Agreement, the Company has adopted a 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 comprises of the organisational rules and actions for early identification of the risks in the course of doing business and the management of such risks. Risk management includes implementing systems to identify risks at an early stage, report them and take measures to mitigate them.

The Company has laid down procedures to inform the Audit Committee of the Board of Directors about risk assessment and minimisation procedures. These procedures have been periodically reviewed to ensure that executive management controls the risks pertinent to their business or functional operations.

The General Manager – Internal Audit is responsible for coordinating with the Heads of various departments with respect to the process of identifying key risks associated with the business, the manner of handling such risks, the adequacy of mitigating factors, recommending corrective action and reporting to the Audit Committee.

2.0 BOARD OF DIRECTORS

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

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

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

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

Details of 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:

Constitution of the Board as on March 31, 2012

Sr. No.	Name of Director	Category [@]	Age (years)	Directorship Tenure
1	Dr. Vijay Mallya, Chairman	NED-(I)	56	8 years and 3 months
2	Stephan Gerlich*, Vice Chairman	MD	53	8 years and 9 months
3	Sharad M. Kulkarni	NED-(I)	73	17 years and 7 months
4	A. K. R. Nedungadi	NED-(I)	54	8 years and 3 months
5	Vimal Bhandari	NED-(I)	53	3 years and 9 months
6	Peter Mueller *	NED	52	8 months
7	Tobias Marchand*	NED	49	8 months
8	Kaikobad B. Mistry*	WTD	52	3 years and 9 months

@

MD – Managing Director

NED – Non-Executive Director

NED-(I) – Non-Executive Independent Director

WTD – Whole-time Director

* Represents the Promoter Group

CORPORATE GOVERNANCE REPORT (contd.)

Directorships in other companies / committee position as on March 31, 2012

Sr. No.	Name of Director	No. of other Directorships		No. of other Committee Memberships	
		Chairman	Memberships	Chairman	Memberships
1	Dr. Vijay Mallya, Chairman	1	9	-	-
2	Stephan Gerlich, Vice Chairman & Managing Director	-	1	-	-
3	Sharad M. Kulkarni	-	8	4	3
4	A.K. R. Nedungadi	-	4	-	4
5	Vimal Bhandari	-	8	3	3
6	Peter Mueller	-	-	-	-
7	Tobias Marchand	-	-	-	-
8	Kaikobad B. Mistry	-	-	-	-

Notes:

- Directorships mentioned above include alternate directorships, but exclude directorships in private companies, foreign companies and section 25 companies.
- The details mentioned above are for companies other than Bayer CropScience Limited.
- Committee details consist only of Audit and Shareholders' / Investors' Grievance Committee.

2.1 Responsibilities

2.1.1 Managing Director

Mr. Stephan Gerlich, Vice Chairman & Managing Director of the Company, is also the Senior Bayer Representative 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.

2.1.2 Whole-time Director

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

2.1.3 Independent Directors

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

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

3.0 BOARD PROCEDURE

The annual calendar of meetings is agreed upon at the beginning of each year. The meetings are governed by a detailed agenda. All issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions. The agenda papers, containing detailed notes on various 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.

3.1 Information given to the Board

The Board has complete access to all information within the Company which includes amongst others the following:

- Annual operating plans, budgets and updates
- Capital budgets and updates
- Quarterly results for the Company
- 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

CORPORATE GOVERNANCE REPORT (contd.)

- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property
- Significant labour problems and their proposed solutions. Any significant development on the 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 the normal course of business
- Amount of borrowings along with the terms on which the amounts are borrowed
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements and members' service such as non-payment of dividend, delay in share transfer etc.

3.2 Attendance Record of the Directors at Meetings of the Board and the Annual General Meeting

4 Board Meetings were held during the year April 1, 2011 to March 31, 2012, the details of which are as under:

Sr. No.	Date of Meeting	Quarter	No. of days from previous Board Meeting	Maximum period permitted as per Clause 49
1	May 19, 2011	April – June	96	4 months
2	July 25, 2011	July – September	66	
3	November 9, 2011	October – December	106	
4	January 31, 2012	January – March	82	

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

The Annual General Meeting was held on August 25, 2011. The attendance of the Directors at the Board and Annual General Meetings held during the financial year ended March 31, 2012 is as under:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance	
			Board Meeting	AGM held on August 25, 2011
1	Dr. Vijay Mallya	4	4	Yes
2	Stephan Gerlich	4	4	Yes
3	Sharad M. Kulkarni	4	4	Yes
4	A.K.R. Nedungadi	4	4	Yes
5	Vimal Bhandari	4	4	Yes
6	Peter Mueller	2	-	No
7	Tobias Marchand	2	-	No
8	Kaikobad B. Mistry	4	4	Yes

4.0 DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

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

Mr. Peter Mueller and Mr. Tobias Marchand were appointed as Directors with effect from August 1, 2011 in the casual vacancies caused due to the resignations of Mr. Johannes Dietsch and Mr. Bernd Naaf respectively. Mr. Mueller and Mr. Marchand hold office till the ensuing Annual General Meeting as Directors appointed in the casual vacancies and, being eligible, offer themselves for re-appointment. Notice in writing under Section 257 of the Companies Act, 1956 has been received from the members of the Company signifying their intention to propose the candidature of Mr. Mueller and Mr. Marchand for the office of Directors, upon which they would be liable to retirement by rotation.

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

4.1 Mr. Sharad M. Kulkarni

Mr. Sharad M. Kulkarni, Non-Executive Independent Director, has a Degree in Engineering (B.E.) from University of Pune and is a Fellow of the Institute of Engineers, India. He was a Fellow of Institution of Management, UK and Fellow of Institute of Directors, UK.



CORPORATE GOVERNANCE REPORT (contd.)

He is a Business Advisor and Management Consultant. He is on the Board of several Indian and International companies and is associated with several NGOs and Educational Trusts. He has held senior positions of CEO and President with major International and Indian Corporate entities during his career span of 40 years.

His area of expertise covers Business Development, International Alliance Management, Strategic Planning, Management and Technology Institutions of Learning, Venture Funding and Corporate Governance.

As on March 31, 2012, he is on the Board of the following companies:

- Camlin Fine Sciences Limited
- INEOS ABS (India) Limited
- Hindustan Construction Company Limited
- KEC International Limited
- Navin Fluorine International Limited
- HCC Real Estate Limited
- J. M. Financial Trustee Company Private Limited
- Lavasa Corporation Limited
- Raychem RPG Private Limited
- RPG Enterprises Limited

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

Sr. No.	Name of Company	Committee	Chairman / Member
1	INEOS ABS (India) Limited	Audit	Chairman
2	INEOS ABS (India) Limited	Remuneration	Member
3	Hindustan Construction Company Limited	Audit	Chairman
4	Hindustan Construction Company Limited	Remuneration	Member
5	Hindustan Construction Company Limited	ESOPs Allotment	Member
6	KEC International Limited	Audit	Member
7	KEC International Limited	Remuneration	Member
8	Navin Fluorine International Limited	Audit	Member
9	Navin Fluorine International Limited	Remuneration	Member
10	Camlin Fine Sciences Limited	Audit	Chairman
11	Camlin Fine Sciences Limited	Remuneration	Member
12	Lavasa Corporation Limited	Audit	Chairman
13	HCC Real Estate Limited	Audit	Member

4.2 Mr. Vimal Bhandari

Mr. Vimal Bhandari, aged 53 years, is a Commerce graduate from Mumbai University and a Chartered Accountant. Mr. Bhandari is a proficient and a proven top management professional with over twenty five years of experience in a range of businesses in the financial services industry.

He is currently the CEO and Managing Director of Indostar Capital Finance, a wholesale credit institution sponsored by private equity houses like Everstone, Goldman Sachs, Ashmore and others with an initial capitalization of ₹ 9,000 Millions.

Prior to joining Indostar Capital, he was the Country Head of AEGON N.V., the large Dutch financial services player, which has established a life insurance business in India.

In his early career, Mr. Bhandari was with IL&FS, the Indian infrastructure financing and financial services institution, of which twelve years were spent as the Executive Director on the Board of Directors of the Company. He was directly responsible for the financial services business of IL&FS.

He is on the Board of various public limited companies as an Independent Director, including Patni Computer Systems, Eveready Industries, DCM Shriram Consolidated, Kalpataru Power Transmission, MIRC Electronics, Piramal Glass, The Ratnakar Bank and JK Tyre & Industries.

Mr. Bhandari is a member of the Executive Committee and the Listing Committee of National Stock Exchange of India Ltd. He is also a member of the Executive Committee of FICCI.

As on March 31, 2012, Mr. Bhandari is on the Board of the following companies:

- IndoStar Capital Finance Private Limited
- MIRC Electronics Limited

CORPORATE GOVERNANCE REPORT (contd.)

- Kalpaturu Power Transmission Limited
- DCM Shriram Consolidated Limited
- Eveready Industries India Limited
- Patni Computer Systems Limited
- The Ratnakar Bank Limited
- Piramal Glass Limited
- AEGON India Private Limited
- JK Tyre & Industries Limited
- ING Investment Management (India) Private Limited

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

Sr. No.	Name of Company	Committee	Chairman / Member
1	MIRC Electronics Limited	Audit	Chairman
2	MIRC Electronics Limited	Remuneration	Member
3	Kalpataru Power Transmission Limited	Audit	Member
4	Kalpataru Power Transmission Limited	Nomination & Compensation	Member
5	Patni Computer Systems Limited	Audit	Member
6	Patni Computer Systems Limited	Compensation & Remuneration	Chairman
7	Patni Computer Systems Limited	Shareholders' / Investors Grievance	Member
8	Patni Computer Systems Limited	Nominating & Governance	Member
9	The Ratnakar Bank Limited	Audit	Chairman
10	The Ratnakar Bank Limited	HR Committee of Board	Member
11	Piramal Glass Limited	Audit	Chairman
12	Piramal Glass Limited	Nomination and Remuneration	Chairman
13	IndoStar Capital Finance Private Limited	ALCO	Member

4.3 Mr. Peter Mueller

Mr. Mueller joined Bayer AG as a commercial trainee in 1979 and spent two years in Corporate Auditing thereafter. He then moved to Japan where he worked for seven years with three Bayer subsidiaries in the field of Finance & Accounting. After a further period of three years at the German Bayer headquarters in Central Controlling, Mr. Mueller became the Deputy General Manager of Bayer's newly founded holding company in Beijing, China. In the following five years, he established the administrative country platform and helped to negotiate and finance twelve joint venture companies.

Mr. Mueller joined the Finance Division at Bayer AG as Head of Corporate Financial Controlling in 1999 before being appointed the Head of Corporate Finance in 2002 and Head of Finance in 2011.

As on March 31, 2012, Mr. Mueller is on the Board of the following companies:

- Bayer China Limited, China
- Bayer Philippines Inc., Philippines
- Bayer Nordic SE, Finland
- Bayer Pensionskasse, Germany
- Pallas Versicherung Aktiengesellschaft, Germany
- Bayer Pension Trust e.V., Germany
- Bayer Innovation GmbH, Germany

He is also a Member of the Shareholders' committee of Bayer Innovation GmbH.

4.4 Mr. Tobias Marchand

Mr. Tobias Marchand joined Bayer in its Business Management training program in 1982. From Monheim, he was posted to Philippines for a logistics role, thereafter becoming Deputy to the Division Head of Crop Protection, and with it acquiring the opportunity to be directly involved in all aspects of the business.

In 1991, he became Country Head Crop Protection in Philippines until he returned to Germany in 1994 to take charge of cereal herbicide global product management. Two years later, he was transferred to Columbia to head the Andean Region consisting of Colombia, Peru, Venezuela and Ecuador, before being posted back to Monheim in 2000 as the Global Head of BPA in Bayer Crop Protection.



CORPORATE GOVERNANCE REPORT (contd.)

In 2002, Mr. Marchand was transferred to Bayer AG in charge of Regional Coordination for Latin America and Mexico where he took on the Lanxess carve-out project, helping to define the legal structure and operational aspects. He returned to CropScience in 2004 as Country Head Germany / Austria in March 2005 until his present move to Singapore.

As on March 31, 2012, Mr. Marchand is on the Board of the following companies:

- Bayer (South East Asia) Pte. Ltd., Singapore
- Bayer CropScience Ltd., Korea
- Bayer CropScience Pty. Ltd., Australia

5.0 REMUNERATION OF DIRECTORS

5.1 Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors during the year ended March 31, 2012

a) Non-Executive Independent Directors

The Non-Executive Directors do not draw any remuneration from the Company. The Non-Executive Independent Directors are entitled to sitting fees of ₹ 20,000 for each Board, Remuneration Committee and Audit Committee meetings attended. With effect from April 1, 2010, the Non-Executive Independent Directors are also entitled to commission of an amount as may be determined by the Board from time to time, subject to a ceiling of 1% of the net profits of the Company. The details of the commission paid for the financial year ended March 31, 2012 are given in the table below:

(₹ in Millions)

Sr. No.	Name of Director	Sitting Fees	Commission	Total
1	Dr. Vijay Mallya	0.08	0.50	0.58
2	Sharad M. Kulkarni	0.24	0.50	0.74
3	A.K.R. Nedungadi	0.24	0.50	0.74
4	Vimal Bhandari	0.24	0.50	0.74

b) Executive Directors

Mr. Stephan Gerlich, Vice Chairman & Managing Director and Mr. Kaikobad B. Mistry, Whole-time Director were paid remuneration for the year ended March 31, 2012 as per their respective agreements with the Company, which has been approved by the Board as well as the Members.

(₹ in Millions)

Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
1	Stephan Gerlich	Managing Director	36.63	13.54	50.17	July 1, 2009 to June 30, 2014
2	Kaikobad B. Mistry	Whole-time Director	17.40	11.09	28.49	July 1, 2008 to June 30, 2013

5.2 Service contract, notice period and severance fees

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

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

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

6.0 COMMITTEES OF THE BOARD

6.1 Audit Committee

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

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

CORPORATE GOVERNANCE REPORT (contd.)

The Committee held 5 meetings during the year ended March 31, 2012. The meetings were held on April 21, 2011, May 17, 2011, July 25, 2011, November 9, 2011 and January 31, 2012. The attendance at the meetings was as under:

Sr. No.	Name of Member	Audit Committee Meetings held in Director's tenure	No. of meetings attended
1	Sharad M. Kulkarni	5	5
2	A.K.R. Nedungadi	5	5
3	Vimal Bhandari	5	5
4	Tobias Marchand	2	-

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

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

Role of the Audit Committee:

- 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
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Approval of payment to Statutory Auditors for any other services rendered by them
- 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 judgement by Management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the Management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with Internal Auditors on any significant findings and follow up there on
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism
- Reviewing internal audit reports relating to internal control weaknesses
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

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

The Chairman of the Audit Committee, Mr. Sharad M. Kulkarni, was present at the Annual General Meeting of the Company held on Thursday, August 25, 2011.



CORPORATE GOVERNANCE REPORT (contd.)

6.2 Shareholders' / Investors' Grievance Committee

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

Details of the composition of the Shareholders' / Investors' Grievance Committee is as under:

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

The Committee held 4 meetings during the financial year ended March 31, 2012. The meetings were held on May 17, 2011, July 25, 2011, November 9, 2011 and January 31, 2012. The attendance at the meetings was as under:

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

During the financial year ended March 31, 2012, the Company received 4 grievances, all of which have been resolved to the satisfaction of the members. The details of the same were also placed before the Board.

A comparative statement of the various complaints received and resolved by the Company during the financial year ended March 31, 2012 is given below:

Nature of Complaints	April 1, 2011 to March 31, 2012	
	Received	Resolved
Letters from SEBI	3	3
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 has been delegated to 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. The composition of the aforementioned Committee is as under:

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

6.4 Remuneration Committee

The Company has a Remuneration Committee to approve the remuneration of managerial person(s). The composition of the Remuneration Committee is as under:

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

CORPORATE GOVERNANCE REPORT (contd.)

The Committee held 3 meetings during the financial year ended March 31, 2012. The meetings were held on May 17, 2011, July 25, 2011 and January 31, 2012. The attendance at the meetings was as under:

Sr. No.	Name of Member	Remuneration Committee Meetings held in Member's tenure	No. of meetings attended
1	Vimal Bhandari	3	3
2	Sharad M. Kulkarni	3	3
3	A.K.R. Nedungadi	3	3
4	Tobias Marchand	1	-

7.0 COMPLIANCE OFFICER

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

8.0 GENERAL SHAREHOLDER INFORMATION**8.1 Annual General Meeting**

Date of AGM : Friday, August 24, 2012
 Venue and time : Rangaswar Hall, 4th floor, Y. B. Chavan Centre,
 Near Mantralaya, Gen. J. Bhonsale Marg,
 Mumbai - 400 021 at 2.00 p.m.

8.2 Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 10, 2012 to Friday, August 24, 2012 (both days inclusive).

8.3 Proposed Date of Dividend Payment

The dividend of ₹ 4.20 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 54th Annual General Meeting to be held on Friday, August 24, 2012 will be paid at par within 30 days of the said date:

- (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Friday, August 24, 2012
- (ii) in respect of shares held in dematerialised form, to the beneficial owners of the shares as at the close of business hours on Thursday, August 9, 2012 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8.4 Financial Calendar

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

8.5 Board Meetings for Quarterly Results

(Tentative and subject to change)

Quarter ending June 30, 2012	On or before August 15, 2012
Half year ending September 30, 2012	On or before November 15, 2012
Third quarter ending December 31, 2012	On or before February 15, 2013
Year ending March 31, 2013	On or before May 30, 2013
Annual General Meeting for the financial year ending March 31, 2013	On or before September 30, 2013

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

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

Scrip Code : 506285
 Scrip ID : BAYER
 ISIN : INE462A01022 (NSDL & CDSL)

The Company has paid the annual listing fees.



CORPORATE GOVERNANCE REPORT (contd.)

8.8 Stock Price Data

The monthly high and low prices of the Company's shares on BSE from April 1, 2011 to March 31, 2012 was as under:

Month	Share Prices (in ₹)	
	High	Low
April	999.00	900.00
May	957.00	807.50
June	927.00	812.00
July	960.00	850.15
August	917.00	722.15
September	860.00	750.00
October	874.70	789.20
November	874.65	765.00
December	790.00	673.05
January	818.00	724.00
February	857.30	772.05
March	870.75	762.00

8.9 Stock Performance

BCS Share Price vis-a-vis BSE April 1, 2011 to March 31, 2012



8.10 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:

TSR DARASHAW LIMITED (Unit – Bayer CropScience Limited)
 6-10, Haji Moosa Patrawala Industrial Estate,
 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi,
 Mumbai - 400 011.
 Tel No. : 022-6656 8484
 Fax No. : 022-6656 8494
 e-mail: csg-unit@tsrdarashaw.com
 Website: www.tsrdarashaw.com
 Contact Person: Ms. Madhuri Narang

CORPORATE GOVERNANCE REPORT (contd.)

Investors may also contact the following TSRDL branch offices:

a) Branch Offices of TSRDL

- | | |
|--|---|
| <p>1. TSR DARASHAW LIMITED
503, Barton Centre (5th Floor)
84, Mahatma Gandhi Road,
Bangalore – 560 001.
Tel. No.: 080 – 2532 0321
Fax No. : 080 – 2558 0019
e-mail : tsrdlbgang@tsrdarashaw.com</p> <p>3. TSR DARASHAW LIMITED
Tata Centre, 1st Floor,
43, J.L. Nehru Road,
Kolkata – 700 071.
Tel. No.: 033 – 2288 3087
Fax No. : 033 – 2288 3062
e-mail : tsrdlcal@tsrdarashaw.com</p> | <p>2. TSR DARASHAW LIMITED
Bungalow No.1,
“E” Road, Northern Town, Bistupur,
Jamshedpur – 831 001.
Tel. No. : 0657-242 6616
Fax No. : 0657-242 6937
e-mail : tsrdljsr@tsrdarashaw.com</p> <p>4. TSR DARASHAW LIMITED
2/42, Sant Vihar,
Ansari Road, Daryaganj,
New Delhi – 110 002.
Tel. No.: 011 – 2327 1805
Fax No. : 011 – 2327 1802
e-mail : tsrdldel@tsrdarashaw.com</p> |
|--|---|

b) Agents of TSRDL

Shah Consultancy Services Limited
3 Sumatinath Complex,
2nd Dhal, Pritam Nagar, Ellisbridge
Ahmedabad – 380 006.
Telefax : 079-2657 6038
e-mail : shahconsultancy8154@hotmail.com

8.11 Share Transfer System

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

8.12 Distribution of shareholding as on March 31, 2012

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1 - 500	20,101	1,686,564	93.80
501 - 1000	711	526,295	3.32
1001 - 2000	355	505,800	1.65
2001 - 3000	70	174,201	0.33
3001 - 4000	38	134,539	0.18
4001 - 5000	25	114,973	0.12
5001 - 10000	63	450,841	0.29
10,001 and above	68	35,905,534	0.32
Total	21,431	39,498,747	100.00



CORPORATE GOVERNANCE REPORT (contd.)

Shareholding Pattern as on March 31, 2012

Category of Shareholder	Number of Shareholders	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(A) Promoter and Promoter Group				
(1) Indian Body Corporate	1	654,850	654,850	1.66
(2) Foreign Body Corporate	3	27,431,812	27,431,812	69.45
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4	28,086,662	28,086,662	71.11
(B) Public Shareholding				
(1) Institutions				
(a) Mutual Funds / UTI	23	2,239,744	2,239,454	5.67
(b) Financial Institutions / Banks	25	23,914	18,950	0.06
(c) Insurance Companies	10	2,425,366	2,425,016	6.14
(d) Foreign Institutional Investors	31	1,627,310	1,626,394	4.12
Sub-total (B)(1)	89	6,316,334	6,309,814	15.99
(2) Non-Institutions				
(a) Bodies Corporate	514	1,506,363	1,496,852	3.82
(b) Individuals –				
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	20,802	3,209,081	2,683,979	8.12
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	16	374,939	347,779	0.95
(c) Any Other				
i. Director	1	53	0	0.00
ii. Trusts	5	5,315	5,249	0.01
Sub-total (B)(2)	21,338	5,095,751	4,533,859	12.90
Total Public Shareholding (B) = (B)(1)+(B)(2)	21,427	11,412,085	10,843,673	28.89
Total (A)+(B)	21,431	39,498,747	38,930,335	100.00

8.13 List of Top 10 Shareholders as on March 31, 2012

Sr. No.	Name of Shareholders	Number of Shares	Percentage to Total Share Capital
1	Bayer CropScience AG	11,236,586	28.45
2	Bayer AG	8,272,560	20.94
3	Bayer SAS	7,922,666	20.06
4	Bajaj Allliance Life Insurance Company Limited	1,210,894	3.07
5	Life Insurance Corporation of India	724,248	1.83
6	Bayer MaterialScience Private Limited	654,850	1.66
7	SBIMF Magnum Sector Fund Umbrella Contra	649,003	1.64
8	Pinebridge Investments Asia Limited A/c Pinebridge Investments GF Mauritius Limited	583,160	1.48
9	Indian Syntans Investments (P) Limited	450,298	1.14
10	Meenakshi Narayanan Investments (P) Limited	411,539	1.04
		32,115,804	81.31

CORPORATE GOVERNANCE REPORT (contd.)

8.14 Pledge of Equity Shares

None of the Equity Shares held by the Promoters and / or Promoter Group as on March 31, 2012 have been pledged or otherwise encumbered.

8.15 Dematerialisation of Shares and Liquidity

As per the Notification received from SEBI, the shares of the Company are traded compulsorily in dematerialised form with effect from March 21, 2000. Your Company has signed an Agreement with both the Depositories in the country, viz. NSDL and CDSL. The Members have an option to get the shares dematerialised with any of the Depositories.

The conversion of the shares from physical form to electronic form is known as Dematerialisation. The Member 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 Member has to handover the physical share certificates along with the Demat Request Form to his DP, who in turn will forward the documents to TSRDL, both physically and electronically. On receipt of the physical documents and electronic request routed through the Depository, TSRDL shall dematerialise the shares and give a credit into the member's demat account maintained with the DP.

As of March 31, 2012, 38,930,335 shares (98.56%) issued by the Company have been dematerialised.

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

Not Applicable

8.17 Plant Locations

- (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.

8.18 Address for correspondence:

Investors can correspond with

1. The Company at the following address:
Bayer CropScience Limited
Law, Patents & Compliance Department
Bayer House, Central Avenue,
Hiranandani Gardens,
Powai, Mumbai – 400 076.
Tel. No. : 91 22 2571 1393
Fax No. : 91 22 2570 0147
e-mail : investor.relations@bayer.com
Website : www.bayer.co.in
2. TSRDL at their following address:
TSR Darashaw Limited (Unit – Bayer CropScience Limited)
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi,
Mumbai – 400 011.
Tel. No. : 91 22 6656 8484
Fax No. : 91 22 6656 8494
e-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

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

The Company has a specific investor grievance e-mail ID as under:

investor.relations@bayer.com



CORPORATE GOVERNANCE REPORT (contd.)

9.0 OTHER DISCLOSURES

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

Year	Venue	Date	Time
2011	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai 400 021.	August 25, 2011	12.00 noon
2010	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai 400 021.	September 28, 2010	2.00 p.m.
2009	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai 400 021.	September 8, 2009	11.00 a.m.

9.2 Special resolutions passed in the previous 3 Annual General Meetings

- i. Payment of commission to the Company's Non-Executive Independent Directors, in addition to the sitting fees paid to them. Passed unanimously. (AGM held on September 28, 2010).
- ii. Re-appointment of Mr. Stephan Gerlich as Vice Chairman & Managing Director and revision / payment of remuneration. Passed unanimously. (AGM held on September 8, 2009).
- iii. Variation in terms and conditions of appointment of Mr. Kaikobad B. Mistry, Whole-time Director. Passed unanimously. (AGM held on September 8, 2009).

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 Standards 18 are disclosed in the Notes to Financial Statements.

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".

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 3 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 BSE 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.

Corp Filing: The information relating to shareholding pattern, results etc. of the Company is periodically posted with the Corporate Filing & Dissemination System (CFDS) at www.corpfiling.com as required under the Listing Agreement.

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

9.8 Office of the Chairman

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

For and on behalf of the Board
Bayer CropScience Limited

Dr. Vijay Mallya
Chairman

Mumbai, May 29, 2012

CORPORATE GOVERNANCE REPORT (contd.)**RECOMMENDATIONS TO THE INVESTORS / SHAREHOLDERS**

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To The Members of Bayer CropScience Limited,

I have examined the compliance of conditions of Corporate Governance by Bayer CropScience Limited for the financial year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited, made applicable to all listed companies with effect from April 1, 2006.

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

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

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

For Nilesh A. Pradhan & Co.,
Practicing Company Secretary

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

Mumbai, May 24, 2012



CORPORATE GOVERNANCE REPORT (contd.)

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

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

1. We have reviewed the Balance Sheet as at March 31, 2012, Profit and Loss Account for the financial year ended on that date along with all its schedules, notes to financial statements as well as cash flow statements and Directors' Report for the financial year and based on our knowledge and information confirm that:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. Based on our knowledge and information, there are no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We, 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 financial 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 financial year under review;
 - b) significant changes in accounting policies during the financial year under review and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
6. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
7. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct for the year under review.

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

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

Mumbai, May 29, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1.0 OVERVIEW OF AGRICULTURAL SECTOR

The story of India remains encouraging. These are challenging times: the economy is going through a phase of slowing growth and high inflation combined with a global prospect that is not entirely supportive of economic enhancement. Despite these factors, the GDP growth for 2011-12 is estimated at 6.5%, which will support further growth in the agriculture sector.

The agricultural sector has continued its steady growth, estimated to be around 3%, for 'agriculture and allied activities', according to the Central Statistical Organisation. The main impetus for growth during 2011-12 emanated from agriculture, which showed an above-trend growth rate, thanks to a normal monsoon. The year also witnessed record production in wheat, coarse cereals, pulses and cotton.

With the announcement made by the Planning Commission, growth in the agricultural sector has made up for the shortfall in industrial output.

The second advance estimates released by the Ministry of Agriculture, state that India is likely to produce 250.4 million tonnes of foodgrain compared to 232.1 million tonnes last year, which in itself was considered as an all-time record. Wheat production is expected to reach 88.3 million tonnes, pulses 17.3 million tonnes, oilseeds 30.5 million tonnes and rice is estimated at 102.8 million tonnes. Production of cotton reached a record of 34.1 million bales (of 170 kg each) this year.

Various initiatives launched by the Government of India such as Rashtriya Krishi Vikas Yojana (launched in 2007) to boost agricultural growth rate are showing significant results. In addition, the Government of India's encouragement towards incentivising states to increase public investment in agriculture, extending the Green Revolution to eastern states such as West Bengal and Assam, the National Horticultural Mission to promote fruits and vegetables and the increased Minimum Support Prices (MSP) for farmers have been contributing to the holistic development in this sector.

The above initiatives, coupled with private sector participation, have shown significant improvement. These are expected to boost the growth of Indian agricultural sector in 2012.

2.0 INDUSTRY DEVELOPMENT

The Indian crop protection market has been growing steadily at nearly 14% during the last 4 years. However, in 2011-12, the crop protection season has slowed down to a single digit growth rate, mainly due to the uneven spread of the south west monsoon, relatively less favorable commodity prices and especially critical cropping condition during the recent Rabi season. It is important to emphasise that the overall positive market trends in the agricultural sector are fully in place and the agrochemicals industry is well synchronized to match with them. A number of reasons have been attributed to the long-term positive market trend, such as good commodity prices and Minimum Support Price from the Government of India, that has been helping farmers to choose qualitative inputs as well as increasing awareness amongst farmers about development in cropping patterns.

Indian agrochemical companies have been contributing substantially towards generating awareness among farmers about sound crop protection practices. Diversity of crops across newer geographical areas has brought in a gainful period for the agricultural sector and in particular to the crop protection industry.

Newer chemistry is entering the markets, as companies focus on innovation. Farmers today are more educated and their acceptance towards newer trends is much higher than ever before. Quality has become a watchword for farmers, as exports of fruits and vegetables are increasingly offering price advantages to them. Their power of choice has also contributed to an ever-expanding range of crop protection products.

The option for greater use of herbicides is on account of labour shortage spurred by Mahatma Gandhi National Rural Employment Guarantee Scheme as also greater employment opportunities in the manufacturing and service sectors across the country.

There is also a higher acceptance for new products. Farmers are now well aware about the demand for quality of produce in fruit and vegetable segments and are increasingly opting for fungicides, which has remarkably spurred the growth of this segment.

The Public Health business segment in India grew during the financial year 2011-12 because of continued incidences of vector borne diseases like malaria and dengue. Bednets have emerged as the most significant new category due to increase in global funding in order to cover the rural population susceptible to malaria. Local Bodies on the other hand have continued practicing 'Larvicides & Space Spraying' in order to protect the urban citizens from malaria as well as dengue. Indoor Residual Spraying as a practice was observed mostly in the form of 'DDT' in areas like Bihar and Orissa prone to 'Kala Azar'.

Professional Pest Control (PPC) business also continued its positive growth curve in both commercial and residential segments. Synthetic pyrethroids are still used for active treatments of various pests. A latent demand for 'natural / alternative products' is met by unbranded products in the unorganised sector. Termite control products business keeps growing with the increase in new constructions. Bedbugs are posing a major threat to households and hospitality industry and are emerging as a key segment apart from roaches and rodents. The segment grew overall by 12% as compared to last year.

3.0 REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

Total revenue for the financial year ended March 31, 2012 amounted to ₹ 23,176 Millions as compared to ₹ 21,578 Millions for the last financial year and profit after tax for the financial year increased to ₹ 1,390 Millions as against ₹ 1,316 Millions for the last financial year.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (contd.)

As a key player in the agricultural industry, Bayer CropScience plays an important role in driving innovation to improve agricultural productivity. The Company has invested significantly in partnerships with premier global research institutes on key staple crops such as wheat and rice. Such collaboration has already led to visible results that will enable these crops to better withstand disease and provide enhanced yields.

In 2011, your Company launched two herbicides – Accord Plus – a post emergent herbicide that is an excellent Resistant Phalaris Management tool in wheat and Solitude – a Herbicide that rids Soybean fields from weeds. Both these products have been well accepted by the farmers in India. This was the first year after Bayer CropScience proactively phased out WHO Class 1 products in 2010, while offering more innovative and safer solutions.

Plans are on anvil to launch two new innovative products Lesenta and Solomon, both insecticides, in the second half of 2012. These products are expected to grow rapidly across various geographic regions and create value for both farmers and shareholders.

Through innovative products and services, your Company has established itself as a comprehensive solutions provider offering 'Seed to Shelf' products.

Your Company has launched a novel rice hybrid – Arize 6444 Gold, which very successfully complemented the seed portfolio. The First-of-its-kind in India, Arize 6444 Gold offers a holistic solution to rice farmers by assuring a high yield advantage and offering protection from BLB (Bacterial Leaf Blight), a dreaded rice disease causing considerable yield loss (20-60%) annually. Arize 6444 Gold was very well accepted by the farmers.

The Food Chain Partnership is an innovative business model of your Company that has achieved significant milestones in the last couple of years of implementation. Through this programme, your Company is working closely with the farming community, advising them about sustainable agricultural practices, the proper use of crop protection products and pest monitoring.

For traceability and record management, a "passport" was developed in local languages by your Company, which was issued to every project farmer. As a result, farmers have been able to increase the production of high-quality vegetables and fruits like potatoes and grapes in a sustainable manner. Food Chain companies have been able to increase the availability of fresh and healthy vegetables, meeting the consumer's requirements of food quality, safety, traceability and sustainability.

A global Food Chain Partnership project between your Company and UNIVEG Group has borne new fruit with the successful first shipment of high-quality grapes from India to Europe. This milestone reflects your Company's commitment to generating value for its partners in the entire food value chain.

Your Company has also been implementing many exceptional business excellence initiatives. These initiatives are giving us deeper knowledge of markets that are contributing actively in increasing the business and adding to our competitive edge.

The Environmental Science Division maintains its position as the market leader in the areas of public health and PPC. The sales of the business division grew by 10% in the year 2011 vs. 2010. Your Company continued to sponsor major symposia and seminars to promote general awareness, product knowledge and international trends in vector borne disease management. These activities helped the Company increase its reach amongst 'Local Bodies', thus reflecting a growth in the vector control segment, inspite of a limited portfolio of products. Further, your Company also made major inroads in new segments like Poultry – helping its core brand in the segment 'Bilarve' grow well.

In the PPC segment, your Company increased its footprint, by focusing on expansion of reach and engaging directly with large Pest Management Professionals (PMPs). These activities yielded good results in growing the Pest Control Operations (PCO) business for the Company. While the PCO category grew by just 11%, Bayer outgrew the category by growing at 23%. Your Company's pilot 'Bayer Network' has yielded good results. The Company has been able to increase its sales by 200% among the 'Bayer Network' PCOs in comparison to 65% growth in sales to PCO's in the pilot town – Delhi.

4.0 OPPORTUNITIES AND OUTLOOK

The outlook for crop protection companies continues to be positive. Innovation-driven companies will achieve better consolidation in terms of value capture, say experts. Better quality molecules and the range of products well-suited for high-value agriculture will ensure growth. Swelling farm incomes, encouraged by good commodity prices, will further embolden farmers in spending on qualitative and innovative crop protection products.

Increasing employment opportunities in rural areas, encouraged by progressive government policies and actions and coupled with high economic growth, are expected to influence labour availability for agricultural business. Usage of selective and non-selective herbicides consequently, will get a major impetus due to this phenomenon.

Quality-conscious consumers will impact the market. This will boost fungicides segment and create opportunities for the crop protection products in Horticultural crop cultivation.

While the government has taken proactive steps to give remunerative prices to farmers, the full benefit will flow to them with the strengthening of procurement and improved distribution systems.

Your Company is well positioned as an innovation leader in the industry. By implementing a comprehensive business strategy, your Company is poised strongly in the market with an extensive pipeline of products that are being developed keeping in sight the evolving market trends. Your Company's focus on innovation will ensure that it benefits from the existing growth trends.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (contd.)

With more than 3,500 sales managers and field advisers, as well as a large distribution network, your Company has the deepest reach in the Indian market. This helps in providing necessary insight into farmer needs and the capability to respond accordingly.

An increased reach, focus on large and medium sized customers as Key Accounts and a growing PMP segment are some of the main contributors that will help Bayer consolidate its position in 2012 and onwards. This year the outlook seems bright, as your Company is reintroducing some earlier products, as also launching new ones. Bayer is also introducing new tools like the 'Safety Card' to help the Company make further inroads in the PMP segment.

5.0 RISKS, CONCERNS AND THREATS

Growth of generics will continue to put pressure on companies. This will create a downward pressure on prices and is expected to remain so in the short and medium term.

Globally, the parent company of Bayer CropScience is currently restructuring its Crop Protection business – by phasing out older products, increasing its focus on key brand families, extending its geographic presence further into emerging markets and developing its supply chain operations to a position of industry leadership. The Indian entity is sure to benefit from this development.

Your Company is striving to leverage customer-centric approach across the value chain to deliver solutions from seed-to-shelf. This involves increased grower orientation and advisory, improved channel management practices as well as state-of-the-art customer relationship tools, leveraging the trusted expertise of the Bayer brand.

A plethora of Generics is the biggest concern for the Environmental Science Division.

6.0 INTERNAL CONTROL SYSTEMS

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. The Audit Committee of the Board of Directors approves the internal audit plan and internal audits are conducted at regular intervals across various locations and, accordingly, audit observations and follow-up actions are discussed with the Management of the Company as well as the Audit Committee.

7.0 MATERIAL DEVELOPMENT ON HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations situation was cordial and harmonious and continues to be so at present. Extensive training was given to workers on cross functional roles. Topics included LIFE (Leadership, Integrity, Flexibility, Efficiency) values, energy conservation, personal effectiveness, corporate compliance, first aid, safe driving, QHSE, emergency handling & firefighting, health & employee safety and risk assessment. The Company appreciates the contributions and initiatives made by all employees towards achieving improved productivity, flexibility in operations and overall business performance of your Company.

CAUTIONARY STATEMENT

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



Bayer Group of Companies in India and Worldwide

Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Company name	Country	Company name	Country	Company name	Country
Bayer Algeria S.P.A.	Algeria	Bayer SARL	France	HTV Gesellschaft für Hochtemperaturverbrennung mbH	Germany
Bayer S.A.	Argentina	GIE AIFOR	France	Intendis GmbH	Germany
Instituto Rosenbusch SA	Argentina	Medrad France S.A.R.L.	France	Intraserv GmbH & Co. KG	Germany
Bayer Australia Limited	Australia	Nunhems France S.A.R.L.	France	Intraserv Verwaltungs-GmbH	Germany
Bayer CropScience Holdings Pty Ltd	Australia	PYCO SA	France	INVITE GmbH	Germany
Bayer CropScience Pty Limited	Australia	Secmer SARL	France	Jenapharm GmbH & Co. KG	Germany
Bayer MaterialScience Pty Ltd	Australia	Agreva GmbH	Germany	KeyNeurotek Pharmaceuticals AG	Germany
Bomac Animal Health Pty. Limited	Australia	AgrEvo Verwaltungsgesellschaft mbH	Germany	KOSINUS Grundstücks-Verwaltungsgesellschaft mbH	Germany
Bomac Laboratories Pty. Limited	Australia	Alcaffeu Management GmbH & Co. KG	Germany	KOSINUS Grundstücks-Verwaltungsgesellschaft mbH & Co. Gamma OHG	Germany
Bomac Pty. Ltd.	Australia	Ausbildungsinitiative Rheinland GmbH	Germany	KVP Pharma+Veterinär Produkte GmbH	Germany
Bomac Research Pty. Ltd.	Australia	Bayer 04 Immobilien GmbH	Germany	Lilienthalstraße Nr. 4 GmbH	Germany
Cotton Growers Services Pty. Limited	Australia	Bayer 04 Leverkusen Fußball GmbH	Germany	Lilienthalstraße Nr. 4 Verwaltungs GmbH	Germany
Imaxxon Pty. Ltd.	Australia	Bayer 04 Leverkusen Sportförderung gGmbH	Germany	Marotrast GmbH	Germany
Schering Pty. Limited	Australia	Bayer 04 Marketing GmbH	Germany	Medrad Medizinische Systeme GmbH	Germany
U I M Agrochemicals (Aust) Pty Ltd.	Australia	Bayer Aktiengesellschaft	Germany	MENADIER Heilmittel GmbH	Germany
Bayer Austria Gesellschaft m.b.H.	Austria	Bayer Altersversorgung GmbH	Germany	Neunte Bayer VV GmbH	Germany
Bayer CropScience Ltd.	Bangladesh	Bayer Animal Health GmbH	Germany	Pallas Versicherung Aktiengesellschaft	Germany
Bayer Antwerpen NV	Belgium	Bayer Beteiligungverwaltung Goslar GmbH	Germany	Partner für Berlin Holding Gesellschaft für Hauptstadt-Marketing mbH	Germany
Bayer CropScience NV	Belgium	Bayer BioScience GmbH	Germany	pharma mall Gesellschaft für Electronic Commerce mbH	Germany
Bayer MaterialScience NV	Belgium	Bayer Bitterfeld GmbH	Germany	Pharma-Verlagsbuchhandlung GmbH	Germany
Bayer NV	Belgium	Bayer Business Services GmbH	Germany	PharmLog Pharma Logistik GmbH	Germany
Indaver N.V.	Belgium	Bayer Chemicals Aktiengesellschaft	Germany	Salzgewinnung Westfalen Verwaltungs GmbH	Germany
Medrad Belgium BV	Belgium	Bayer CropScience Aktiengesellschaft	Germany	Salzgewinnungsgesellschaft Westfalen mbH & Co. KG	Germany
Bayer Boliviana Ltda	Bolivia	Bayer CropScience Beteiligungsgesellschaft mbH	Germany	Sauerstoff- und Stickstoffrohrlaufgesellschaft mbH	Germany
Bayer d.o.o. Sarajevo	Bosnia & Herzegowina	Bayer CropScience Deutschland GmbH	Germany	SBB Abfallerzeuger GbR	Germany
Bayer Distribuidora de Produtos Quimicos e Farmacêuticos Ltda.	Brazil	Bayer CropScience Raps GmbH	Germany	Schering International Holding GmbH	Germany
Bayer Imóveis Ltda.	Brazil	Bayer CropScience Vermögensverwaltungsgesellschaft mbH	Germany	Schering-Kahlbaum Gesellschaft mit beschränkter Haftung	Germany
Bayer S.A.	Brazil	Bayer Direct Services GmbH	Germany	Sieble Bayer VV GmbH	Germany
Campo Limpo - Reciclagem e Transformacao de Plasticos S.A.	Brazil	Bayer Gastronomie GmbH	Germany	Sportrechte Vermarktungs- und Verwertungs-GmbH & Co. oHG	Germany
Farmaco Ltda.	Brazil	Bayer Gesellschaft für Beteiligungen mbH	Germany	SYGNIS Pharma AG	Germany
Goiaânia Investimentos e Participações Ltda	Brazil	Bayer HealthCare Aktiengesellschaft	Germany	TecArena+ GmbH	Germany
Medrad do Brasil Ltda.	Brazil	Bayer Innovation GmbH	Germany	tecpol Technologieentwicklungsgesellschaft für ökoeffiziente Polymerverwert.	Germany
Nunhems do Brasil Comercio de Sementes Ltda	Brazil	Bayer Intellectual Property GmbH	Germany	TECTRION GmbH	Germany
Schering do Brasil Química e Farmacêutica Ltda.	Brazil	Bayer MaterialScience Aktiengesellschaft	Germany	TravelBoard GmbH	Germany
Soytech Seeds Pesquisa em Soja Ltda	Brazil	Bayer MaterialScience Customer Services GmbH	Germany	WFG Wirtschaftsförderungsgesellschaft Krefeld mbH	Germany
Bayer Bulgária EOOD	Bulgaria	Bayer MaterialScience GmbH	Germany	WFL Wirtschaftsförderung Leverkusen GmbH	Germany
Bayer Canadian Holdings Inc.	Canada	Bayer MaterialScience Oldenburg GmbH & Co. KG	Germany	Zweite K-W-A Beteiligungsgesellschaft mbH	Germany
Bayer CropScience Holdings Inc.	Canada	Bayer MaterialScience Oldenburg Verwaltungs-GmbH	Germany	Baule UK Ltd.	Great Britain
Bayer CropScience Inc.	Canada	Bayer Pharma Aktiengesellschaft	Germany	Bayer AEH Limited	Great Britain
Bayer Inc.	Canada	Bayer Real Estate GmbH	Germany	Bayer AGCO Limited	Great Britain
Berlex Canada, Inc.	Canada	Bayer Real Estate Leverkusen Verwaltungs-GmbH	Germany	Bayer Agriculture Limited	Great Britain
Alimtec S.A.	Chile	Bayer Real Estate Waltersdorf Verwaltungs-GmbH	Germany	Bayer CropScience Holdings Limited	Great Britain
Bayer Finance & Portfolio Management S.A.	Chile	Bayer Schering Pharma AG	Germany	Bayer CropScience Limited	Great Britain
Bayer Finance Ltda.	Chile	Bayer Technology Services GmbH	Germany	Bayer CropScience Norwich Limited	Great Britain
Bayer S.A.	Chile	Bayer US IP GmbH	Germany	Bayer Public Limited Company	Great Britain
Laboratorio Berlimed S.A.	Chile	Bayer Verwaltungsgesellschaft für Anlagevermögen m.b.H.	Germany	Bayer UK Limited	Great Britain
Nunhems Chile S.A.	Chile	Bayer Verwaltungsgesellschaft mbH	Germany	CIS (U.K.) Limited	Great Britain
Bayer S.A.	Colombia	Bayer Vital GmbH	Germany	Medrad UK Limited	Great Britain
Fogansa S.A.	Colombia	Bayer Weimar GmbH und Co. KG	Germany	pbi Home & Garden Limited	Great Britain
Bayer Central America Sociedad Anonima	Costa Rica	Bayer-Handelsgesellschaft mit beschränkter Haftung	Germany	Schering Agrochemicals Holdings	Great Britain
Bayer S.A.	Costa Rica	Bayer-Unterstützungskasse GmbH	Germany	Schering Health Care Limited	Great Britain
Bayer d.o.o.	Croatia	BaySecur GmbH	Germany	Schering Holdings Ltd.	Great Britain
Quimicas Unidas S.A.	Cuba	BaySports-Travel GmbH	Germany	Schering Industrial Products	Great Britain
Bayer MaterialScience s.r.o.	Czech Republic	BBB Management GmbH Campus Berlin-Buch	Germany	Schering Industrial Products Holdings	Great Britain
Bayer s.r.o.	Czech Republic	BKV Beteiligungs- und Kunststoffverwertungsgesellschaft mbH	Germany	Bayer Hellas AG	Greece
Bayer A/S	Denmark	byometric systems AG	Germany	Bayer S.A.	Guatemala
Bayer MaterialScience A/S	Denmark	Chemion Logistik GmbH	Germany	Comercial Interamericana, S.A.	Guatemala
Medrad Denmark ApS	Denmark	CleanTech NRW GmbH	Germany	Miles, S.A. Guatemala Branch	Guatemala
Bayer S.A.	Dominican Republic	Currenta Geschäftsführungs-GmbH	Germany	Bayer S.A. de C.V.	Honduras
Bayer S.A.	Ecuador	Currenta GmbH & Co. OHG	Germany	Bayer Far East Service Co. Ltd.	Hong Kong
Bayer, S.A.	El Salvador	Drugofa GmbH	Germany	Bayer HealthCare Limited	Hong Kong
Corporación Bonima S.A. de C.V.	El Salvador	Dynevo GmbH	Germany	Bayer MaterialScience Limited	Hong Kong
Bayer OÜ	Estonia	Enfield Mikrotechnik BTS GmbH	Germany	Vincent Medical Manufacturing Co., Limited (Hong Kong)	Hong Kong
Bayer Nordic SE	Finland	Epurex Films Geschäftsführungs-GmbH	Germany	Bayer Hungaria Kft.	Hungary
Bayer Oy	Finland	Epurex Films GmbH & Co. KG	Germany	CSEBER Csomagoleszköz Begyűjtesi Rendszer Kft	Hungary
Baulé S.A.S.	France	Erste Bayer Real Estate VV GmbH & Co. KG	Germany	Nunhems Hungary Kft.	Hungary
Bayer CropScience Holding SA	France	Erste BSP VV Aktiengesellschaft	Germany	Bayer BioScience Pvt. Ltd.	India
Bayer Holding France SCS	France	Erste K-W-A Beteiligungsgesellschaft mbH	Germany	Bayer Business Services Private Limited	India
Bayer Polyols S.N.C.	France	Euroservices Bayer GmbH	Germany	Bayer CropScience Limited	India
Bayer S.A.S.	France	Faserwerke Hüls GmbH	Germany	Bayer Malibu Polymers Private Limited	India
Bayer Santé Familiale SAS	France	Generics Holding GmbH	Germany	Bayer MaterialScience Private Limited	India
Bayer Santé SAS	France	GP Grenzach Produktions GmbH	Germany	Bayer Pharmaceuticals Private Limited	India
		Hi-BIS GmbH	Germany		
		Hild Samen GmbH	Germany		

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

Company name	Country
Bayer Zydus Pharma Private Limited	India
Bilag Industries Private Ltd.	India
Nunhems India Private Limited	India
PT. Bayer Indonesia	Indonesia
PT. Bayer MaterialScience Indonesia	Indonesia
Bayer Limited	Ireland
Bayer Parsian AG	Islam Rep Iran
Bayer Israel Ltd.	Israel
Evogene Ltd.	Israel
Mediterranean Seeds Ltd.	Israel
Pallough Industries (1998) Ltd.	Israel
Axxam S.p.A.	Italy
Bayer CropScience S.r.l.	Italy
Bayer HealthCare Manufacturing S.r.l.	Italy
Bayer Healthcare S.r.l.	Italy
Bayer MaterialScience S.p.A.	Italy
Bayer MaterialScience S.r.l.	Italy
Bayer S.p.A.	Italy
Consorzio Dafne	Italy
Intendis Manufacturing S.p.A.	Italy
Medrad Italia S.r.l.	Italy
Nunhems Italy S.r.l.	Italy
UNIFARM Consorzio	Italy
Bayer CropScience K.K.	Japan
Bayer Holding Ltd.	Japan
Bayer MaterialScience Ltd.	Japan
Bayer Yakuhin, Ltd.	Japan
DIC Bayer Polymer Ltd.	Japan
Hokusan Co. Ltd.	Japan
Nihon Medrad K.K.	Japan
Sumika Bayer Urethane Co., Ltd.	Japan
Teijin-Bayer Polytec Ltd.	Japan
TOO Bayer KAZ	kazakhstan
Bayer East Africa Ltd.	Kenya
SIA Bayer	Latvia
UAB Bayer	Lithuania
INDURISK RÜCKVERSICHERUNG AG	Luxembourg
Pandias Re AG	Luxembourg
Bayer (Malaysia) Sdn. Bhd.	Malaysia
Bayer Co. (Malaysia) Sdn Bhd	Malaysia
Bayer de México, S.A. de C.V.	Mexico
Bayer IMSA, S.A. de C.V.	Mexico
Industrias Gustafson, S.A. de C.V.	Mexico
Medrad Mexicana S. de R.L. de CV	Mexico
Nunhems Mexico S.A. de C.V.	Mexico
Productos Químicos Naturales, S.A. de C.V.	Mexico
Bayer S.A.	Morocco
Bayer Schering Pharma Mocambique, Lda	Mozambique
Myanmar Aventis CropScience Ltd.	Myanmar
Bayer B.V.	Netherlands
Bayer Capital Corporation B.V.	Netherlands
Bayer Global Investments B.V.	Netherlands
Bayer MaterialScience B.V.	Netherlands
Bayer Polyurethanes B.V.	Netherlands
Berlipharm B.V.	Netherlands
Biogenetic Technologies B.V.	Netherlands
Lyondell Bayer Manufacturing Maasvlakte VOF	Netherlands
Medrad Europe B.V.	Netherlands
Nunhems B.V.	Netherlands
Nunhems Netherlands B.V.	Netherlands
PGS International N.V.	Netherlands
Zilip Pharma B.V.	Netherlands
Bayer New Zealand Limited	New Zealand
Bayer S.A.	Nicaragua
Bayer AS	Norway
Mediwest Norway AS	Norway
Bayer CropScience (Private) Limited	Pakistan
Bayer Pakistan (Private) Limited	Pakistan
Chemdyes Pakistan (Private) Limited	Pakistan
Medipharm (Pvt.) Ltd.	Pakistan
Bayer S.A.	Panama
Bayer S.A.	Paraguay
Bayer S.A.	Peru
Schering Peruana S.A.	Peru
Bayer Business Services Philippines, Inc.	Philippines
Bayer CropScience, Inc.	Philippines
Bayer Philippines, Inc.	Philippines
Bayer Sp. z o.o.	Poland

Company name	Country
Nunhems Poland Sp. z o.o.	Poland
Bayer CropScience (Portugal)-Produtos para a Agricultura, Lda	Portugal
Bayer Portugal, SA	Portugal
Bayhealth Comercialização de Produtos Farmacêuticos Unipessoal Lda.	Portugal
Berlex Especialidades Farmacêuticas Lda.	Portugal
Berlifarma - Especialidades Farmacêuticas, Lda	Portugal
Berlirmed-Especialidades Farmacêuticas Lda.	Portugal
CENTROFARMA-Indústria e Comércio de Prod. Farmacêuticos, Lda.	Portugal
Lusal Produção Químico Farmacêutica Luso-Alema, Lda.	Portugal
Lusalfarma-Especialidades Farmacêuticas, Lda	Portugal
Bayer (China) Limited	PR of China
Bayer (Sichuan) Animal Health Co., Ltd.	PR of China
Bayer CropScience (China) Company Ltd.	PR of China
Bayer Healthcare Co. Ltd.	PR of China
Bayer Jinling Polyurethane Co., Ltd.	PR of China
Bayer MaterialScience (Beijing) Company Limited	PR of China
Bayer MaterialScience (China) Company Limited	PR of China
Bayer MaterialScience (Chongqing) Company Limited	PR of China
Bayer MaterialScience (Qingdao) Co. Ltd.	PR of China
Bayer MaterialScience (Shanghai) Management Company Limited	PR of China
Bayer Technology and Engineering (Shanghai) Company Limited	PR of China
Bayer TPU (Shenzhen) Co. Ltd.	PR of China
Guangzhou Bayer MaterialScience Company Limited	PR of China
Medrad Medical Equipment Trading Company	PR of China
Nunhems Beijing Seeds Co. Ltd.	PR of China
Shanghai Baule Polyurethane Technology Co. Ltd.	PR of China
TianJin Greenstone Polymer Technology Co. Ltd.	PR of China
Vincent Medical (Dongguan) Manufacturing Co., Limited	PR of China
Bayer Puerto Rico Inc.	Puerto Rico
Bayer CropScience Ltd.	Republic Korea
Bayer Korea Ltd.	Republic Korea
Bayer MaterialScience Ltd.	Republic Korea
SC Bayer SRL	Romania
ZAO Bayer	Russia
ZAO Rhône-Poulenc AO	Russia
Bayer d.o.o.	Serbia
Bayer (South East Asia) Pte. Ltd.	Singapore
Medrad Asia Pte. Ltd.	Singapore
Bayer d.o.o.	Slovenia
Bayer, spol. s r.o.	Slovakia
AgrEvo South Africa (Pty.) Ltd.	South Africa
Bayer (Proprietary) Limited	South Africa
Coopers Environmental Science (Pty.) Ltd.	South Africa
Rustenburg Chrome Mine Holdings (Pty.) Ltd.	South Africa
Schering (Pty.) Ltd.	South Africa
Agua Industriales de Tarragona, S.A. (AITASA)	Spain
Bayer CropScience, S.L.	Spain
Bayer Hispania, S.L.	Spain
Bayer MaterialScience, S.L.	Spain
Bayhealth, S.L.	Spain
Baysalud, S.L.	Spain
Berlirmed, S.A.	Spain
Consorti D'aigües de Tarragona	Spain
Disalfarm, S.A.	Spain
EuroServices Bayer, S.L.	Spain
Intendis Derma, S.L.	Spain
Nunhems Spain, S.A.	Spain
Racks de la zona Sur, C.B.	Spain
Sociedad Espanola de materiales Plasticos, S.A.	Spain
Bayer AB	Sweden
Medrad Sweden AB	Sweden
ARA Rhein AG	Switzerland
Bayer (Schweiz) AG	Switzerland
Bayer Consumer Care AG	Switzerland
Bayer International SA	Switzerland
Berlis AG	Switzerland
Chemie-Beteiligungsaktiengesellschaft	Switzerland
Bayer Polyurethanes Taiwan Ltd.	Taiwan
Bayer Taiwan Company Ltd.	Taiwan
Bayer Uretch Ltd.	Taiwan

Company name	Country
Bayer CropScience (Thailand) Company Limited	Thailand
Bayer Thai Co., Ltd.	Thailand
Bayer Türk Kimya Sanayi Limited Sirketi	Turkey
Intendis Ilac Ticaret Limited Sirketi	Turkey
Nunhems Tohumculuk Limited Sirketi	Turkey
Bayer Ltd.	Ukraine
Bayer Middle East FZE	United Arab Emirates
Bayer Middle East Limited Liability Company	United Arab Emirates
Bayer Pearl Polyurethane Systems FZCO	United Arab Emirates
BaySystems Pearl Limited Liability Company	United Arab Emirates
AEROVANCE, INC.	United States
AgraQuest, Inc.	United States
Anthra Pharmaceuticals Inc.	United States
Artificial Muscle, Inc.	United States
Astex Pharmaceuticals Inc.	United States
Athenix Corp.	United States
Baule Inc.	United States
Baule USA LLC	United States
Bayer Business and Technology Services LLC	United States
Bayer Corporation	United States
Bayer Cotton Seed International Inc.	United States
Bayer CropScience Holding Inc.	United States
Bayer CropScience Inc.	United States
Bayer CropScience LLC	United States
Bayer CropScience LP	United States
Bayer HealthCare LLC	United States
Bayer HealthCare Pharmaceuticals Inc.	United States
Bayer HealthCare Pharmaceuticals LLC	United States
Bayer International Trade Services Corporation	United States
Bayer MaterialScience LLC	United States
Bayer Overseas Trade Services Corporation	United States
Bayer Pharma Chemicals Inc.	United States
Bayer West Coast Corporation	United States
Baypo I LLC	United States
Baypo II LLC	United States
BAYPO Limited Partnership	United States
BHCP Holdings LLC	United States
BIPPO Corporation	United States
CMEA Ventures II, L.P.	United States
Cobalt Biofuels	United States
Collateral Therapeutics, Inc.	United States
Cooper Land Company of New Jersey, Inc.	United States
Delinting and Seed Treating Company	United States
Guidance Interactive Healthcare, Inc.	United States
Hombeck Seed Company, Inc.	United States
InPhase Technologies, Inc.	United States
Intendis, Inc.	United States
iSense Corporation	United States
iSense Development Corporation	United States
Medrad, Inc.	United States
NGEN Enabling Technologies Fund, LP	United States
NGEN II, L.P.	United States
NippoNex Holdings LLC	United States
NippoNex Inc.	United States
NOR-AM Agro LLC	United States
NOR-AM Land Company	United States
Nunhems USA, Inc.	United States
Odyssey Thera, Inc.	United States
Onyx Pharmaceuticals, Inc.	United States
Pathway Medical Technologies, Inc.	United States
PO JV, LP	United States
SB Capital Corporation	United States
Schering Berlin Inc.	United States
Scynexis, Inc.	United States
Stoneville Pedigreed Seed Company	United States
STWB Inc.	United States
Technology JV, L.P.	United States
The SDI Divestiture Corporation	United States
US Seeds LLC	United States
Viterion TeleHealthcare LLC	United States
Bayer SA	Uruguay
Bayer S.A.	Venezuela
Bayer Vietnam Ltd.	Vietnam
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 (the "Company") as at March 31, 2012 and the related Statement of Profit and Loss 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 the 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 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 the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the 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 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 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 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, 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.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner

Membership Number: F- 46061

Place: Mumbai

Date: May 29, 2012

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 as of and for the year ended March 31, 2012.

1. (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.
2. (a) The inventory 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 book records were not material.
3. (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. Accordingly, clause (iii)(b) to (iii)(d) of the Paragraph 4 of the Order are not applicable to the Company during the year.
(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. Accordingly, clause (iii)(f) to (iii)(g) of the Paragraph 4 of the Order are not applicable to the Company during the year.
4. 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 and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
5. (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 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. 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.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. 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.
9. (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 in respect of provident fund, service tax, sales tax, profession tax and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including investor education and protection fund, employees' state insurance, wealth tax, customs duty, excise duty 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 wealth tax as at March 31, 2012 which have not been deposited on account of any dispute. Refer Appendix A for the particulars of dues of income tax, sales tax, service tax, customs duty and excise duty as at March 31, 2012 which have not been deposited on account of a dispute.
10. The Company has no accumulated losses as at March 31, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. 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.



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 as of and for the year ended March 31, 2012.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. 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.
16. The Company has not obtained any term loans.
17. 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.
18. 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.
19. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issues during the year.
21. 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 any such case by the Management.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner

Membership Number: F- 46061

Place: Mumbai

Date: May 29, 2012

Appendix A

[Referred to in paragraph 9(b) of our annexure to Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements as of and for the year ended March 31, 2012]

Sr. No.	Name of the Statute	Nature of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax The Income Tax Act, 1961	Income Tax liability including interest and penalty, where applicable	278	Assessment Years 2005-2006, 2008-2009 and 2010-2011	Appellate Authority - up to Commissioner's level
			29	Assessment Years 1996-1997, 2001-2002 and 2003-2004	Income Tax Appellate Tribunal
	Sub Total		307		
2	Sales Tax The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax liability including interest and penalty, where applicable	327	Years 1977-1978 to 1984-1985, 1994-1995, 1995-1996, 1999-2000 to 2005-2006, 2007-2008 to 2008-2009	Appellate Authority - up to Commissioner's level
			3	Years 1989-1990 to 1991-1992, 2000-2001, 2007-2008, 2009-2010	Sales Tax Appellate Tribunal
			59	Year 2003-2004	High Court
Sub Total		389			
3	Service Tax The Finance Act, 1994	Service Tax liability including interest and penalty, where applicable	9	Years from 2004 to 2007	Appellate Authority - up to Commissioner's level
			Sub Total		9
4	Customs Duty The Custom Duty Act, 1962	Demand raised with interest and penalty due to valuation dispute	332	For the period February 1996 to September 1999	The Supreme Court of India
			Sub Total		332
5	Excise Duty The Central Excise Act, 1944	Excise duty including interest and penalty, where applicable	4	Years 1986 to 1991 and 1993 to 1997	Appellate Authority - up to Commissioner's level
			7	Years 1993-1994 and 1998 to 2004	Custom, Excise and Service Tax Appellate Tribunal
			14	Years 1994-1995, 2000-2001, 2001-2002 and 2002-2003	High Court
	Sub Total		25		
Total			1,062		



Balance Sheet as at March 31, 2012

₹ in Millions

	Note	As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	395	395
Reserves and Surplus	3	7,532	6,335
		<u>7,927</u>	<u>6,730</u>
NON-CURRENT LIABILITIES			
Other Long-term Liabilities	4	65	2,649
Long-term Provisions	5	295	150
		<u>360</u>	<u>2,799</u>
CURRENT LIABILITIES			
Short-term Borrowings	6	-	1,085
Trade Payables	7	2,605	2,950
Other Current Liabilities	4	7,227	1,727
Short-term Provisions	5	288	306
		<u>10,120</u>	<u>6,068</u>
Total		<u><u>18,407</u></u>	<u><u>15,597</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	8	2,449	3,440
- Intangible Assets	9	29	36
- Capital work-in-progress		80	61
- Intangible Assets under development		8	-
Non-Current Investments	10	36	36
Deferred Tax Assets (Net)	11	104	60
Long-term Loans and Advances	12	698	692
		<u>3,404</u>	<u>4,325</u>
CURRENT ASSETS			
Inventories	13	4,995	4,374
Trade Receivables	14	2,562	2,814
Cash and Bank Balances	15	4,299	3,630
Short-term Loans and Advances	12	2,083	445
Other Current Assets	16	1,064	9
		<u>15,003</u>	<u>11,272</u>
Total		<u><u>18,407</u></u>	<u><u>15,597</u></u>

The accompanying Notes are an integral part of these financial statements.

In terms of our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Uday Shah

Partner

Membership Number: F - 46061

Shirin V. Balsara

Vice President - Law, Patents & Compliance &
Company Secretary

Place : Mumbai

Date : May 29, 2012

For and on behalf of the Board

Chairman

Dr. Vijay Mallya

Vice Chairman &
Managing Director

Stephan Gerlich

Directors

Sharad M. Kulkarni
A.K.R. Nedungadi
Peter Mueller
Kaikobad B. Mistry

Place : Mumbai

Date : May 29, 2012

Statement of Profit and Loss for the year ended March 31, 2012

	Note	01.04.2011 to 31.03.2012	₹ in Millions 01.04.2010 to 31.03.2011
Revenue from Operations (Gross)		23,623	22,259
Less: Excise Duty		900	886
Revenue from Operations (Net)	17	22,723	21,373
Other Income	18	453	205
TOTAL REVENUE		23,176	21,578
EXPENSES			
Cost of materials consumed	19	5,013	4,072
Purchases of Stock-in-Trade	20	10,283	10,038
Changes in inventories of semi-finished goods, finished goods and stock-in-trade	21	(739)	(368)
Employee benefit expenses	22	1,553	1,566
Finance costs	23	17	83
Depreciation and amortisation expense	9(b)	340	327
Other expenses	24	4,086	3,834
TOTAL EXPENSES		20,553	19,552
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2,623	2,026
Less: Exceptional items	37	(579)	(38)
PROFIT BEFORE TAX		2,044	1,988
Tax Expense			
- Current Tax [including charge for earlier years 5 (previous year 6)]		698	666
- Deferred Tax		(44)	6
		654	672
PROFIT FOR THE YEAR		1,390	1,316
Earnings Per Share - Basic and Diluted	38	₹ 35.19	₹ 33.30
[Face Value per Equity Share - ₹ 10/-]			

The accompanying Notes are an integral part of these financial statements.

In terms of our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Uday Shah

Partner

Membership Number: F - 46061

Shirin V. Balsara

Vice President - Law, Patents & Compliance &
Company Secretary

Place : Mumbai

Date : May 29, 2012

For and on behalf of the Board

Chairman

Dr. Vijay Mallya

Vice Chairman &
Managing Director

Stephan Gerlich

Directors

**Sharad M. Kulkarni
A.K.R. Nedungadi
Peter Mueller
Kaikobad B. Mistry**

Place : Mumbai

Date : May 29, 2012



Notes to the financial statements for the year ended March 31, 2012

(All amounts in ₹ Millions, unless otherwise stated)

COMPANY PROFILE

Bayer CropScience Limited ("The Company") is a Company incorporated under the Companies Act, 1956 and having its registered office at Bayer House, Central Avenue, Hiranandani Gardens, Powai, Mumbai – 400 076. The Company is engaged into 'Agri Care' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, weedicides and various other agrochemical products. Out of the total paid-up share capital of the Company 71.11% is held by its promoters. The Company is listed on the Bombay Stock Exchange, Mumbai. The Company has its own manufacturing sites at Ankleshwar and Himatnagar in the State of Gujarat.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (the Act) and the other relevant provisions of the Act.

(b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires, the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ than these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

(c) Tangible Assets

Tangible Assets are stated at cost of acquisition less accumulated depreciation/ impairment losses, if any. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the asset to its working condition for intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of Tangible Assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised immediately in the Statement of Profit and Loss.

Depreciation on tangible assets is provided on Straight Line method based on the following useful lives of the assets, which are lower than or equal to the implied useful lives arrived on the basis of the rates prescribed in Schedule XIV to the Act.

<u>Assets</u>	<u>Useful Lives in years</u>
Buildings	20 to 29
Plant and Equipment	9 to 12
Furniture and Fixtures	10
Vehicles	8
Office Equipment	10
Computers	5

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

(d) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation/ impairment losses, if any.

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

Gains or losses arising from the retirement or disposal of an intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and recognised as income or expense in the Statement of Profit and Loss.

Intangible Assets under development represent costs incurred towards the computer software for which development/ customisation is in progress.

(e) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(f) Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(g) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment in Land or Buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation, if any.

(h) Inventories

Inventories are stated at cost or net realisable value, whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make sale.

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.

(i) 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 Statement of Profit and Loss.

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 Statement of Profit and Loss. 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.

(j) Revenue Recognition

Sale of goods 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 and these are inclusive of excise duty but net of trade discounts, rebates and sales tax.

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

Service Charges represent recoveries from Group Companies and Third Parties towards common facilities/ resources, information technology and other support provided to such parties which is recognised as per terms of agreement.

(k) 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 Managerial employees' Superannuation Scheme which is administered by Life Insurance Corporation of India ('LIC') 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 expensed in the Statement of Profit and Loss every year.



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(k) Employee Benefits (contd.)

b. Defined Benefit Plans:

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

The liability for the Defined Benefit plan of Gratuity and Pension is provided based on an actuarial valuation carried out by an independent actuary at the year-end using Projected Unit Credit Method.

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

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

e. Other Employee Benefits:

The employees of the Company are entitled to compensated absences and long service awards as per the policy of the Company.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year-end are treated as short-term employee benefits for measurement purpose. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year-end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year-end are treated as other long-term employee benefits for measurement purpose. The Company's liability is actuarially determined by an independent actuary using the Projected Unit Credit Method at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The liability in respect of long service award is provided, based on an actuarial valuation carried out by an independent actuary as at the year-end using Projected Unit Credit Method.

(l) Operating Lease

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

(m) Taxation

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961, enacted in India.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

(n) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

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.

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(o) Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2. SHARE CAPITAL

	As at 31.03.2012	As at 31.03.2011
Authorised:		
46,300,000 (Previous Year 46,300,000) Equity Shares of ₹ 10/- each	463	463
Issued, Subscribed and Paid-up:		
39,498,747 (Previous Year 39,498,747) Equity Shares of ₹ 10/- each, fully paid-up	395	395

a) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	Number of Shares	
	As at 31.03.2012	As at 31.03.2011
b) Shares held by Ultimate Holding Company and its subsidiaries:		
Ultimate Holding Company:		
Bayer AG, Germany *	8,272,560	8,272,560
Subsidiaries of Ultimate Holding Company:		
Bayer CropScience AG, Germany *	11,236,586	11,236,586
Bayer S.A.S., France *	7,922,666	7,922,666
Bayer MaterialScience Private Limited, India	654,850	654,850

* There are no shareholders holding more than 5% of the aggregate Equity Shares of the Company except those marked above.

3. RESERVES AND SURPLUS

	As at 31.03.2012	As at 31.03.2011
General Reserve		
Balance as at the beginning of the year	1,303	1,171
Add: Transfer from Statement of Profit and Loss	139	132
Balance as at the end of the year	1,442	1,303
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	5,032	4,032
Add : Profit for the year	1,390	1,316
Less : Proposed Dividend	166	158
Less : Tax on Proposed Dividend	27	26
Less : Transfer to General Reserve	139	132
Balance as at the end of the year	6,090	5,032
	7,532	6,335

The Board of Directors, in their meeting held on May 29, 2012 proposed a dividend of ₹ 4.20 per share for the year ended March 31, 2012 (Previous Year ₹ 4.00 per share) amounting to 166 (Previous Year 158) and corporate dividend tax of 27 (Previous Year 26). The proposal is subject to approval of shareholders at the Annual General Meeting.



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

4. OTHER LIABILITIES

	Long-term		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Unpaid Dividends [Refer Note (a) below]	-	-	4	3
Unpaid matured deposits [Refer Notes (a) and (b) below]	-	-	-	-
Others:				
- Earnest Money Deposit and Advance received [Refer Note 8 (c)]	-	2,600	5,200	-
- Advances from Customers	-	-	809	582
- Discounts/ Rebates payable to Customers	-	-	674	715
- Deposits from Customers	-	-	85	75
- Payable for Capital Purchases	-	-	61	53
- Employee Benefits payable	65	49	290	213
- Payable towards Statutory Liabilities	-	-	104	86
	65	2,649	7,227	1,727

- a) There are no amounts as at year-end which are due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.
- b) Amount is below the rounding off norm adopted by the Company.

5. PROVISIONS

	Long-term		Short-term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Provision for Employee Benefits:				
- Gratuity	91	46	23	21
- Compensated Absences	43	-	71	99
- Pension	7	8	-	-
- Long Service Award	11	9	1	2
Other Provisions:				
- Direct Tax Matters [Net of Advance Tax of 132 (Previous Year 128)] [Refer Note (a) below]	29	32	-	-
- Indirect Tax Matters [Refer Note (a) below]	52	52	-	-
- Commercial and Other Matters [Refer Note (a) below]	62	3	-	-
- Proposed Dividend	-	-	166	158
- Tax on Proposed Dividend	-	-	27	26
	295	150	288	306

a) Disclosure of Provisions

	Direct Tax (net of advance tax)	Indirect Tax	Commercial and Other Matters
Balance as at the beginning of the year	32	52	3
	(29)	(38)	(3)
Add : Additional provision	3	-	62
	(3)	(14)	(-)
Less : Provision utilised	-	-	2
	(-)	(-)	(-)
Less : Provision reversed	2	-	1
	(-)	(-)	(-)
Less : Payments	4	-	-
	(-)	(-)	(-)
Balance as at the end of the year	29	52	62
	(32)	(52)	(3)

Figures shown in brackets are in respect of previous year.

Provisions represent estimates made for probable liabilities/ claims arising out of pending disputes, litigations/ commercial transactions with statutory authorities/ 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. During the year, an amount of 42 is recognised under the head "Purchases of Stock-in-Trade" and 20 under the head "Exceptional Items" [Refer Note 37] as an additional provision towards Commercial and Other Matters.

Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

	As at 31.03.2012	As at 31.03.2011
6. SHORT-TERM BORROWINGS		
Unsecured Loans		
Loans and advances from related parties [Refer Note 28 (v)]	-	1,085
	<u>-</u>	<u>1,085</u>
7. TRADE PAYABLES		
Sundry Creditors [Refer Note (a) below]	2,605	2,950
a) The disclosures pursuant under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:		
	2011-12	2010-11
(I) (i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year-end	9	13
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year-end	-	-
(II) (i) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year *	-	-
(ii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	65	72
(III) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(IV) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(V) Further interest remaining due and payable for earlier years * 0.33 (Previous Year 0.43)	-	-

8. TANGIBLE ASSETS

Assets	Gross Block (at Cost)					Depreciation/ Amortisation					Impairment Loss					Net Book Value	
	As at 01.04.2011	Additions	Deletions	Adjustment [Refer Note c]	As at 31.03.2012	As at 01.04.2011	For the year [Refer Note 9(b)]	On deletions	On Adjustment [Refer Note c]	As at 31.03.2012	As at 01.04.2011	For the year	On deletions	On Adjustment [Refer Note c]	As at 31.03.2012	As at 31.03.2012	
Freehold Land [Refer Note (c) below]	915 (915)	- (-)	- (-)	915 (-)	- (915)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (915)	
Leasehold Land	19 (19)	- (-)	- (-)	- (-)	19 (19)	2 (2)	- (-)	- (-)	- (-)	2 (2)	- (-)	- (-)	- (-)	- (-)	- (-)	17 (17)	
Buildings [Refer Notes (b) and (c) below]	1,338 (953)	42 (419)	1 (34)	288 (-)	1,091 (1,338)	363 (352)	47 (35)	1 (24)	140 (-)	269 (363)	26 (26)	- (-)	- (-)	26 (-)	- (26)	822 (949)	
Plant and Equipment	2,114 (1,949)	278 (294)	28 (129)	- (-)	2,364 (2,114)	1,028 (971)	284 (181)	26 (124)	- (-)	1,286 (1,028)	4 (6)	- (-)	- (2)	- (-)	4 (4)	1,074 (1,082)	
Furniture and Fixtures	144 (128)	9 (26)	22 (10)	- (-)	131 (144)	79 (75)	11 (13)	8 (9)	- (-)	82 (79)	8 (8)	- (-)	- (-)	- (-)	8 (8)	41 (57)	
Leasehold Improvement	3 (3)	- (-)	- (-)	- (-)	3 (3)	3 (3)	- (-)	- (-)	- (-)	3 (3)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Vehicles	333 (267)	157 (95)	50 (29)	- (-)	440 (333)	106 (87)	46 (37)	30 (18)	- (-)	122 (106)	- (-)	- (-)	- (-)	- (-)	- (-)	318 (227)	
Office Equipment (including Computers)	446 (394)	78 (77)	82 (25)	- (-)	442 (446)	246 (219)	49 (50)	37 (23)	- (-)	258 (246)	7 (8)	- (-)	- (1)	- (-)	7 (7)	177 (193)	
Total	5,312 (4,628)	564 (911)	183 (227)	1,203 (-)	4,490 (5,312)	1,827 (1,709)	437 (316)	102 (198)	140 (-)	2,022 (1,827)	45 (48)	- (-)	- (3)	26 (-)	19 (45)	2,449 (3,440)	



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

8. TANGIBLE ASSETS (contd.)

a) Assets given on operating lease

Assets	Gross Block as at the end of the year	Accumulated Depreciation	Net Block as at the end of the year	Depreciation for the year
Furniture and Fixtures	-	-	-	-
	(20)	(6)	(14)	(1)
Vehicles	-	-	-	-
	(1)	(-)	(1)	(-)
Office Equipment (including Computers)	-	-	-	-
	(64)	(20)	(44)	(3)
Total	-	-	-	-
	(85)	(26)	(59)	(4)

b) A portion of Buildings has been given on operating lease to Group Companies and Third Parties, the cost of which is not readily ascertainable.

c) The Company has entered into a non-binding and exclusive arrangement with Agile Real Estate Private Limited vide Memorandum of Understanding dated March 31, 2011 for the proposed sale of Land and Buildings situated at Village Balkum, Thane at a consideration to be finalised at a future date. The net book value of the Land and Buildings as on March 31, 2012 is 915 (Previous year 915) and 122 (Previous year 129) respectively and is classified under the head "Other Current Assets" as at March 31, 2012. [Refer Note 16]

The Company has received an earnest amount of 2,600 on March 31, 2011 and an advance payment of 2,600 on December 30, 2011 for this exclusive arrangement, which is disclosed under the head "Other Liabilities". The conveyance, transfer, sale and possession of the aforesaid Thane Land and Buildings will be completed at a future date subject to relevant approvals, permissions from the government and other statutory bodies, as may be deemed necessary and on receipt of sale consideration on or before September 30, 2012.

d) Figures shown in brackets are in respect of previous year.

9. INTANGIBLE ASSETS

Assets	Gross Block (at Cost)				Depreciation/ Amortisation				Net Book Value
	As at 01.04.2011	Additions	Deletions	As at 31.03.2012	As at 01.04.2011	For the year [Refer Note 9(b)]	Deletions	As at 31.03.2012	As at 31.03.2012
Goodwill	93	-	-	93	93	-	-	93	-
	(93)	(-)	(-)	(93)	(93)	(-)	(-)	(93)	(-)
Computer Software	49	21	18	52	13	13	3	23	29
	(18)	(31)	(-)	(49)	(2)	(11)	(-)	(13)	(36)
Technical Knowhow	16	-	1	15	16	-	1	15	-
	(16)	(-)	(-)	(16)	(16)	(-)	(-)	(16)	(-)
Total	158	21	19	160	122	13	4	131	29
	(127)	(31)	(-)	(158)	(111)	(11)	(-)	(122)	(36)

a) Figures shown in brackets are in respect of previous year.

b) Depreciation and Amortisation expense:	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
- on Tangible Assets	437	316
- on Intangible Assets	13	11
Less: classified under exceptional items	(110)	-
	340	327

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***10. INVESTMENTS**

	Non-current		Cash and Cash Equivalents	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
INVESTMENT PROPERTY				
Freehold Land	34	34	-	-
INVESTMENT IN EQUITY INSTRUMENTS				
(Long-term, Non-trade and Unquoted) - at Cost				
4,900 (Previous Year 4,900) Equity Shares in Bharuch Enviro Infrastructure Limited of ₹ 10/- each, fully paid-up [Refer Note (a) below]	-	-	-	-
209,880 (Previous Year 209,880) Equity Shares in Narmada Clean Tech Limited (Previously named as Bharuch Eco Acqua Infrastructure Limited upto April 8, 2011) of ₹ 10/- each, fully paid-up	2	2	-	-
INVESTMENT IN MUTUAL FUNDS				
(Current, Non-trade and Unquoted) - at Cost or Net Asset Value, whichever is lower				
Nil (Previous Year 4,991,263) units of ₹ 10/- each in Birla Sun Life Cash Plus - Institutional Premium Plan	-	-	-	50
Nil (Previous Year 4,632,252) units of ₹ 10/- each in Birla Sun Life Cash Plus - Institutional Plan	-	-	-	50
Nil (Previous Year 499,171) units of ₹ 100/- each in DWS Insta Cash Plus Fund - Super Institutional Plan	-	-	-	50
99,993 (Previous Year Nil) units of ₹ 1,000/- each in DSP BlackRock Liquidity Fund - Institutional Plan	-	-	100	-
Nil (Previous Year 4,889,670) units of ₹ 10/- each in Fidelity Cash Fund - Super Institutional Plan	-	-	-	50
8,161,930 (Previous Year 3,267,862) units of ₹ 10/- each in HDFC Liquid Fund - Premium Plan	-	-	100	40
Nil (Previous Year 4,701,855) units of ₹ 10/- each in HDFC Cash Management Fund - Savings Plan	-	-	-	50
Nil (Previous Year 4,723,625) units of ₹ 10/- each in IDFC Cash Fund - Institutional Plan B	-	-	-	50
Nil (Previous Year 4,007,691) units of ₹ 10/- each in IDFC Cash Fund - Super Institutional Plan C	-	-	-	40
9,994,230 (Previous Year Nil) units of ₹ 10/- each in JP Morgan India Liquid Fund - Super Institutional Plan	-	-	100	-
Nil (Previous Year 4,089,983) units of ₹ 10/- each in Kotak Liquid - Institutional Premium Plan	-	-	-	50
Nil (Previous Year 4,092,391) units of ₹ 10/- each in Kotak Liquid - Institutional Plan	-	-	-	50
Nil (Previous Year 500,006) units of ₹ 100/- each in ICICI Prudential Liquid - Super Institutional Plan	-	-	-	50
Nil (Previous Year 422,923) units of ₹ 100/- each in ICICI Prudential Liquid Plan - Institutional	-	-	-	50
Nil (Previous Year 1,962,813) units of ₹ 10/- each in Reliance Liquid Fund - Treasury Plan - Institutional Plan	-	-	-	30
Nil (Previous Year 2,696,916) units of ₹ 10/- each in Reliance Liquid Fund - Cash Plan	-	-	-	30
Nil (Previous Year 49,999) units of ₹ 1,000/- each in Religare Liquid Fund - Institutional Plan	-	-	-	50
Nil (Previous Year 5,978,438) units of ₹ 10/- each in SBI Magnum Insta Cash Fund	-	-	-	101
99,720 (Previous Year Nil) units of ₹ 1,000/- each in SBI Premier Liquid Fund - Super Institutional Plan	-	-	100	-
Nil (Previous Year 44,872) units of ₹ 1,000/- each in Tata Liquid Fund-Super High Investment	-	-	-	50
Nil (Previous Year 22,453) units of ₹ 1,000/- each in Tata Liquid - High Investment Fund	-	-	-	25
	36	36	400	866

(a) Amount is below the rounding off norm adopted by the Company.

(b) Aggregate Book Value of Unquoted Investments 402 (Previous Year 868).



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

11. DEFERRED TAX

	As at 31.03.2012	As at 31.03.2011
Deferred Tax Assets		
Provision for Doubtful Debts/ Advances/ Deposits	38	28
VRS Expenses	14	36
Disallowances under Section 40(a)(i) and 40(a)(ia)	64	53
Liabilities allowed on payment basis	78	58
Others	30	27
	<u>224</u>	<u>202</u>
Less:		
Deferred Tax Liability		
Depreciation/ Impairment of Assets	120	142
	<u>120</u>	<u>142</u>
Net Deferred Tax Assets	<u>104</u>	<u>60</u>

12. LOANS AND ADVANCES

(Unsecured - considered good unless stated otherwise)

	Long-term		Short-term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Capital Advances	3	24	-	-
Security Deposits:				
- Considered Good	118	103	8	23
- Considered Doubtful	7	6	-	-
	<u>125</u>	<u>109</u>	<u>8</u>	<u>23</u>
Less: Provision for Doubtful Deposits	7	6	-	-
	<u>118</u>	<u>103</u>	<u>8</u>	<u>23</u>
Other Loans and Advances:				
- Loan to Third Party	-	-	1,400	-
- Advance to Vendors	-	-	239	31
- Loans to/ receivables from Employees	2	4	27	16
- Prepaid Expenses	15	8	61	61
- Fringe Benefit Tax [Net of Provision for Taxation 125 (Previous Year 125)]	3	3	-	-
- Advance payment of Income Tax [Net of Provision for Taxation 5,114 (Previous Year 4,412)]	487	448	-	-
- Balance with Government Authorities	70	74	321	306
- Others:				
- Considered Good	-	28	27	8
- Considered Doubtful	-	1	-	-
	<u>-</u>	<u>29</u>	<u>27</u>	<u>8</u>
Less: Provision for Doubtful Advances	-	1	-	-
	<u>-</u>	<u>28</u>	<u>27</u>	<u>8</u>
	<u>698</u>	<u>692</u>	<u>2,083</u>	<u>445</u>

13. INVENTORIES

(Lower of Cost and Net realisable value)

	As at 31.03.2012	As at 31.03.2011
Raw Materials [Includes in transit 457 (Previous Year 651)]	1,972	2,090
Packing Materials [Includes in transit 2 (Previous Year Nil)]	110	117
Semi-Finished Goods [Includes in transit 13 (Previous Year Nil)] [Refer Note (a) below]	246	312
Finished Goods [Includes in transit 42 (Previous Year Nil)] [Refer Note (a) below]	1,243	739
Stock-in-trade [Includes in transit 174 (Previous Year Nil)] [Refer Note (a) below]	1,370	1,069
Stores and Spare Parts	54	47
	<u>4,995</u>	<u>4,374</u>

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***13. INVENTORIES (contd.)****(a) Details of Inventories**

Class of Goods	Semi-Finished Goods	Finished Goods	Stock-in- trade
- Active Ingredients	88	313	69
	(69)	(89)	(-)
- Formulations	158	930	1,161
	(243)	(650)	(1,002)
- Seeds	-	-	104
	(-)	(-)	(67)
- Others	-	-	36
	(-)	(-)	(-)
	246	1,243	1,370
	(312)	(739)	(1,069)

Figures shown in brackets are in respect of previous year.

14. TRADE RECEIVABLES

	Non-Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Secured, considered good				
- Debts outstanding for a period exceeding six months from the date they are due for payment	-	-	1	-
- Others	-	-	49	47
	-	-	50	47
Unsecured, considered good				
- Debts outstanding for a period exceeding six months from the date they are due for payment	-	-	6	8
- Others [Includes due from a Private Company in which a Director is a Director 52 (Previous Year 26)]	-	-	2,506	2,759
	-	-	2,512	2,767
Unsecured, considered doubtful				
- Debts outstanding for a period exceeding six months from the date they are due for payment	76	64	-	-
- Others	35	17	-	-
Less: Provision for Doubtful Debts	(111)	(81)	-	-
	-	-	-	-
	-	-	2,562	2,814

15. CASH AND BANK BALANCES

	As at 31.03.2012	As at 31.03.2011
Cash and Cash equivalents		
Balances with banks		
- In Current Accounts/ Cash Credit Accounts	108	161
- In Fixed Deposits (less than 3 months maturity)	3,786	-
Cheque on Hand [Refer Note 8 (c)]	-	2,600
Cash on Hand *	-	-
Short-term highly liquid investment [Refer Note 10]	400	866
Other Bank Balances		
In Fixed Deposits *	-	-
In Margin Deposits **	1	-
Earmarked balances with banks in:		
- Unpaid Dividend Accounts	4	3
- Unpaid Matured Public Deposit Accounts *	-	-
	4,299	3,630

* Amount is below the rounding off norm adopted by the Company.

** Under lien with bank towards bank guarantee.



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16. OTHER CURRENT ASSETS

(Unsecured - considered good unless stated otherwise)

	As at 31.03.2012	As at 31.03.2011
Land and Buildings held for sale [Refer Note 8 (c)]	1,037	-
Accrued Interest receivable	21	-
Other Receivables [Includes due from a Private Company in which a Director is a Director 4 (Previous Year 1)]	6	9
	<u>1,064</u>	<u>9</u>

17. REVENUE FROM OPERATIONS

	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
Sale of goods [Refer Note (a) below]	22,944	21,273
Other Operating Revenue:		
- Service Charges recovered from Group Companies and Third Parties	556	952
- Tolling Charges	82	-
- Export Incentives	26	17
- Scrap Sales	15	17
Revenue from operations (Gross)	<u>23,623</u>	<u>22,259</u>
Less: Excise Duty [Refer Note (b) below]	900	886
Revenue from operations (Net)	<u>22,723</u>	<u>21,373</u>

(a) Sale of goods

Class of Goods	Finished Goods		Stock-in-trade	
	2011-12	2010-11	2011-12	2010-11
- Active Ingredients	2,070	1,401	2,564	2,591
- Formulations	6,449	6,434	7,758	6,821
- Seeds	-	-	3,622	3,266
- Others	-	-	481	760
	<u>8,519</u>	<u>7,835</u>	<u>14,425</u>	<u>13,438</u>

(b) 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 for free goods, breakages/damages, captive consumption and expired goods, which has been disclosed as excise duty expense in Note 24.

18. OTHER INCOME

	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
Interest Income	132	6
Dividend Income from Current Investments	70	18
Profit on Tangible Assets sold/ discarded (Net)	-	16
Rent Income [Refer Note 34 (b)]	78	76
Insurance Claims	31	4
Provisions No Longer Required Written Back	109	57
Proceeds from Global Divestment of Carbaryl	24	-
Miscellaneous	9	28
	<u>453</u>	<u>205</u>

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)*

	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
19. COST OF MATERIALS CONSUMED		
Raw Materials:		
Opening Stock	2,090	1,593
Add: Purchases	4,606	4,285
	<u>6,696</u>	<u>5,878</u>
Less: Closing Stock	1,972	2,090
Cost of Raw Materials consumed	<u>4,724</u>	<u>3,788</u>
Packing Materials consumed [Refer Note (a) below]	<u>289</u>	<u>284</u>
	<u>5,013</u>	<u>4,072</u>
(a) Includes 25 (Previous Year 21) on account of Write off/ Write down in carrying values of Raw Materials and Packing Materials.		
(b) Materials Consumed:		
Class of Goods		
- Active Ingredients	2,856	2,042
- Others	2,157	2,030
	<u>5,013</u>	<u>4,072</u>
(c) Value of imported and indigenous Materials Consumed		
	Amount	%
Imported	2,968	59
	(2,293)	(56)
Indigenous	2,045	41
	(1,779)	(44)
	<u>5,013</u>	<u>100</u>
	<u>(4,072)</u>	<u>(100)</u>
Figures shown in brackets are in respect of previous year.		
	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
20. PURCHASES OF STOCK-IN-TRADE		
Class of Goods		
- Active Ingredients	2,056	2,283
- Formulations	4,904	4,694
- Seeds	2,842	2,398
- Others	481	663
	<u>10,283</u>	<u>10,038</u>
21. CHANGES IN INVENTORIES OF SEMI-FINISHED GOODS, FINISHED GOODS AND STOCK-IN-TRADE		
Opening Stock:		
- Semi-Finished	312	391
- Finished	739	773
- Stock-in-trade	1,069	588
	<u>2,120</u>	<u>1,752</u>
Closing Stock:		
- Semi-Finished	246	312
- Finished	1,243	739
- Stock-in-trade	1,370	1,069
	<u>2,859</u>	<u>2,120</u>
Increase in Inventories [Refer Note (a) below]	<u>(739)</u>	<u>(368)</u>
(a) Includes 40 (Previous Year 50) on account of Write off/ Write down in carrying values of semi-finished, finished goods and stock-in-trade.		
22. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	1,322	1,335
Contribution to Provident and Other Funds	84	82
Gratuity	65	71
Staff Welfare Expenses	82	78
	<u>1,553</u>	<u>1,566</u>



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
23. FINANCE COSTS		
Interest Expense	12	79
Others	5	4
	<u>17</u>	<u>83</u>
24. OTHER EXPENSES		
Consumption of Stores and Spare Parts [Refer Note (a) below]	62	77
Power and Fuel	234	158
Rent [Refer Note 34 (a)]	145	151
Repairs and Maintenance:		
Plant and Equipment	54	56
Buildings	18	55
Others	78	85
	<u>150</u>	<u>196</u>
Insurance	35	25
Rates and Taxes	93	117
Excise Duty [Refer Note 17 (b)]	49	15
Job Work	103	77
Freight outward and Clearing charges	545	446
Travelling and Conveyance	316	300
Communication	117	139
Printing and Stationery	12	13
Directors' Sitting Fees	1	1
Commission to Non-Executive Directors	2	2
Payments to Auditor [Refer Note (b) below]	10	9
Advertisement, Publicity and Sales Promotion	1,132	1,064
Legal and Professional Fees	268	244
Cash Discounts	390	407
Commission	42	48
Donations	1	-
Royalty	15	12
Bad Debts	2	40
Less: Withdrawn from Provision for Doubtful Debts	2	40
	<u>-</u>	<u>-</u>
Compensation	-	8
Provision for Doubtful Debts	32	26
Loss on Tangible Assets sold/ discarded (Net)	9	-
Foreign Exchange Fluctuations (Net)	41	29
Miscellaneous	282	270
	<u>4,086</u>	<u>3,834</u>
(a) Value of all imported and indigenous Stores and Spare Parts consumed		
	Amount	%
Imported	7	11
	(5)	(6)
Indigenous	55	89
	(72)	(94)
	<u>62</u>	<u>100</u>
	(77)	(100)
Figures shown in brackets are in respect of previous year.		
	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
(b) Payments to Auditor:		
(i) As Auditor:		
- for statutory audit	4	4
- for limited review	2	2
- for certification *	-	-
(ii) For other audit services in respect of:		
- Tax Audit	1	1
- Audit of Group Reporting Package	3	2
(iii) Reimbursement of out-of-pocket expenses *	-	-
	<u>10</u>	<u>9</u>

* Amount is below the rounding off norm adopted by the Company.

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)*

	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
25. CONTINGENT LIABILITIES		
Claims against the Company not acknowledged as debts towards:		
a) Direct Tax matters	461	171
b) Indirect Tax matters (Excise duty, Customs duty, Service tax and Sales tax)	763	754
c) Litigation/ claims filed by customer/ vendor/ labour	33	33
d) Litigation/ demands raised by other Statutory Authorities	53	28
Future cash flows in respect of above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities.		
26. CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account	104	145
b) Value of customs duty in respect of export obligation (against advance licenses) remaining to be met at year end	161	124
c) Bank Guarantees issued in favour of various statutory authorities	4	5
d) Counter Guarantee issued by the Company in favour of Gujarat Industrial Development Corporation	3	3
27. RESEARCH AND DEVELOPMENT EXPENSES		
Research and Development Revenue Expenses	<u>147</u>	<u>133</u>
(a) Above expenses are net of recoveries		
(b) Above expenses include Product Trial Expenses of 64 (Previous Year 59)		
28. RELATED PARTY TRANSACTIONS (as identified by the Management)		
(i) Ultimate Holding Company : Bayer AG, Germany		
(ii) Parties under common control :		
- Bayer (China) Limited, China		
- Bayer (South East Asia) Pte Ltd, Singapore		
- Bayer A/S, Denmark		
- Bayer Animal Health GmbH, Germany		
- Bayer Australia Limited, Australia		
- Bayer BioScience Private Limited, India		
- Bayer Business and Technology Services LLC, U.S.A.		
- Bayer Business Services GmbH, Germany		
- Bayer Business Services Private Limited, India (from December 1, 2010)		
- Bayer Co. (Malaysia) Sdn. Bhd., Malaysia		
- Bayer CropScience (China) Company Limited, China		
- Bayer CropScience (Private) Limited, Pakistan		
- Bayer CropScience AG, Germany		
- Bayer CropScience K.K., Japan		
- Bayer CropScience LP, U.S.A.		
- Bayer CropScience Limited, Korea		
- Bayer CropScience Limited, Bangladesh		
- Bayer CropScience Inc., Philippines		
- Bayer Direct Services GmbH, Germany		
- Bayer HealthCare Limited, Hong Kong		
- Bayer HealthCare LLC, U.S.A.		
- Bayer Korea Limited, Korea		
- Bayer Malibu Polymers Private Limited, India		
- Bayer MaterialScience AG, Germany		
- Bayer MaterialScience Limited, Hong Kong		
- Bayer MaterialScience Private Limited, India		
- Bayer Middle East FZE, United Arab Emirates		



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

28. RELATED PARTY TRANSACTIONS (as identified by the Management) (contd.)

(ii) Parties under common control : (contd.)

- Bayer Pharmaceuticals Private Limited, India
- Bayer Public Limited Company, United Kingdom
- Bayer S.A.S., France
- Bayer Taiwan Company Limited, Taiwan
- Bayer Technology and Engineering (Shanghai) Company Limited, China
- Bayer Technology Services GmbH, Germany
- Bayer Thai Company Limited, Thailand
- Bayer Vietnam Limited, Vietnam
- Bayer Yakuhin Limited, Japan
- Bilag Industries Private Limited, India
- Currenta GmbH & Co. OHG, Germany
- Nunhems India Private Limited, India
- PT. Bayer Indonesia, Indonesia

(iii) Key Management Personnel:

- Mr. Stephan Gerlich : Vice Chairman and Managing Director
- Mr. Kaikobad B. Mistry : Whole-time Director

	2011-12	2010-11
(iv) The transactions with and outstanding balances of related party referred to in (i) above are furnished below:		
Nature of Transaction		
Dividend paid	33	33
Professional/ Support Charges incurred	5	8
Outstanding Payables net of Receivables	-	1
	-	1
(v) The transactions with and outstanding balances of related parties referred to in (ii) above are furnished below:		
Nature of Transaction		
Sale of Goods		
Bayer CropScience AG	2,912	2,092
Others	314	343
	3,226	2,435
Service Charges recovered		
Bayer MaterialScience Private Limited	122	99
Bayer Business Services Private Limited	116	25
Bayer BioScience Private Limited	88	60
Bayer Pharmaceuticals Private Limited	71	88
Bayer CropScience AG	56	132
Bayer Business Services GmbH	1	294
Others	35	229
	489	927
Tolling Charges recovered		
Bayer MaterialScience Private Limited	82	-
	82	-
Reimbursement of Expenses from		
Bayer CropScience AG	53	135
	53	135

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***28. RELATED PARTY TRANSACTIONS (as identified by the Management) (contd.)**

- (v)
- The transactions with and outstanding balances of related parties referred to in (ii) above are furnished below: (contd.)**

Nature of Transaction	2011-12	2010-11
Rent Income		
Bayer Business Services Private Limited	24	10
Bayer MaterialScience Private Limited	17	18
Bayer Pharmaceuticals Private Limited	11	22
Bayer BioScience Private Limited	4	4
	<u>56</u>	<u>54</u>
Proceeds from Global Divestment of Carbaryl		
Bayer CropScience AG	24	-
	<u>24</u>	<u>-</u>
Purchase of Goods		
Bayer CropScience AG	4,144	4,261
Bayer BioScience Private Limited	2,842	2,398
Others	723	546
	<u>7,709</u>	<u>7,205</u>
Professional/ Support Charges incurred		
Bayer Business Services GmbH	98	31
Bayer CropScience AG	70	85
Bayer (South East Asia) Pte Limited	63	85
Others	58	73
	<u>289</u>	<u>274</u>
Royalty Expense		
Bayer CropScience AG	15	12
	<u>15</u>	<u>12</u>
Interest Expense		
Bilag Industries Private Limited	5	62
Bayer BioScience Private Limited	-	4
	<u>5</u>	<u>66</u>
Dividend paid		
Bayer CropScience AG	45	45
Bayer S.A.S.	32	32
Bayer MaterialScience Private Limited	3	3
	<u>80</u>	<u>80</u>
Sale of Fixed Assets		
Bayer Business Services Private Limited	74	-
	<u>74</u>	<u>-</u>
Purchase of Fixed Assets		
Bayer Business Services GmbH	3	21
Bayer BioScience Private Limited	-	11
Others	1	6
	<u>4</u>	<u>38</u>
Employee related liability paid/ payable on transfer of employees		
Bayer MaterialScience Private Limited	1	1
Bayer Business Services Private Limited	1	52
Bayer BioScience Private Limited	1	2
Bayer Pharmaceuticals Private Limited	1	1
	<u>4</u>	<u>56</u>



Notes to the financial statements for the year ended March 31, 2012 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

28. RELATED PARTY TRANSACTIONS (as identified by the Management) (contd.)

- (v) The transactions with and outstanding balances of related parties referred to in (ii) above are furnished below: (contd.)

Nature of Transaction	2011-12	2010-11
Employee related liability received/ receivable on transfer of employees		
Bayer Business Services Private Limited	3	1
Bayer BioScience Private Limited	3	12
Bayer MaterialScience Private Limited	1	1
	<u>7</u>	<u>14</u>
Short-term borrowings from		
Bilag Industries Private Limited	-	2,300
Bayer BioScience Private Limited	-	1,985
	<u>-</u>	<u>4,285</u>
Outstanding short-term borrowings		
Bilag Industries Private Limited	-	1,085
	<u>-</u>	<u>1,085</u>
Outstanding Receivables net of Payables		
Bayer CropScience Limited, Bangladesh	73	18
Bayer MaterialScience Private Limited	34	25
Bayer Business Services Private Limited	11	15
Bayer Pharmaceuticals Private Limited	7	26
Others	3	14
	<u>128</u>	<u>98</u>
Outstanding Payables net of Receivables		
Bayer CropScience AG	567	605
Bilag Industries Private Limited	248	189
Bayer BioScience Private Limited	96	119
Others	26	57
	<u>937</u>	<u>970</u>

- (vi) Remuneration to related parties referred to in (iii) above are furnished below: *

Related Party	Designation	2011-12	2010-11
Mr. Stephan Gerlich	Vice Chairman and Managing Director	50	38
Mr. Kaikobad B. Mistry	Whole-time Director	28	27
		<u>78</u>	<u>65</u>

* Includes certain portion of professional/ support charges received from Group Companies.

29. EMPLOYEE BENEFITS

- a) **Brief description of the Plans:**

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

- b) **Charge to the Statement of Profit and Loss based on contributions*:**

Particulars	2011-12	2010-11
Superannuation	45	44
Provident fund	40	38

* included in Note 22 – 'Employee Benefit Expenses'

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***29. EMPLOYEE BENEFITS (contd.)****c) Disclosures for defined benefit plans based on actuarial reports:**

	Gratuity (Funded plan)		Pension (Non-funded plan)	
	2011-12	2010-11	2011-12	2010-11
(i) Changes in Present Value of Defined Benefit Obligation:				
Opening present value of defined benefit obligation	305	234	8	8
Current service cost	17	14	-	-
Interest cost	25	19	1	1
Actuarial loss/ (gain)	43	55	(2)	(1)
Transfer of Employees (Net)*	4	(8)	-	-
Benefits paid	(53)	(9)	-	-
Closing present value of defined benefit obligation	341	305	7	8
* Represents liability takeover/ (discharged) in respect of employees transferred from/ (to) Group Companies				
(ii) Change in Fair Value of Plan Assets:				
Opening fair value of plan assets	238	159	-	-
Expected return on plan assets	19	13	-	-
Actuarial gain/ (loss)	1	4	-	-
Contributions by employer	22	71	-	-
Benefits paid	(53)	(9)	-	-
Closing fair value of Plan Assets	227	238	-	-
(iii) Actual return on plan assets	20	17	-	-
(iv) Amount recognised in the Balance Sheet:				
Present value of defined benefit obligation as at year end	341	305	7	8
Less: Fair value of plan assets as at year end	(227)	(238)	-	-
Amount not recognised as an asset	-	-	-	-
Net (asset)/ liability recognised	114	67	7	8
Recognised under:				
Long Term Provision [Refer Note 5]	91	46	7	8
Short Term Provision [Refer Note 5]	23	21	-	-
	114	67	7	8
(v) Expenses recognised in the Statement of Profit and Loss:				
Current service cost	17	14	-	-
Interest cost	25	19	1	1
Expected return on plan assets	(19)	(13)	-	-
Net actuarial loss/ (gain) recognised in the current year	42	51	(2)	(1)
Total expense (Included in Note 22 – ‘Employee Benefit Expenses’)	65	71	(1)	-
(vi) Expected employer’s contribution for the next year	23	21	-	-



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

29. EMPLOYEE BENEFITS (contd.)

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

	Gratuity (Funded plan)		Pension (Non-funded plan)	
	2011-12	2010-11	2011-12	2010-11
(vii) Principal actuarial assumptions used:				
Discount rate (p.a.)	8.50%	8.25%	8.50%	8.25%
Expected rate of return on plan assets (p.a.)	8.60%	8.00%	Not Applicable	Not Applicable
Attrition rate (p.a.)	5 - 10%	5 - 10%	5 - 10%	5 - 10%
Salary Escalation rate (p.a.)	12% for first 3 years, 10% for subsequent 3 years and 8% thereafter	8.50%	Not Applicable	Not Applicable

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 employment market.

(viii) Asset Information:

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

	2011-12	2010-11	2009-10	2008-09	2007-08 *
(ix) Other Information					
Gratuity (Funded plan)					
Present value of defined benefit obligation at the end of the year	(341)	(305)	(234)	(233)	(202)
Fair value of plan assets at the end of the year	227	238	159	154	134
Surplus/ (deficit)	(114)	(67)	(75)	(79)	(68)
Experience adjustments on plan liabilities - gain/ (loss)	(20)	(18)	(10)	(24)	(32)
Experience adjustments on plan assets - gain/ (loss)	1	4	1	1	2
Pension (Non-funded plan)					
Present value of defined benefit obligation at the end of the year	(7)	(8)	(8)	(8)	(8)
Surplus/ (deficit)	(7)	(8)	(8)	(8)	(8)
Experience adjustments on plan liabilities - gain/ (loss) **	2	1	-	1	1

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

** Amount is below the rounding off norm adopted by the Company.

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

For the Year	No. of Shareholders	No. of Equity Shares	2011-12	2010-11
2010-11	4	27,433,252	110	-
2009-10	4	27,433,252	-	110

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

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)*

	2011-12	2010-11
31. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	2,642	2,694
Packing Materials	17	6
Stock-in-trade	1,955	1,896
Stores and Spare Parts	10	9
Capital Goods	107	103
32. EXPENDITURE IN FOREIGN CURRENCY [Refer Note (a) below]		
Royalty	15	13
Professional/ Consultation fees	169	9
Communication	73	162
Interest	-	5
Other Expenses	43	63
(a) Figures for the Previous Year are on payment basis.		
33. EARNINGS IN FOREIGN EXCHANGE		
Service charges recovered from Group Companies	68	607
Proceeds from Global Divestment of Carbaryl	24	-
Reimbursement of Expenses	53	135
Export of Goods calculated on F.O.B. basis	3,096	2,363

34. 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 33 (Previous Year 32) has been recognised under the head Other Expenses – 'Rent' under Note 24 to the Statement of Profit and Loss.

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

Period	As at 31.03.2012	As at 31.03.2011
Not later than one year	17	14
Later than one year and not later than five years	8	12
Later than five years	-	-

The Company has entered into cancellable leasing arrangement for office, residential and warehouse premises. The lease rental of 112 (Previous Year 119) has been recognised under the head Other Expenses – 'Rent' under Note 24 to the Statement of Profit and Loss.

b) Assets given on lease:

The Company had given portion of the building, office area and parking area under non-cancellable operating lease and lease rent amounting to 15 (Previous Year 19) has been recognised under the head Other Income – 'Rent Income' under Note 18 to the Statement of Profit and Loss. This lease expired on December 31, 2011.

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

Period	As at 31.03.2012	As at 31.03.2011
Not later than one year	-	15
Later than one year and not later than five years	-	-

Additionally, the Company has given portion of Building on operating lease under cancellable lease arrangement. The lease rentals aggregating to 63 (Previous Year 57) has been recognised under the head Other Income – 'Rent Income' under Note 18 to the Statement of Profit and Loss.



Notes to the financial statements for the year ended March 31, 2012 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

35. SEGMENT REPORTING

The Company has identified business segment as its primary segment. In accordance with Accounting Standard 17 - "Segment Reporting", the Company has determined its business segment as "Agri Care". Since entire Company's business is from Agri Care, there are no other primary reportable segments. Thus the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as reflected in the Financial Statement as at and for the year ended March 31, 2012.

The Company has identified the Secondary Segment as geographical segment based on the location of customers.

Secondary Segmental Reporting

	2011-12	2010-11
1. Segmental Revenue		
(a) Segment – Local	20,747	19,455
(b) Segment – Exports	3,329	3,009
	<u>24,076</u>	<u>22,464</u>
2. Segmental Assets (excluding Deferred Tax Assets)		
(a) In India	18,124	15,017
(b) Outside India	179	520
	<u>18,303</u>	<u>15,537</u>
3. Capital Expenditure during the year in India	<u>591</u>	<u>740</u>

36. 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:

Currency	Number of Contracts	Buy amount in Foreign Currency Millions	₹ equivalent in Millions
US Dollar	2	8	385
	(1)	(2)	(107)

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

Particulars	Foreign Currency	Amount in Millions	₹ equivalent in Millions
Payable	US Dollar	4	222
		(12)	(554)
Payable	EURO *	-	-
		(-)	(15)
Receivable	EURO *	-	29
		(-)	(-)

Figures shown in brackets are in respect of previous year.

* Amount is below the rounding off norm adopted by the Company.

Notes to the financial statements for the year ended March 31, 2012 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)*

37. The Bayer Companies worldwide place great importance on protecting the environment and conserving natural resources. Pursuant to the cessation of manufacturing activities at Thane, the Company has incurred an expenditure of 579 during the year (Previous Year 38) including depreciation of 110 (Previous Year Nil) towards Demolition and Remediation activities.

38. EARNINGS PER SHARE

Particulars	2011-12	2010-11
Profit after Taxation	1,390	1,316
Weighted average number of equity shares outstanding at year end	39,498,747	39,498,747
Nominal Value Per Equity Share (in ₹)	10	10
Earnings Per Share [Basic and Diluted] (in ₹)	35.19	33.30

39. The financial statements for the year ended March 31, 2011 were prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to current year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signature to Notes 1 to 39

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Uday Shah

Partner

Membership Number: F - 46061

Shirin V. BalsaraVice President - Law, Patents & Compliance &
Company Secretary

Place : Mumbai

Date : May 29, 2012

For and on behalf of the Board

Chairman

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

Directors

Sharad M. Kulkarni
A.K.R. Nedungadi
Peter Mueller
Kaikobad B. Mistry

Place : Mumbai

Date : May 29, 2012



Cash Flow Statement for the year ended March 31, 2012

₹ in Millions

	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
A. Cash Flow from Operating activities:		
Profit before Tax	2,044	1,988
Adjustments for:		
Depreciation/ Amortisation	450	327
Interest Expense	17	83
Interest Income	(132)	(6)
Dividend Income	(70)	(18)
(Profit)/ Loss on Tangible Assets sold/ discarded (Net)	9	(16)
Bad Debts/ Advances Written off	2	40
Provision/ (Reversal) of Doubtful Debts/ Advances (Net)	30	(14)
Provisions no longer required written back	(109)	(57)
Provision for Employee benefits	59	-
Provision for Indirect Taxes and Other Commercial Matters (Net)	61	14
Inventory write off/ write down	65	71
Unrealised foreign exchange loss	18	6
	400	430
Operating Profit before Working Capital changes	2,444	2,418
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	242	(869)
(Increase)/ Decrease in Other Receivables	(225)	(41)
(Increase)/ Decrease in Inventories	(686)	(965)
Increase/ (Decrease) in Trade Payables	(315)	996
Increase/ (Decrease) in Other Payables	347	239
	(637)	(640)
Cash generated from Operations	1,807	1,778
Taxes Paid	(740)	(555)
Net Cash from/ (used) in Operating activities	1,067	1,223
B. Cash Flow from Investing activities:		
Purchase of Tangible/ Intangible Assets	(583)	(716)
Receipt of Earnest Money Deposit and Advance received [Refer Note 8(c)]	2,600	2,600
Loan given to Third Party	(1,400)	-
Proceeds from Sale of Tangible/ Intangible Assets	87	43
Interest Received	111	6
Dividend Received	70	18
Net Cash from Investing activities	885	1,951
C. Cash Flow from Financing activities:		
Proceeds from/ (Repayment of) short and long term borrowings	(1,085)	(55)
Interest Paid	(17)	(85)
Dividend Paid	(157)	(158)
Dividend Tax Paid	(26)	(26)
Net Cash from/ (used) in Financing activities	(1,285)	(324)
Net Increase in Cash and Cash Equivalents	667	2,850
Cash and Cash Equivalents at the beginning of the year	3,627	777
Cash and Cash Equivalents at the end of the year	4,294	3,627

Cash Flow Statement for the year ended March 31, 2012 (contd.)

₹ in Millions

	As at 31.03.2012	As at 31.03.2011
Cash and Cash Equivalents comprise		
Cash on hand *	-	-
Cheque on hand	-	2,600
Balance with Banks	3,894	161
Short-term highly liquid investment	400	866
	4,294	3,627

* Amount is below the rounding off norm adopted by the Company.

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) Short-term highly liquid investment comprise of Investments in Mutual Funds which are highly liquid and have an insignificant risk of change in value.
- 3) Previous year's figures have been reclassified to conform to the current year's presentation.

In terms of our report of even date.

For and on behalf of the Board

For Price Waterhouse

Chairman

Dr. Vijay Mallya

Firm Registration Number: 301112E

Chartered Accountants

Uday ShahVice Chairman &
Managing Director**Stephan Gerlich**

Partner

Membership Number: F - 46061

Shirin V. BalsaraVice President - Law, Patents & Compliance &
Company Secretary

Directors

**Sharad M. Kulkarni
A.K.R. Nedungadi
Peter Mueller
Kaikobad B. Mistry**

Place : Mumbai

Place : Mumbai

Date : May 29, 2012

Date : May 29, 2012



Facts

	2002	2003+	2004	2005	2006	2007-08 \$	2008-09	2009-10	2010-11**	2011-12**
Millions ₹										
Revenue from operations (Net) @	5,917	8,864	6,696	7,079	7,746	12,383	14,826	17,241	21,373	22,723
Export Revenue	(546)	(845)	(688)	(943)	(1,441)	(1,727)	(2,196)	(2,158)	(3,009)	(3,329)
Profit before Tax	278	472	524	747	891	680	1,508	1,964	1,988	2,044
Dividend (%)	36 (22)	87 (22)	87 (22)	87 (22)	95 (24)	95 (24)	111 (28)	158 (40)	158 (40)	166 (42)
Share Capital	162	395	395	395	395	395	395	395	395	395
Reserves and Surplus	719	2,025	2,189	2,462	2,919	3,299	4,115	5,203	6,335	7,532
Borrowings	1,476	2,264	776	1,161	1,081	692	427	1,140	1,085	-
Gross Block	2,563	2,972	2,982	3,345	3,435	4,274	4,519	5,077	5,531	4,738
Net Block	1,380	1,585	1,438	1,633	1,554	2,479	2,701	3,208	3,537	2,566
Net Current Assets	1,051	2,964	1,737	2,329	2,776	1,139	1,990	2,835	5,204	4,883
Employee benefit expenses	591	653	658	574	671	1,221	1,343	1,411	1,566	1,553
Number of Employees	1,316	1,059	1,024	984	1,020	1,159	1,325	1,351	1,102	1,147
₹										
Earnings Per Share (on the basis of profits after tax)	95.41	11.74	6.67	9.40	14.39	12.43	23.91	32.22	33.30	35.19
Book Value per Share	543.18	61.26	65.43	72.32	83.91	93.53	114.17	141.72	170.38	200.70
Share Price at Stock Exchange — High	1,998.00	2,200.00	317.00	323.65	303.40	474.50	343.00	693.00	1,173.00	999.00
— Low	880.10	2,198.30*	135.35	160.00	101.00	199.05	180.20	224.90	635.15	673.05
Number of Shareholders	10,502	20,972	20,552	20,539	21,180	18,852	18,803	19,324	21,251	21,431

@ Revenue from operations 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 ₹ 100/- per share to ₹ 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 based on Revised Schedule VI.

Figures have been regrouped wherever necessary.



Bayer CropScience Limited

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

ATTENDANCE SLIP

[Empty box for stamp or signature]

I hereby certify that I am a registered member / proxy for the registered member of the Company. I hereby record my presence at the FIFTY FOURTH ANNUAL GENERAL MEETING of the Company on Friday, August 24, 2012 at 2.00 p.m. at Rangaswara Hall, Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai - 400 021.

SIGNATURE OF THE ATTENDING MEMBER/PROXY :

- NOTES : 1. Member/Proxyholder wishing to attend the meeting must bring this Attendance Slip, duly signed, to the meeting and hand it over at the entrance.
- 2. Member/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.



Bayer CropScience Limited

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

PROXY FORM

I/We, _____
of _____ in the district of _____ being
a member/members of the above named company, hereby appoint _____
_____ of _____ in the district of _____ or failing him/her
_____ of _____
in the district of _____ as my/our Proxy to attend and vote for me/us
and on my/our behalf at the FIFTY FOURTH Annual General Meeting of the Company, to be held
on Friday, August 24, 2012 at 2.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Registered Folio No. /

DP ID & BEN ID :

No. of Shares held :

Signature _____

Affix
Revenue
Stamp

This form is to be used _____ * in favour of _____ the resolution. Unless otherwise instructed, the
* against

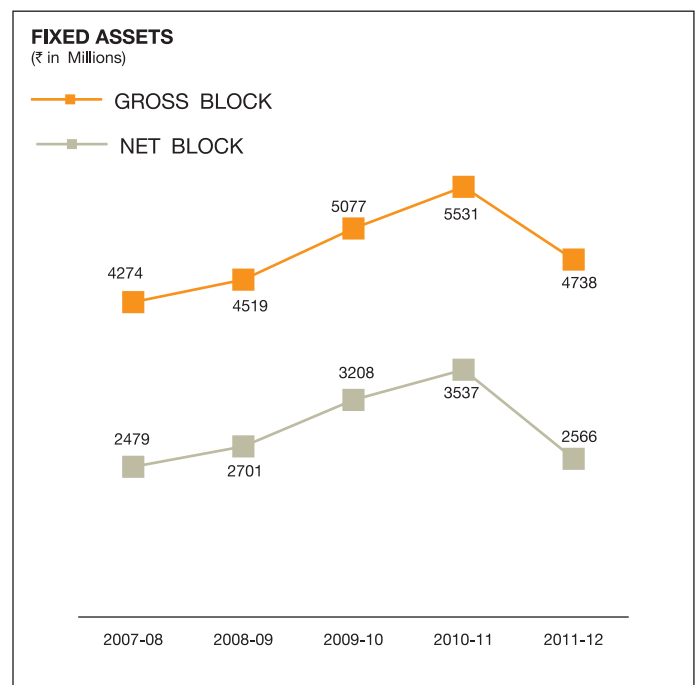
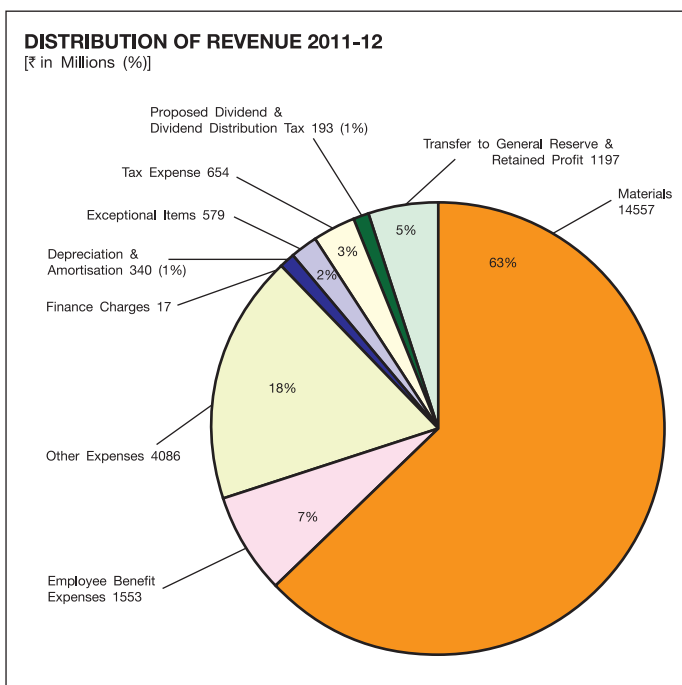
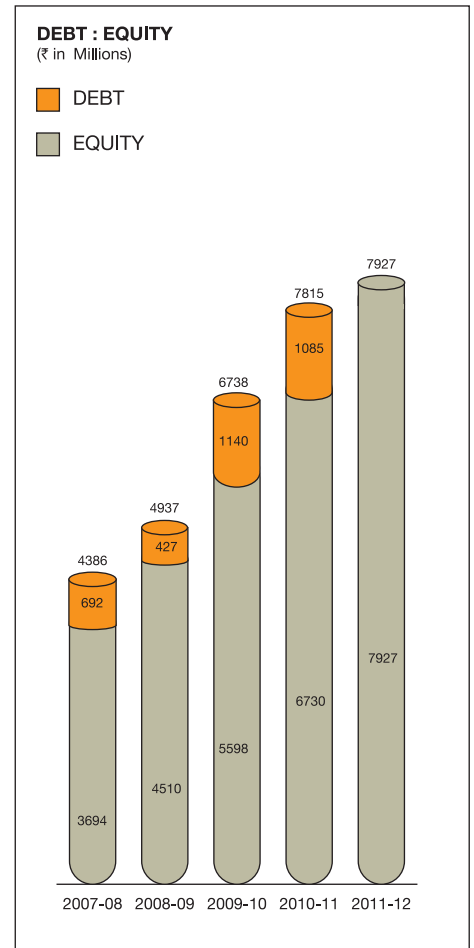
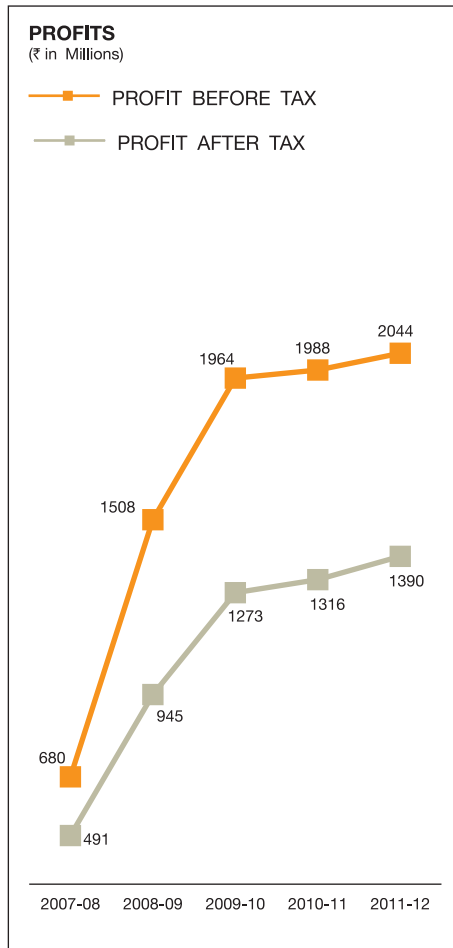
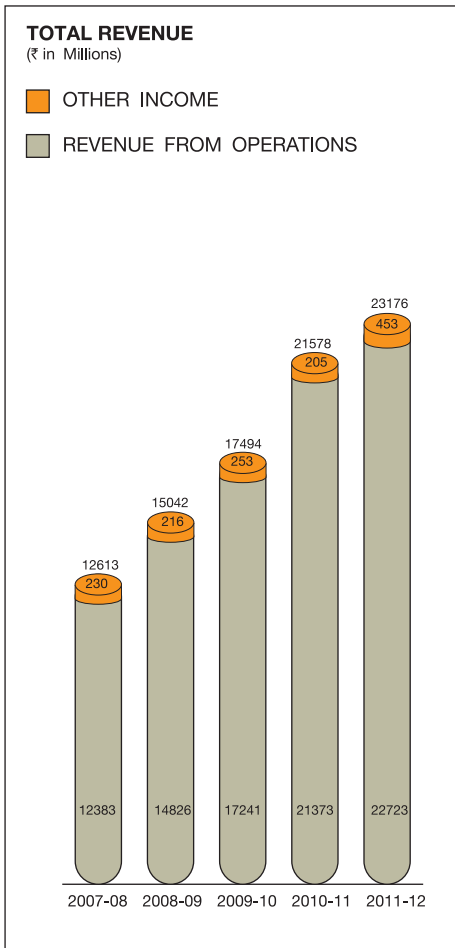
Proxy will act as he/she thinks fit.

Applicable for members holding shares in electronic form.

*Strike out whichever is not desired.

NOTE : The proxy form, duly stamped, completed and signed must be returned so as to reach the Registered Office of the Company, at Bayer House, Central Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076, not less than **48 HOURS** before the time for holding the aforesaid meeting.

Performance Highlights





Bayer CropScience

www.bayer.co.in



This Annual Report is printed on 100% recycled paper as certified by the U.K.-based National Association of Paper Merchants (NAPM) and the European Union Flower.