

BAYER
CROPSCIENCE
LIMITED

58TH

ANNUAL
REPORT APRIL 2015 -
MARCH 2016



PRODUCT LAUNCHES : 2015 - 16

Crop Protection



Profiler[®]

A low risk fungicide for control over Downy Mildew in Grapes.



Belt[®] Expert

A new generation insecticide with long duration control over chewing and sucking pests.



Laudis[®]

A one-shot cross spectrum herbicide for corn weeds.

Seeds

Arize[®] Diamond

A Rice hybrid in mid-duration segment with Bacterial Leaf Blight resistance and highest yield potential. Tolerant to moisture stress conditions with medium slender grains and good cooking quality.



Arize[®] Bold

A mid-early duration Rice hybrid with medium bold grain. Very high test weight and high grain filling. Suitable for making best in class beaten rice (Poha).



Arize[®] Xpress

An ultra-early duration Rice hybrid with long grains and high test weight. Wider adaptability with less water requirement. Suitable for upland rice ecosystems.



Arize[®] Nano

A short slender grain Rice hybrid with excellent cooking and eating quality. Hybrid in mid-early duration.

PRODUCT LAUNCHES : 2015 - 16



Arize® Idea

A short slender grain Rice hybrid with excellent cooking and eating quality. Hybrid in mid-early duration.



Arize® Tej Gold

A Bacterial Leaf Blight (BLB) resistant Rice hybrid in mid-early duration with wider adaptability having high yield potential. Performs well in moisture stress conditions. Long slender grain having good cooking quality with high milling percentage and head rice recovery.

Surpass® Superb BGII (SP 7517 BGII)

A resilient Cotton hybrid with better yield stability, good boll size and high lint recovery. Enables easy picking and provides field tolerance to sucking pests particularly jassids.



Proagro® Marutej

A Pearl Millet hybrid, maturing in 65-70 days, drought-tolerant and suitable for arid areas with low rainfall.



Proagro® 9001

A non-lodging Pearl Millet hybrid with high grain and fodder yield, tolerance to Downy Mildew and blast. Suitable for North West India during rainy season.



Proagro® Kesari Gold

A high yielding Mustard Hybrid offering early maturity, bold grain, high oil content and better disease tolerance.

Environmental Science

Solfac® EW 50

Controls cockroaches, houseflies and mosquitoes in houses. Can also be used for mosquito net impregnation for prevention of mosquito bites and malaria.



Solfac® WP 10

Effective for control of mosquitoes under public health programmes. Also used for controlling house flies, cockroaches and mosquitoes in homes.



SOCIAL COMMITMENT

Sustainable business practices are essential to our Company's future viability. At Bayer, our goal in developing, manufacturing and marketing our products is to balance commercial success with societal and ecological requirements while increasing business value. Bayer's Corporate Social Responsibility (CSR) initiatives are based on the principle of "helping people to help themselves." To achieve this, Bayer supports long-term projects with key deliverables that can make a visible impact in the lives of people and communities. Bayer collaborates with a number of stakeholders such as the Government, society, multilateral organizations etc. to devise ways to bring about systemic change. From improving living conditions to providing timely disaster relief, your Company is committed to Sustainable Development.

Bayer CropScience Limited (BCSL) has rolled out its Corporate Social Responsibility (CSR) policy in accordance with the requirement of India's legislation. The policy focuses on four thematic areas: Rural Development, Education, Preventive Health & Sanitation and Empowering Women. The intent is to make a measurable impact on the conditions of the targeted communities with long-term programmes in partnership with NGOs. The programmes are planned in geographies where Bayer has long term relationships with neighboring communities.

In line with Bayer's corporate mission – Science For A Better Life, Bayer aims to create value in diverse ways. Within the scope of our social commitment, we will continue to make strategic investments in the areas of science and education, health, social needs and community projects. This commitment is an integral element of our corporate policy.

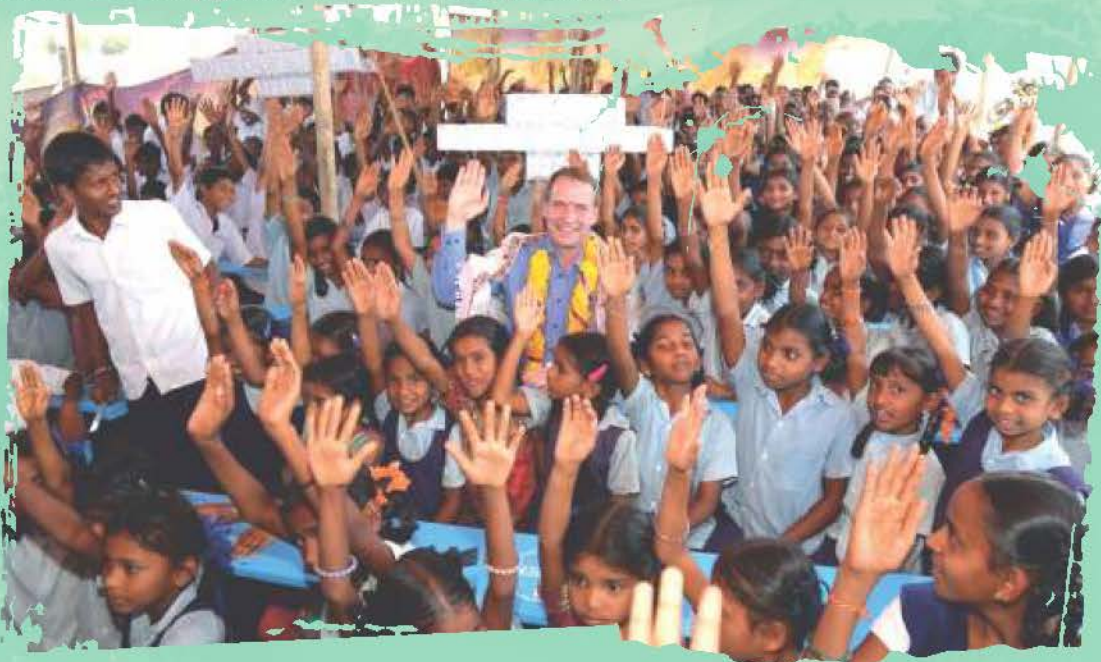
Some of our key CSR projects from 2015 – 2016 include:

Making Science Make Sense (MSMS)



Making Science Make Sense activities are designed for students of Class V and VI as it is in these years that science is introduced in schools as a full-fledged subject. The programme includes live demonstrations, experiments, audio-visual tools and interactive sessions to enhance the learning experience and make sure that science is taught in a way that is enjoyable and fun. In 2015, MSMS was organized in Mumbai, Vapi and Himatnagar covering 35 schools and 13,717 students.

Sanitation and Hygiene in Schools (SAHY)



The SAHY School Project supports efforts to realize Bayer's vision where all children go to schools that provide a safe, healthy and comfortable environment for children. Sanitation and hygiene in schools improves attendance, health and cognitive development, increases girls' participation, establishes positive hygiene behaviour, offers the opportunity to introduce better practices to families and communities, and addresses issues of inequity and exclusion. In 2015, five high schools and two elementary schools in Guntur, Andhra Pradesh, were identified as beneficiaries under this project. Under the project, separate toilets were constructed for male and female students. Existing toilets which did not have running water facilities were upgraded and a proper maintenance system was established. RO (Reverse Osmosis) water plants were provided to all the identified schools to provide safe drinking water to students, which was previously not present.

Vidya Prayas



The introduction of Vidya Prayas scholarships for young, underprivileged students and establishment of Information and Communication Technology (ICT) is helping to enhance school attendance in Kadivala and Mangalagudda, North Karnataka.

Bayer-RVJ School of Agriculture (Vocational Training)



Teenagers coming from rural areas often do not see job opportunities and move away to the big cities, thus adding to urbanization. To provide them with a professional alternative to earning their living in their rural home regions, the Bayer Ramanaidu Vignana Jyothi School of Agriculture was established in November 2007 in Medak district of Andhra Pradesh. The school conducts two 6-months vocational training courses every year with approximately 30 students registered per course. In 2015, an additional funding has been made to upgrade the facilities and keep in pace with the new technological developments in the agriculture sector.

Child Care Program



An estimated 158 million children aged 5-14 are engaged in child labor worldwide, according to the United Nations Children's Fund (UNICEF). This is one in six children in the world. Bayer has worked effectively to implement a comprehensive multi-level Child Care Program (CCP), an initiative that has transformed the way the seed supply chain is organized, making it sustainable and compliant with its policy of saying no to child labor. It aims at getting children off the fields of contract farmers and in to the school.

Model Village



The Model Village project being implemented in Kadivala and Mangalagudda, North Karnataka has been envisaged to foster rural development to benefit village population. Collective saving habits are being inculcated through conceptualization of Self Help Groups (SHGs) for women to support livelihood activities such as goat, sheep rearing and purchase of essential agricultural equipment. Both the villages – Kadivala and Mangalagudda, North Karnataka collectively have formed 23 SHGs. More than 250 women have enrolled as SHG members.

Bayer's WASH Program (Water, Agriculture, Sanitation & Hygiene)



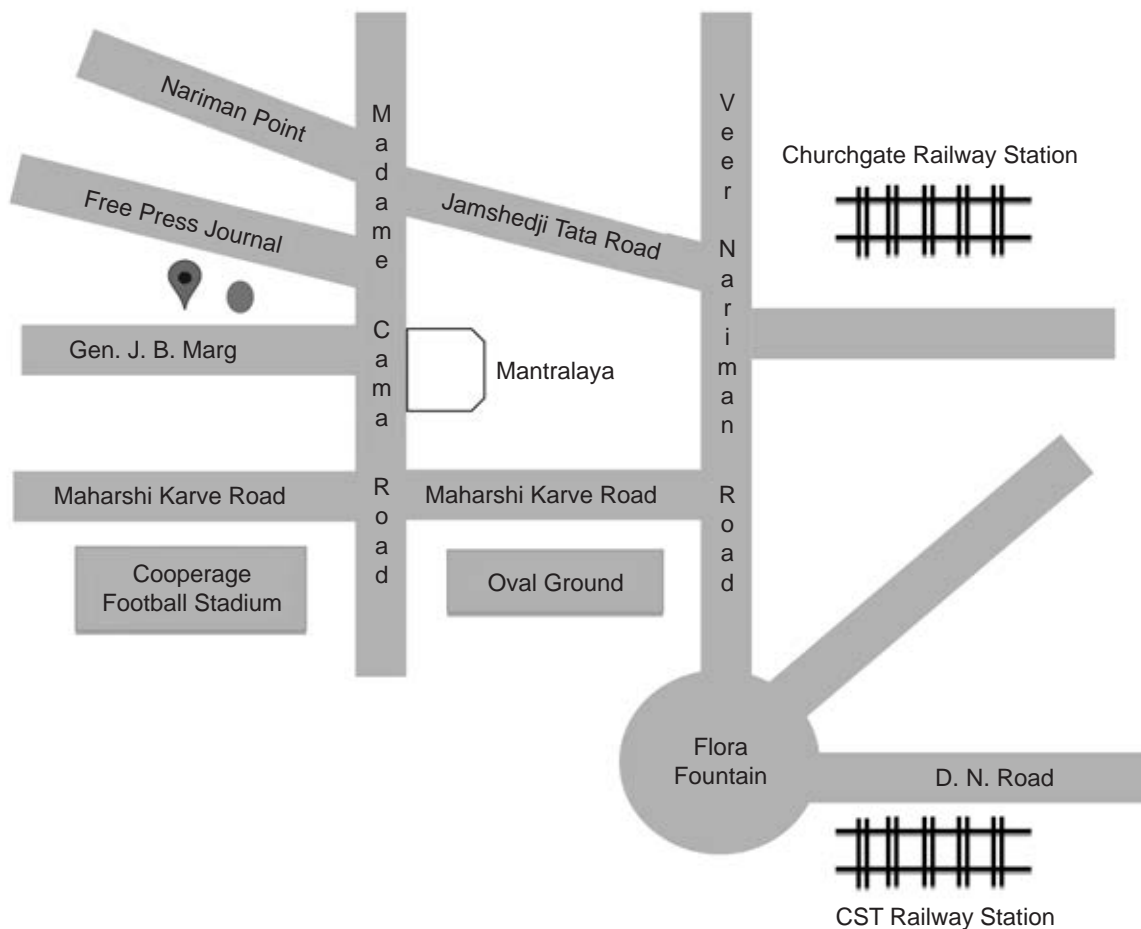
Bayer's WASH program is aimed at improving public health through education on sanitation, hygiene and conservation of water in domestic and agricultural usage. The methodology involves intense training for rural communities in order to change mindsets and habits. The training activities include promoting the use of toilets in schools and households, raising awareness about curbing the spread of water-borne diseases by incorporating simple habits like washing hands and making water portable by boiling it and storing it in clean containers. The objective of the WASH project is to reach out and sensitize around 60,000 farmers in 60 villages in Kumool district of Andhra Pradesh within a three year period starting 2015.

ROUTE MAP TO THE VENUE OF THE 58TH ANNUAL GENERAL MEETING OF BAYER CROPSCIENCE LIMITED

Day & Date : Monday, September 12, 2016

Time : 11:00 A.M.

Venue : Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan
Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai - 400021



Legends:

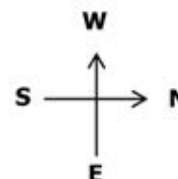


Y. B. Chavan Auditorium,
Yashwantrao Chavan Pratishthan, Gen. J. Bhonsale Marg, Mumbai - 400021



Sachivalaya Gymkhana

Please note that this map is not to actual scale



Bayer CropScience Limited
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Directors	Pankaj Patel	(DIN 00131852)	– Chairman
[As on July 05, 2016]	Richard van der Merwe	(DIN 06768305)	– Vice Chairman & Managing Director and CEO
	Sharad M. Kulkarni	(DIN 00003640)	
	A. K. R. Nedungadi	(DIN 00103214)	
	Vimal Bhandari	(DIN 00001318)	
	Peter Mueller	(DIN 03582162)	
	Ulrich Stefer	(DIN 07447177)	– Executive Director & CFO
	Dr. Regine Juergens	(DIN 07076269)	

Vice President - Law, Patents & Compliance & Company Secretary

Rajiv Wani

Bankers	Bank of America
	BNP Paribas
	Citibank N.A.
	Deutsche Bank
	HDFC Bank Limited
	State Bank of India
Auditors	Price Waterhouse
Solicitors	Crawford Bayley & Co.
CIN	L24210MH1958PLC011173
Registered & Corporate Office	Bayer House, Central Avenue, Hiranandani Estate Thane (W) - 400 607. Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 5063 Email: ir_bcs@bayer.com
Registrar & Share Transfer Agent	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 Email: csg-unit@tsrdarashaw.com
Factory	Plot Nos. 66/1 to 75/2 G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.

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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 58th Annual General Meeting of Bayer CropScience Limited will be held on Monday, September 12, 2016 at 11.00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", 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 Statement of Profit and Loss for the financial year ended March 31, 2016 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, 2016.
3. To appoint a Director in place of Mr. Peter Mueller (DIN : 03582162), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Resolutions, with or without modification(s):

5. Appointment of Mr. Ulrich Stefer as the Wholtime Director (DIN: 07447177) & Chief Financial Officer of the Company:

As an Ordinary Resolution:

"RESOLVED THAT Mr. Ulrich Stefer (DIN: 07447177) who was appointed as an Additional Director of the Company with effect from March 04, 2016 by the Board of Directors and holds office upto the date of this Annual General Meeting under the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 117(2) of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the name of Mr. Ulrich Stefer as a candidate for the office of director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board and subject to the provisions of Sections 2(51), 2(94), 196, 197, 200, 201, 203 and Schedule V and other applicable provisions, if any, of the Act and relevant rules made thereof and subject to approval of the Central Government and such other approvals as may be necessary, Mr. Ulrich Stefer, be and is hereby appointed as the Wholtime Director & Chief Financial Officer of the Company for a period of five (5) years commencing from April 01, 2016 on the following terms and conditions:

(a)	Salary	₹ 745,087/- (Rupees Seven Lakhs Forty Five Thousand Eighty Seven only) per month or such amount as may be approved by the Nomination and Remuneration Committee / Board of Directors.
		Euro 12,936/- (Euro Twelve Thousand Nine Hundred Thirty Six only) per month in Indian Rupees at the prevailing exchange rate or such amount as may be approved by the Nomination and Remuneration Committee /Board of Directors.
(b)	Special Allowance	₹ 1,49,017/- (Rupees One Lakh Forty Nine Thousand Seventeen Only) per month or such amount as may be approved by the Nomination and Remuneration Committee /Board of Directors.
(c)	Annual Increments	An amount as may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time.
(d)	Performance Award / Bonus / Incentive / Ex-gratia	An amount as may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time.
(e)	Long Term Incentive	An amount decided as per the Global Policy of Bayer AG, Germany for Senior Management.
(f)	Global Aspire Award	An amount decided as per the Global Policy of Bayer AG, Germany for Senior Management.
(g)	Perquisites	As per the provisions of Section 196 and 197 of the Companies Act, 2013 and Schedule V to the said Act for the time being in force or any statutory modification or re-enactment thereof. The perquisites (including allowances) payable are as follows:
	Housing	The Company shall provide free furnished accommodation, including periodic maintenance.
	Home Travel Allowance	An amount as may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time in accordance with the Bayer's International Mobility Directive.
	Club fees	Entrance and annual fees of one club.

NOTICE (contd.)

Allowances /Reimbursement of expenses incurred on joining duty and returning to the Director's home country after completion of tenure of his service	Actual expenses incurred on travel and on packing, forwarding, loading / unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses, relocation allowance, electrical appliances allowance in connection with the moving of personal effects for self and family. After completion of tenure, such expenses may be reimbursed if the Wholetime Director is finally leaving the employment of the Company.
Retirement Benefits	Retirement benefits under the Employee Benefit Programme / Scheme as per the rules of the Company and Social Security benefit will be applicable as per Bayer's International Mobility Directive.
Free use of Motor Car	Free use of motor car with chauffeur for his use; alternatively the Company shall bear all running, maintenance and repair expenses plus the remuneration of a chauffeur for his own car.
Earned / Privilege Leave	As per the Policy of the Company.
Encashment of Leave	Encashment of Leave at the end of the tenure as per the Policy of the Company.
Other allowances / reimbursement of expenses	An amount decided as per Company Policy.
Children's Schooling	As per Bayer's International Mobility Directive.

RESOLVED FURTHER THAT the remuneration, as aforesaid, including expressly the benefits and amenities shall be paid and provided as minimum remuneration to Mr. Stefer, subject to the approval of the members and Central Government, if necessary, or any other authority notwithstanding the absence or inadequacy of profits in any financial year of the Company during the tenure of his office as the Wholetime Director & Chief Financial Officer of the Company.

RESOLVED FURTHER THAT in the event of any relaxation made by the Government in the guidelines or ceiling on Managerial Remuneration during the tenure of his office as Wholetime Director & Chief Financial Officer, the remuneration (including "Minimum Remuneration") payable to the him shall be increased as the Nomination and Remuneration Committee / Board of Directors may deem fit in accordance with the guidelines or ceiling.

RESOLVED FURTHER THAT the Board may subject to the requisite approvals by the Central Government, if required, increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Stefer including the monetary value thereof, upto the limits prescribed in that behalf under the Act, and rules made thereunder or any statutory amendment, modification or re-enactment thereof from time to time in force and / or the guidelines coming into force.

RESOLVED FURTHER THAT so long as Mr. Stefer functions as the Wholetime Director & Chief Financial Officer of the Company, he shall not become interested or otherwise concerned directly or through his wife and /or minor children or relative in any selling agency of the Company in future without intimation to the Company and the approval of the shareholders, if required under any statutory provisions.

RESOLVED FURTHER THAT so long as Mr. Stefer functions as the Wholetime Director & Chief Financial Officer of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

RESOLVED FURTHER THAT Mr. Stefer shall not be liable to retire by rotation during his tenure as Wholetime Director & Chief Financial Officer of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to accept and carry out the modifications, if any, that may be suggested by the Central Government and to take such steps and do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Vice Chairman & Managing Director and Chief Executive Officer or the Company Secretary of the Company be and are hereby severally authorized to sign and file the prescribed forms, returns, documents, applications and deeds with all authorities including the Registrar of Companies, Maharashtra, along with the requisite fees in respect of the said appointment."

6. Appointment of Mr. Pankaj Patel (DIN: 00131852) as the Non-Executive Independent Director of the Company:

As an Ordinary Resolution:

"RESOLVED THAT Mr. Pankaj Patel (DIN: 00131852) who was appointed as an Additional Director of the Company with effect from July 05, 2016 by the Board of Directors and holds office upto the date of this Annual General Meeting under the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 117(2) of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the name of Mr. Pankaj Patel as a candidate for the office of director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board and subject to the provisions of Sections 149, 150(2), 152(2), first proviso of section 152(5) of the Act and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations

17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Mr. Pankaj Patel who has submitted a declaration of independence under Section 149(6) of the Act and is eligible for appointment be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) consecutive years commencing from September 12, 2016 upto September 11, 2021.

RESOLVED FURTHER THAT Mr. Patel shall not be liable to retire by rotation during his tenure as a Non-Executive Independent Director of the Company.

RESOLVED FURTHER THAT the Vice Chairman & Managing Director and Chief Executive Officer or the Company Secretary of the Company be and are hereby severally authorized to sign and file the prescribed forms, returns, documents, applications and deeds with all authorities including the Registrar of Companies, Maharashtra, along with the requisite fees in respect of the said appointment."

7. Ratification of Remuneration to Cost Auditor:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. N. I. Mehta & Co., Cost Accountants, having Firm Registration No. 000023, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company relating to Insecticides for the financial year ending March 31, 2017, being ₹ 0.53 Millions (Rupees point five three millions only) plus service tax and out of pocket expenses incurred in performance of their duties be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

8. Approval of transaction with Bayer BioScience Private Limited:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s)/arrangement(s)/transaction(s) with Bayer BioScience Private Limited ("BBPL"), a Related Party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI Listing Regulations, for purchase of goods, professional and support services, recoveries, rent income/expenses, loan and other obligations if any on such terms and conditions as may be mutually agreed upon between the Company and BBPL and as given under the statement setting out the material facts annexed to this Notice, for Item No 8.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, in order to give effect to this resolution."

9. Adoption of new Articles of Association of the Company:

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary registration, approvals, consents, permissions and sanctions required, if any, by the Registrar of Companies and any other appropriate authority and subject to such terms, conditions, amendments or modifications, the new Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company with effect from the date of this meeting.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, things and take all such steps as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Vice Chairman & Managing Director and Chief Executive Officer or Executive Director & Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to sign and file the prescribed forms, returns, documents, applications and deeds with all authorities including the Registrar of Companies, Maharashtra, along with the requisite fees in respect of the adoption of the new Articles of Association."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. 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 forty-eight (48) hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation. The proxy holder shall prove his identity at the time of attending the meeting. The proxies shall be available for inspection during the period beginning twenty-four (24) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.

2. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto and forms part of this Notice.
3. The details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Directors seeking approval for appointment /re-appointment at the Annual General Meeting, forms part of the Annexure to this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 31, 2016 to Monday, September 12, 2016 (both days inclusive).
5. The dividend of ₹ 17 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 58th Annual General Meeting to be held on Monday, September 12, 2016 will be paid on or after Wednesday, September 14, 2016:
 - (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Tuesday, August 30, 2016 after effecting the transfers lodged on August 30, 2016 which are valid and found to be in order;
 - (ii) in respect of shares held in dematerialised form, to the Beneficial Owners of the shares as at the close of business hours on Tuesday, August 30, 2016 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
6. 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
7. Members holding shares in physical form are requested to notify / send the following to TSRDL on or before Thursday, August 25, 2016 in order to facilitate better service:
 - (i) any change in their address / mandate / bank details;
 - (ii) particulars of their core bank account number 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.
8. Members holding shares in the dematerialised form are requested to intimate all changes pertaining to their bank details including their Core Banking Account No. MICR and IFS Code, 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.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSRDL for assistance in this regard.
10. Members are requested to encash the Dividend Warrants immediately on its receipt, as pursuant to the provisions of Section 123 of the Companies Act, 2013, 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 (including any statutory modification or re-enactment thereof for the time being in force). Members shall not be able to claim any unpaid or unclaimed dividend from IEPF or the Company thereafter.
11. **Members are requested to note that the dividend declared in September, 2009 is due to be transferred to IEPF in October, 2016.**
12. 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.
13. Members can avail the facility of nomination in respect of physical shares held by them by sending their nomination in the prescribed form duly filled in to TSRDL, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.

14. 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 during normal business hours up to and including the date of the Annual General Meeting.
15. **To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address alongwith 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.

16. In compliance with the provisions of Section 108 of the Companies Act, 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for electronic voting shall be made available at the AGM venue and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on Thursday, September 08, 2016 (IST 9:00 a.m.) and ends on Sunday, September 11, 2016 (IST 5:00 p.m.). During this period, members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 05, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - i. Open email and open PDF file viz; "BAYER remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder - Login
 - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select "EVEN" (E-voting Event Number) of Bayer CropScience Limited which is 104415. Now you are ready for remote e-voting as Cast Vote page opens.
 - viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - x. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s)] :
 - i. Initial password is provided in the enclosed attendance slip: EVEN (Remote e-voting Event Number), User ID and password
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.

C. Other Instructions:

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Monday, September 05, 2016.
- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, September 05, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- vi. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- vii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- viii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- ix. Mr. N. L. Bhatia, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting conducted at the AGM venue in a fair and transparent manner.
- x. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting electronically for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xi. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xii. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.bayer.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors

Rajiv Wani
Vice President – Law, Patents & Compliance &
Company Secretary

Mumbai,
July 05, 2016

Registered Office:

Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) - 400 607

CIN : L24210MH1958PLC011173



ANNEXURE TO NOTICE:

INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI LISTING REGULATIONS:

Mr. Peter Mueller (DIN: 03582162)

Mr. Peter Mueller (Age: 56 years) who retires by rotation being eligible has offered himself for re-appointment.

Brief Profile:

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.

Mr. Mueller is a Director on the Board of Bayer Nordic SE. He is also a member of the Supervisory Board of Bayer Pensionkasse, Pallas Versicherung AG, Bayer CropScience AG and member of the Shareholders Committee of Bayer Real Estate. He does not hold any shares in the Company in which he is a Director.

Mr. Ulrich Stefer (DIN: 07447177)

Mr. Ulrich Stefer (Age: 47 years) had been appointed as an Additional Director of the Company with effect from March 04, 2016. He holds office till the ensuing Annual General Meeting and being eligible, offers himself for appointment.

Brief Profile:

Mr. Ulrich Stefer has completed Business Administration at University of Cologne. He started his career at a Chartered Accountant firm in Cologne, Germany. Subsequent to his examination as Tax Consultant, he then joined Bayer in 1998 to work as auditor in the Corporate Auditing Department. From 2002 to 2008 he was transferred to Asia Pacific to run a regional project at Bayer Middle East, Dubai, UAE, to take up responsibilities as Chief Financial Officer (Bayer Pakistan (Private) Ltd. and Bayer Korea Ltd.) partly in combination with the role as CEO/Senior Bayer Representative Bayer Pakistan (Private) Ltd. In 2010 he was transferred to the Taxes department of Bayer AG heading up the International Taxes/Foreign Affiliates Department. Prior to joining the Company, Mr. Stefer was responsible for Tax Planning, Mergers & Acquisitions (Tax) and Transfer Pricing at Bayer AG, Leverkusen, Germany.

Mr. Stefer does not hold any other directorship in any other company. He does not hold any shares in the Company.

Mr. Pankaj Patel (DIN: 00131852)

Mr. Pankaj Patel (Age: 63 years) had been appointed as an Additional Director of the Company with effect from July 05, 2016. He holds office till the ensuing Annual General Meeting and being eligible, offers himself for appointment.

Brief Profile:

Mr. Patel has an overall experience spanning over 40 years in the Indian Pharmaceutical Industry. Mr. Patel combines both research and techno-commercial expertise. He has published over 100 research papers in peer reviewed journals and is a co-inventor in more than 64 patents.

In recognition of his contributions to the healthcare industry in India, recently Mr. Patel was conferred the Leadership in Drug Discovery and Development Award from the South Asian Chapter of American College of Clinical Pharmacology, the Acharya PC Ray Memorial Gold Medal Award and the Eminent Pharmacist Award. In January, 2014, Mr. Patel was conferred the India Innovator Award 2013 at the India Business Leaders Awards instituted by CNBC. The Zydus group was one amongst the top five companies worldwide at the FT ArcelorMittal Boldness in Business Awards 2014 in the Developing Markets category. For his entrepreneurial vision, Mr. Patel was awarded the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category. He is also a member as well as Chairman of leading academic and research institutes.

As on July 05, 2016, Mr. Patel is on the Board of the following listed companies:

- Cadila Healthcare Limited
- Torrent Power Limited

He is a member of the Stakeholder Relationship Committee of Cadila Healthcare Limited and the Chairman of the Stakeholder Relationship Committee of Torrent Power Limited. He does not hold any shares in the Company.

THE FOLLOWING EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED IN ITEM NO. 5 TO 9 IN THE ACCOMPANYING NOTICE DATED JULY 05, 2016:

Explanatory Statement

Item No. 5

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Ulrich Stefer (DIN: 07447177) as an Additional Director with effect from March 04, 2016 and as a Wholetime Director & Chief Financial Officer with effect from April 01, 2016 for a period of five (5) years from April 01, 2016 to March 31, 2021. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 117(2) of the Articles of Association of the Company, Mr. Stefer holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Wholetime Director. A notice in writing under Section 160 of the Act has been received from a member signifying the intention to propose the name of Mr. Stefer as a candidate for the office of Director.

The terms and conditions of the payment of remuneration to Mr. Stefer as the Wholetime Director & Chief Financial Officer of the Company are within the limits as prescribed under Schedule V of the Act.

Upon approval by the members, a separate agreement to give effect to the terms and conditions of appointment will be executed between the Company and Mr. Stefer. A draft of the said agreement is available for inspection by the members at the Registered Office of the Company during business hours on all working days till the date of the Annual General Meeting and shall also be available at the meeting.

The Board of Directors recommend the Ordinary Resolution in relation to the appointment of Mr. Ulrich Stefer as the Wholetime Director & Chief Financial Officer, for the approval of the members of the Company.

Except Mr. Stefer, none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution as set out in Item No. 5.

Item No. 6

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Pankaj Patel (DIN: 00131852) as an Additional Director with effect from July 05, 2016 and as a Non-Executive Independent Director subject to the approval of the members. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 117(2) of the Articles of Association of the Company, Mr. Patel holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. A notice in writing under Section 160 of the Act has been received from a member signifying the intention to propose the name of Mr. Patel as a candidate for the office of Director.

The Company has also received the declaration from Mr. Patel stating that he meets the criteria of independence as per Section 149(6) of the Act as well as Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The brief profile of Mr. Pankaj Patel is set out in the Annexure to this Notice.

A copy of the draft letter of appointment which will be issued to Mr. Patel setting out the terms and conditions of his appointment as Independent Director is available for inspection by the Members at the Registered Office of the Company during business hours on all working days till the date of the Annual General Meeting and shall also be available at the meeting.

In the opinion of the Board, Mr. Patel fulfills the conditions specified in the Act and the rules made thereunder and also under the SEBI Listing Regulations for appointment as a Non-Executive Independent Director and is Independent of the Management.

The Board of Directors recommends the Ordinary Resolution in relation to the appointment of Mr. Pankaj Patel as a Non-Executive Independent Director of the Company for a period of five years commencing from September 12, 2016.

Except Mr. Patel, none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution as set out in Item No. 6.

Item No. 7

The Board, on the recommendation of the Audit Committee, had approved the appointment of M/s. N.I. Mehta & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for "Insecticides" for the financial year ending March 31, 2017 for a remuneration of ₹ 0.53 Millions (Rupees point five three millions only) plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit for the financial year 2016-17. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered Office of the Company during business hours on all working days till the date of the Annual General Meeting and shall also be available at the meeting.



In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the passing of this resolution.

The Board recommends the ratification of the remuneration payable to M/s. N.I. Mehta & Co., Cost Accountants, for the Cost Audit and passing of the Ordinary Resolution as set out at Item No. 7.

Item No. 8

Bayer BioScience Private Limited ("BBPL") amongst other activities is also engaged in the activity of development, production, manufacture, purchase and import of different varieties of seeds. The Company carries on the business of manufacturing and selling agrochemicals and other products and has established a wide distribution channel and marketing network. BBPL has appointed the Company for selling and distribution of different varieties of seeds developed, produced or imported by BBPL on non-exclusive basis in India and Nepal. Since the Company has product expertise on agrochemicals it can penetrate into the market for better distribution of high quality seeds as developed by BBPL.

BBPL is a party related to the Company as per the definition of Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI Listing Regulations.

The members of the Company at its 57th Annual General Meeting held on September 15, 2015 had accorded their approval for transactions with BBPL for a limit of upto ₹ 5,500 Millions. Based on the past trends and current business environment, the Company expects the level of transactions with BBPL to go beyond the threshold limits as approved last year by the members and hence the Company wishes to seek the members approval by way of an Ordinary Resolution for entering into transactions (as stated below) with BBPL for a revised limit of not exceeding ₹ 8,000 Millions in each financial year .

In terms of the provisions of Regulation 23 of the SEBI Listing Regulations, the transaction with BBPL constitutes as a material related party transaction thereby requiring approval of the members.

The particulars of the contracts/transactions/arrangements are as under:

Particulars	Information
Name of the related party	Bayer BioScience Private Limited ("BBPL")
Name of the director or Key Managerial Personnel who is related , if any	None
Nature of relationship	Related Party as per Section 2(76) of the Companies Act, 2013
Material Terms of contract/arrangements/transaction	Purchase of goods (seeds variety), sale of goods, professional and support services, recoveries, rent income/expenses , services, loan and other obligations, if any
Monetary value of the Contract	Not exceeding ₹ 8,000 Millions in each financial year
Whether the transactions have been approved by the Audit Committee	Yes
Are the transactions in the ordinary course of business	Yes
Whether the transactions would meet the arms length standard in the opinion of the Company's Transfer pricing consultants	Yes
Any other Information relevant or important for the members to make a decision on the proposed transaction	None

The Board of Directors is of the opinion that the aforesaid transactions are in the interest of the Company and therefore recommends the Ordinary Resolution as set out in Item No. 8 of the Notice for approval of unrelated members of the Company in terms of Regulation 23 of the SEBI Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

Item No 9

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the erstwhile Companies Act, 1956 and were thereafter amended from time to time in accordance with the provisions of the Companies Act, 1956.

It is now proposed to have a new set of Articles of Association, the provisions of which are consistent with the Companies Act, 2013 and the Companies (Amendment) Act, 2015 and relevant rules framed thereunder as well as the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The change is necessitated as many provisions of the Companies Act, 1956 have been repealed and replaced with the new sections and provisions of the Companies Act, 2013.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of a Special Resolution is required for adoption of the new Articles of Association of the Company.

The draft Articles of Association are available for inspection by the Members at the Registered Office of the Company on all working days during normal business hours upto and including the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the passing of this resolution.

By Order of the Board of Directors

Rajiv Wani

Vice President – Law, Patents & Compliance
& Company Secretary

Mumbai,
July 05, 2016

Registered Office:
Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) - 400 607
CIN : L24210MH1958PLC011173

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 58th 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, 2016.

Financial Performance:

(₹ in Millions)

Particulars	2015-16	2014-15
Revenue from Operation (Net)	37,429	37,233
Other Income	757	879
Total Revenue	38,186	38,112
Profit before Finance Costs, Depreciation, Exceptional Items and Taxation	4,949	6,034
(Less) : Finance Costs	(73)	(46)
(Less) : Depreciation and Amortisation Expense (including Impairment)	(247)	(253)
Profit before Exceptional Items and Taxation	4,629	5,735
Add/(Less) : Exceptional Items	-	-
Profit Before Tax	4,629	5,735
(Less) : Tax Expense	(1,620)	(1,905)
Profit After Tax	3,009	3,830
Add : Surplus in Statement of Profit and Loss at the beginning of the year	16,657	14,134
Amount available for Appropriation	19,666	17,964
Appropriations:		
Interim Dividend	-	146
Dividend Distribution Tax on Interim Dividend	-	25
Proposed Dividend	601	623
Dividend Distribution Tax on Proposed Dividend	118	130
Transfer to General Reserve	301	383
Premium paid on Buy-back of shares	5,048	-
Transfer to Capital Redemption Reserve	12	-

Operations:

Your Company's Revenue from Operation (Net) for the financial year 2015-16 is ₹ 37,429 Millions vis-à-vis ₹ 37,233 Millions in 2014-15.

Profit before Exceptional Items and Taxation is ₹ 4,629 Millions for the financial year 2015-16.

Dividend:

The Board of Directors is pleased to recommend a dividend of ₹ 17 per Equity Share of ₹ 10 each for the financial year ended March 31, 2016, subject to the approval of the members (previous year ₹ 21.00 per Equity Share of ₹ 10 each). The total outgo for the current year amounts to ₹ 601 Millions as against ₹ 623 Millions in the previous year.

The Register of Members will remain closed from Wednesday, August 31, 2016 to Monday, September 12, 2016 (both days inclusive).

Exports:

Your Company is a recognised Export House. The export sale (FOB) for the year ended March 31, 2016 was ₹ 5,442 Millions as compared to ₹ 6,287 Millions during the previous year.

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 also stands insured, amongst other things. In addition, adequate coverage has been taken to cover public liability, environmental liability and product liability claims. Also, all the employees are covered against the risk of hospitalisation and personal accident.

Foreign Exchange Management:

The Company's exposure to foreign exchange risk comprises the risk of 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 fortnightly basis.

DIRECTORS' REPORT (contd.)**Directors' Responsibility Statement:**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief, confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. appropriate accounting policies have been selected and applied consistently and such judgments 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 at March 31, 2016 and of the profit of the Company for the financial year ended March 31, 2016;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively and
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

Responsible Care and Quality:

Your Company observed National Safety Week and Fire Prevention Week during the year and conducted various activities throughout the week to spread awareness on safety amongst employees. September 08, 2015 was observed as the Bayer Safety Day. Your Company observed World Environment Day at the Himatnagar Site during the year. A "Road Safety Campaign" was launched in 2012 and was continued in 2015 to increase awareness on road safety amongst Bayer employees in India. This year, the theme was "Behavior Based Safe Driving". The Himatnagar Site completed 16 years without lost time injury in 2015. The Site also received FICCI Award for The Best Green Process in 2015.

Your Company, covering all the manufacturing sites, all India business operations and supporting services, was audited for ISO 9001:2008 Quality Management System by TUV India Pvt. Ltd. (TUV) and the Company continued certification for 2015. The ISO 14001:2004 Environmental Management Systems for Himatnagar Site was audited by TUV and the certification continued for 2015.

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

Corporate Sustainability and Social Responsibility:

Responsible business practices are the foundation of the Bayer's corporate alignment in India. Bayer's objective is to create entrepreneurial value while adhering to social values. Our products and services are designed to benefit people and improve their quality of life. At the same time we want to create value through innovation, growth and high earning power. This, we believe is the only way to generate sustainable profitable growth. Our business approach complies with the principles of sustainability in fulfilling our mission -- Bayer: Science For A Better Life.

At Bayer sustainability forms an integral part of our corporate strategy in the same way as the areas of research or human resources. While Bayer promotes cutting-edge research and talented individuals, the Company is equally focussed on innovative educational and social projects.

Our mission spurs us to contribute to society's future viability and create value in diverse ways. Bayer places tremendous emphasis on supporting education and research within its social environment. Here we focus mainly on the fields of science, technology and medicine, as well as environmental protection.

Ensuring ample food supplies is one of the biggest challenges of our time. Bayer is developing solutions to tackle these problems underscoring the concept of sustainable agriculture. Bayer takes its responsibility to protect the environment very seriously. It is constantly working to reduce environmental impact and find innovative product solutions that benefit the environment. Our commitment is two-fold: improving resource and energy efficiency.

Corporate Social Responsibility:

In India, Bayer CropScience Limited has been implementing a number of well-planned Corporate Social Responsibility (CSR) projects. Since the introduction of the Section 135 of the Companies Act 2013, Bayer CropScience Limited has enhanced its CSR portfolio by introducing a set of initiatives that centre on providing unique solutions that could create further awareness, enhance opportunities and provide long-term solutions to some key social issues.

Our CSR India portfolio target structure has three distinct pillars: Society Progress Pilots for pioneering ideas and topics of nationwide importance, Science Excellence – that focus on life science talents and frontier research and Community development -- for neighbourhood projects on topics such as health and education. On all the three fronts, Bayer CropScience Limited has made progress.

Society Progress pilots have entered the phase one of implementation. Science Excellence initiatives are in a roll-out mode. Community development projects have been extended to encompass newer approaches that focus on increasing participation through stakeholder engagement on vital aspects such as science, health, sanitation, hygiene and education.

DIRECTORS' REPORT (contd.)

Human Resources:

At Bayer, we believe that competent and engaged employees are keys to the Company's success. Our LIFE (Leadership, Integrity, Flexibility, Efficiency) Values and organizational culture provide employees with a guideline for their daily work and for sustainable performance. In the past year, your Company has launched 21 different training and development initiatives with a special focus on Competency Based Training programs. Additionally, our employees were nominated for 31 external training programs.

Your Company continues to leverage its Employer Value proposition – its Employer Brand - 'Passion to Innovate | Power to Change', which shows what the Bayer Group expects of its employees and what it can offer them. It translates Bayer's mission statement "Science For A Better Life" into the world of work. It is a reflection of what makes Bayer and what is expected of every employee who joins Bayer. The Employer Brand demonstrates a strong value proposition for future talents and strengthens Bayer as an employer of choice.

Your Company further enhanced its strong Employer Branding initiatives by continuing the "Bayer Scholarship Program" with front ranking universities in India, with the aim to strengthen the interface between the educational institutes and the industry. Since the roll out of the Bayer Competency Model, the Bayer Competencies – Core and Leader, remain linked to all People Processes, Performance Management, Talent Development initiatives across the employee life cycle.

In line with Bayer's talent management philosophy, a number of employees went through various Development Centres this year as well. These exercises not only built capabilities, but also provided opportunities for employees to move into different roles and positions. Our strong work on XCEDO, the CropScience Divisions' Training Academy continued to be recognized at all levels. An addition to the academy was the SKILL CAMP which is a global marketing and sales initiative. In continuation of last year's efforts towards providing opportunities for Learning and Development to the employees initiatives like NIEV and DISHA - Bayer Management Program and My Growth My Life - Employee Development Program were progressed.

Employee relations during the year were harmonious and cordial.

Directors:

Pursuant to the relevant provisions of the Companies Act, 2013 ("the Act") and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed the following directors:

- Mr. Ulrich Stefer as an additional director with effect from March 04, 2016 and as the Wholtime Director and Chief Financial Officer of the Company with effect from April 01, 2016.
- Mr. Pankaj Patel as an additional director with effect from July 05, 2016.

In accordance with Section 161 of the Act, both Mr. Stefer and Mr. Patel hold office upto the date of the forthcoming Annual General Meeting of the Company and being eligible offer their candidature for appointment as Director. Your approval for Mr. Stefer's appointment as a Wholtime Director and Mr. Patel's appointment as a Non - Executive Independent Director has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Kaikobad Mistry, Non-Executive Non-Independent Director ceased to be a Director of the Company with effect from September 17, 2015.

Dr. Thomas Hoffmann, Executive Director & Chief Financial Officer resigned from the Board with effect from March 31, 2016 consequent upon his taking over the responsibilities as the Chief Financial Officer for Bayer in Greater China.

Dr. Vijay Mallya, Chairman & Non-Executive Independent Director also resigned from the Board with effect from June 30, 2016. Dr. Mallya was appointed as a Director of the Company in the year 2003 and was elected as the Chairman of the Board in the year 2004. He has served on the Board of your Company for more than 12 years. The Board of Directors while accepting Dr. Mallya's resignation placed on record its deep appreciation for his professionalism, dedication and loyalty.

The Board of Directors also placed on record its warm appreciation for the rich and valuable contribution made by Mr. Mistry and Dr. Hoffmann during their tenures as Directors of the Company.

In accordance with the provisions of the Act, Mr. Peter Mueller retires by rotation and being eligible offers his candidature for re-appointment.

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

In accordance with the provisions of Section 149(7) of the Act, Dr. Vijay Mallya, Mr. Sharad M. Kulkarni, Mr. A.K.R. Nedungadi and Mr. Vimal Bhandari, the Independent Directors of the Company as on March 31, 2016 have given declaration to the Board that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Meetings of the Board:

During the financial year ended March 31, 2016, six Board Meetings were convened and held. The details of which are given in the Corporate Governance Report.

Audit Committee:

During the financial year ended March 31, 2016, five Audit Committee Meetings were convened and held. The composition of the Audit Committee is given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

DIRECTORS' REPORT (contd.)**Board Evaluation:**

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and that of its committees and individual directors. During the year under review, the Board evaluation cycle was completed by the Company internally which included the evaluation of the Board, directors as well as the Committees. The Evaluation was carried out by the Independent Directors of the Company. The Evaluation process primarily focused on the criteria with respect to the overall functioning of the Board as well as the Committees, the composition of the Board and Committees, governance aspects etc. The criteria applied in the evaluation process is explained in the Corporate Governance Report.

Nomination and Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration Policy in accordance with Section 178 of the Act and SEBI Listing Regulations. The Policy provides for appointment and removal of Directors, Key Managerial Personnel and Senior Management employees and their remuneration. The gist of the Policy is stated in the Corporate Governance Report. The detailed policy is available on the website of the Company at www.bayer.in.

Whistle Blower Policy (Vigil Mechanism):

The Company has a tradition of conducting business based on high values, principles and beliefs. Good Corporate Governance entails that the interest of the employees, shareholders and the society in general is protected at all times. With this objective, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations for employees to report concerns about any unethical conduct, financial malpractices or any unhealthy practice prevalent in the Company. The employees are encouraged to voice their concerns or issues by way of whistle blowing and all the employees have been given the access to the Audit Committee. The Company has also provided dedicated email address bayercompliance@expolink.co.uk for reporting such concerns. The Corporate Compliance Team looks into the whistle blower complaints and places the status of such complaints at the Audit Committee Meeting on a quarterly basis.

The details of this Policy are explained in the Corporate Governance Report and also posted on the website of the Company at www.bayer.in.

Risk Management Policy:

The Company has adopted a Risk Management Policy which outlines the risk management framework of the Company. The Policy contains the following aspects:

- overview of risk management;
- roles and responsibilities of the Board of Directors, Audit Committee and other key personnel of the company with regards to risk management;
- structure for identification, escalation and minimization of risks;
- procedure for risk identification, escalation and minimization of risks.

The details on risk management is given in the Corporate Governance Report.

Corporate Social Responsibility Policy:

During the year under review, the Corporate Social Responsibility (CSR) Policy was restated with a view to widen the scope of the existing CSR Policy and to make it more comprehensive and in alignment of the requirements of the Companies Act, 2013. Two new thematic focus areas were included in the amended CSR Policy viz: Preventive Healthcare and Sanitation and Empowering Women.

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is set out in Annexure "A" of this Report. The CSR policy is uploaded on the website of the Company and is available at www.bayer.in.

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 processes in line with the approved internal audit plan. Audit observations and follow-up actions are discussed with the management of the Company as well as the Audit Committee.

Information pursuant to Section 197(12) of the Companies Act, 2013:

The information as prescribed under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out as an Annexure "E" to the Directors' Report. However, as per the proviso to Rule 5 the Directors' Report and Financial Statements are being sent to the Members excluding the statement giving particulars of employees under Section 197(12). Any Member interested in obtaining a copy of such statement may write to the Company Secretary at the

DIRECTORS' REPORT (contd.)

Registered Office of the Company.

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

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to these matters forms part of this Report and is enclosed as Annexure "B" hereto.

Particular of Loans, guarantees or investments under Section 186 of the Companies Act, 2013:

During the financial year ended March 31, 2016, the Company gave loan to one of its group company. As on March 31, 2016 no loan is outstanding. Particulars of the loan is given under Note No. 36 in Financial Statement. The Company did not give any guarantee or provide security in connection with any loan or acquired any securities during the financial year ended March 31, 2016.

Related Party Transactions:

In accordance with the relevant provisions of the Companies Act, 2013 and rules framed thereunder as well as Regulation 23 of the SEBI Listing Regulations, your Company has in place a Related Party Transaction Policy. All the transactions entered with related parties are as per the Related Party Transaction Policy and are in the Ordinary Course of Business and at arm's length.

Information on transactions with the related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 as prescribed in Form AOC -2 are given under Annexure "C".

Prevention of Sexual Harassment at Workplace:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is a summary of sexual harassment complaints received and disposed off during last calendar year.

- No of complaints received : Nil
- No of complaints disposed off : Nil

Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT 9 is enclosed as Annexure "D" hereto.

Corporate Governance:

Your Company is committed to maintaining highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities and Exchange Board of India (SEBI). As required by Regulation 24 of the SEBI Listing Regulation, 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. Also a Certificate of the CEO and CFO of the Company in terms of the SEBI Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of internal control measures forms a part of the Corporate Governance Report.

Management Discussion & Analysis Report:

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

Adoption of New Articles of Association:

The Companies Act, 2013 and the Companies (Amendment) Act, 2015 has necessitated changes in the Articles of Association of the Company. It is accordingly proposed that a new set of Articles of Association be adopted by the Members and a Resolution to this effect is included at Item No. 9 in the Notice of the Annual General Meeting. The Board recommends the resolution for adoption by the Members.

Buy back of Shares:

During the year under review, the Company completed Buy Back of 1,265,000 equity shares (representing 3.45% of total equity capital) of ₹ 10/- each at a price of ₹ 4,000/- per equity share aggregating to ₹ 5,060 Millions. The Buyback of shares from the shareholders of the Company was on a proportionate basis through the tender offer route as prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended.

DIRECTORS' REPORT (contd.)**Cost Audit:**

Pursuant to Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of 'Insecticides' is required to be audited. Your Directors have on the recommendation of the Audit Committee appointed M/s. N. I. Mehta & Co. to audit the cost accounts of the Company pertaining to 'Insecticides' for the financial year ending March 31, 2017. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a resolution for seeking members ratification for the remuneration payable to M/s. N. I. Mehta & Co. is included at Item No. 7 of the Notice convening the Annual General Meeting.

Statutory 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. They have confirmed the eligibility under Section 141 of the Act and the rules framed thereunder for re-appointment as Auditors of the Company. The Audit Committee and the Board recommends the re-appointment of M/s. Price Waterhouse, Chartered Accountants, as Statutory Auditors of the Company.

Members are requested to consider and re-appoint M/s. Price Waterhouse, Chartered Accountants, as the Statutory Auditors of the Company.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BNP & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as Annexure "F" hereto.

Acknowledgements:

The Board of Directors wishes to thank the employees of the Company for their exemplary dedication and valued contribution made by them. Your Directors would like to express their grateful appreciation for the co-operation, assistance and support extended by all the valuable stakeholders of the Company viz: customers, government authorities, financial institutions, banks, shareholders, suppliers and other business associates. We also acknowledge the consistent support and guidance from Bayer AG, Bayer CropScience AG, Bayer SAS and Bayer Vapi Private Limited.

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

(DIN : 00131852)

Mumbai, July 05, 2016

ANNEXURE “A”

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Bayer CropScience Limited (“the Company”) as a market leader is committed to societal development. Our Corporate Social Responsibility approach, encompasses an inherent commitment to provide assistance for those in need. An important tool of our social responsibility is to provide support for long-term projects according to the principle “helping people to help themselves”.

In accordance of the legislation, the Company has implemented Corporate Social Responsibility (CSR) Policy (“the Policy”). The Policy has built three approaches as a part of providing a holistic development goal. The first approach builds on Society Progress Pilots with pioneering ideas on topics of nationwide importance, the second, Science Excellence – focusses on life science talents and frontier research and the third, Community development – for projects in and around our facilities that underscore vital topics such as health, hygiene, conservation of resources and education.

As per the provisions of the Companies Act, 2013 (“the Act”), the Board level CSR Committee that comprises of the Managing Director and two other Directors (includes one Independent Director) met during the last quarter of the financial year to review the progress of the projects and approve new ideas. The Bayer Group level, CSR Steering Committee comprising representatives from all Bayer companies and some service functions formulated to further steer CSR activities met twice during the year to assess the headway of current projects and approve budgets for upcoming ones.

As per the relevant provisions of the Act, the CSR spend requirement for the Company for the Financial year 2015-16 is ₹ 94.8 Millions.

The Company’s CSR programmes are aligned with global objectives of Bayer converging on key issues such as innovative progress pilots, science excellence, health and education. At the heart of all initiatives, Bayer is pursuing a long-term, well-planned, multi-stakeholder participatory approach that would result in creating a measurable impact on the conditions of the targeted communities. These initiatives have been conceptualized after frequent discussions with various internal stakeholders and NGOs in order to ensure alignment with the business philosophy. These programmes, as of now, cover a part of the CSR budget for 2015 and 2016.

Below is a short summary for programmes under implementation:

i. Sexual Violence Prevention Center:

Unique Research & Prevention Center on Sexual Violence against Women & Children, Social Emergency Office for women in immediate danger. This initiative is being implemented in partnership with King Edward Memorial Hospital, Pune, Public Health Foundation of India and Charité (University Clinic of Berlin). In 2015-16, a feasibility study for implementing public health and clinical treatment services in light of medico-legal conflicts, social acceptance and practical strategic challenges has been taken up.

ii. Discovering Hands:

Novel training center for Blind Women to become Medical Tactile Examiners (MTEs) in early Breast Cancer Detection - this way, a handicap becomes a gift for society. Blind women support as personal assistants to medical doctors in early detection of breast cancer in the context of the existing healthcare system by using their extraordinary tactile capabilities. The first steps of implementation – initiate a very high-level feasibility study to identify the priority areas and implementation and establish an Advisory Board – have been taken up in 2015-16. This project is a partnership initiative with Indian Cancer Society, National Association for the Blind and Rajiv Gandhi Cancer & Research Centre.

iii. Bayer Fellowship Program in Agro Science:

The objective of this project is to encourage research in agriculture. Scholarship will be given to M. Sc. and Ph. D. students with the following objectives: Support young & talented minds to better the standard of agriculture and develop technology in India that can be adapted by farmers to increase their profitability. The project locations are at state-level Agriculture Universities.

For academic year 2015-16 under the program, Bayer is funding 49 students (31 M. Sc. and 18 Ph.D. students) across 7 universities disbursing a total of ₹ 4.3 Millions.

iv. Tele- health Project:

The objective of this project is to help people to get access to specialty care for complex health conditions. The Tele-health project - ECHO-KARUNA is being implemented in partnership with Karuna Trust. The Mission of the project is to develop Tele-health facility for Karuna trust run Primary Health Centers (PHCs) for management of illnesses which need specialist care. This project envisages access to right care, in the right place, at the right time.

v. Health & Educational Programmes:

This project implements comprehensive Health programmes in the states of Maharashtra, Rajasthan, Telangana and Karnataka. In addition, it has rolled out a holistic educational program in Chandippra, a village near the Bayer R&D site close to Hyderabad. Some of the key achievements of this project in 2015-16 are distribution of 467 pairs of spectacles, nine cataract surgeries, dental treatment to 585 villagers, awareness generation on Menstrual hygiene - 550 sanitary napkins distributed and financial support to 150 Students in Chandippra.

vi. Making Science Makes Sense:

Making Science Makes Sense (MSMS) activities focus on making science learning fun. The programme has been designed for students of Class V and VI as it is in these years that science is introduced in schools as a full-fledged subject. The programme includes live demonstrations, experiments, audio-visual tools and interactive modules. MSMS reached out to around 13,500 students in the year 2015-16.

The Corporate Social Responsibility Policy is available on the Company's website at www.bayer.in under the Corporate Governance section

2. The composition of the CSR Committee:

Sr. No.	Name	Designation
1	Richard van der Merwe Vice Chairman & Managing Director and CEO	Chairman
2	Vimal Bhandari Non - Executive Independent Director	Member
3	Dr. Thomas Hoffmann Executive Director & CFO*	Member
4	Ulrich Stefer Additional Director #	Member

* Resigned as a member with effect from March 31, 2016

#Appointed as a member with effect from April 01, 2016

3. Average Net Profit of the Company for last 3 financial years: ₹ 4,740.7 Millions**4. Prescribed CSR Expenditure (2% of this amount as in item 3 above): ₹ 94.8 Millions****5. Details of CSR spent during the year:**

a. Total amount spent during the financial year: ₹94.8 Millions

b. Amount unspent: NIL

c. Manner in which the amount spent during the financial year is detailed below:

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
1	The "Making Science Make Sense" program provides school students with an insight into everyday natural science phenomena with the help of all kinds of fascinating experiments.	CSR activity, under item no.: (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Mumbai in Maharashtra, Himatnagar and Vapi in Gujarat	7.59	DE= 7.23 OH= 0.36	12.06	Grey Sim Ltd. FY2014-15 Durga Devi Charitable Trust FY2015-16

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
2	Mannschaft is a Social Leadership Program initiated by Bayer India Human Resources Department. Rural development activities taken up by Bayer volunteers in order to contribute to the society and inculcate team spirit within participating Bayer employees. Activities carried out during Mannschaften are promoting Kitchen garden; To create awareness on health and hygiene, To implement livelihood training activities.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	In Kadivala village, Koppal District, Mangalgudda village, Bagalkot in Karnataka	0.74	DE= 0.70 OH= 0.04	1.16	SIRDS (Sarvodaya Integrated Rural Development Society)
3	Comprehensive educational interventions aims at catering the need of forming a healthy socio- economic culture where the depriving class of society can avail quality education. Some of the activities include scholarships for the school-going children, financial support to the deserving students to pursue higher education, upgrade and maintain the educational set-up of targeted school/s, improve the education delivery process in the local schools, create IT-enabled smart classes, skill development programs, school facility up-gradation including libraries, science labs, sports & cultural facilities and coaching. Bayer will also provide support by giving notebooks, uniforms, books and sports gears. Vocational trainings and creating self-employment opportunities to the youth beyond school-going age will also be a part of the program	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	In Telangana, Andhra Pradesh and Karnataka	11.03	DE= 10.50 OH = 0.53	11.03	Aakruthi Foundation

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
4	Comprehensive community health program to bridge the gaps in existing framework in the field of rural health and hygiene. The program aims at improving the overall health status in the target locations by providing a very high quality holistic healthcare approach including health screening, treatment of cases diagnosed during the screening and health education.	CSR activity, under item (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swatch Bharat Kosh and making available safe drinking water	In total 9 Villages in the states of Maharashtra, Rajasthan, Telangana & Karnataka	5.12	DE= 4.88 OH= 0.24	5.12	School Health Annual Report Program (SHARP)
5	Bayer Fellowship Program in Agro Science. The program aims at encouraging research and development activities in agriculture. M.Sc. and Ph.D. students in leading AgroScience Universities of India will be given financial assistance to pursue their education that will benefit them and the agricultural sector.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Tamil Nadu, Telangana, Karnataka, Uttarakand, Punjab, West Bengal and Gujarat	4.53	DE= 4.31 OH=0.22	4.53	Tamil Nadu Agricultural University, Coimbatore Andhra Pradesh Agricultural University, Hyderabad, University of Agricultural Sciences, Dharwad Punjab Agricultural University, Ludhiana Govind Ballabh Pant University of Agriculture and Technology, Pantnagar, Uttarakhand Bidhan Chandra Krishi Viswavidyalaya, Kalyani, West Bengal AAU, Anand

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
6	WASH (Water, Agriculture, Sanitation and Hygiene) mainly focuses on public health through improving sanitation and conservation of pure natural resources. Preventive health care situation can be improved in the target villages if cleanliness is enhanced and natural resources are protected from pollutants. The methodology mainly involves intense trainings of the rural communities in order to change mind-set and habits.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Villages of Holagunda, Kowthamam and Aluru Mandals of Kurnool district in Andhra Pradesh	11.01	DE= 10.49 OH= 0.52	27.39	EFFORTS (A Society for the Development of Agriculture and Youth)
7	Making Science Make Sense -Rural is designed under the theme 'Agriculture Education to the High School Students'. The main objectives of the program are: To impart minimum basic scientific, technical and practical knowledge on agriculture sciences/production to the students. To motivate the students to develop interest in agriculture sciences and pursue it as line of future education. To develop scientific temperament among the students in the field of science	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Districts of Ranga Reddy and Medak in Telangana	0.73	DE= 0.70 OH=0.03	0.73	EFFORTS (A Society for the Development of Agriculture and Youth)
8	Shiksha Abhiyaan is an initiative to promote the students for higher studies. The program promotes scholarship scheme to meritorious children from rural India who have scored highest in 12th standard science stream. The program is open to all rural underprivileged children who have completed 12 th Standard of schooling	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Program is open across India	0.75	DE=0.71 OH=0.04	0.75	SIRDS (Sarvodaya Integrated Rural Development Society)

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
9	Relief Programs towards Natural calamities – Earthquakes	CSR activity, under item (i) and (viii) Contribution to the CSR activity, under item (i) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	NA	7.88	DE=7.50 OH= 0.38	7.88	Prime Minister's National Relief Fund
10	Research & Prevention Center on Sexual Violence against Women & Children. The Program has 3 main goals: 1.Empiric research on causes, dark numbers and impact of sexual violence on Indian society and individual victims (generate evidence based results to find new solutions and actions) 2.Social Emergency response office for at-risk people (mobile solution, "help mob") 3.Preventive sexual medical treatment offer for potential child sexual abusers (voluntary based)	CSR activity, under item (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Maharashtra	19.74	DE= 18.80 OH=0.94	19.74	Public Health Foundation of India, KEM Hospital & Research Center Pune. Scientific partner: Charitee Berlin & World Health Summit

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
11	Novel training center for Blind Women to become Medical Tactile Examiners (MTEs) in early Breast Cancer Detection. This way, a handicap becomes a gift for society. They support as personal assistants to medical doctors in early detection of breast cancer in the context of the existing healthcare system by using their extraordinary tactile capabilities.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially amongst children, women, elderly and the differently abled and livelihood enhancement projects	New Delhi	7.88	DE=7.50 OH=0.38	7.88	DISHA Foundation
12	Bayer Science Teens: The international fellowship program of the Bayer supports extraordinarily gifted students in order to help them realize individual study and research projects abroad. Bayer supports 5 school students who show special commitment to the subject of science. The Program supports Scholarships for teenagers aged between 14 and 16, who are interested in science participate at the Bayer Science Camp in Denver, Colorado (USA).	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Program is open across India	1.08	DE= 1.03 OH= 0.05	1.08	Direct implementation

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
13	To provide specialist care and treatment at Primary Health Centers using Tele-Health technology of ECHO (Extension for Community Healthcare Outcomes Model). Karuna Trust's in partnership with the state government of Karnataka will manage 14 PHC's in villages near Bengaluru city. The project aims to empower individuals, families and communities with essential knowledge that help them lead fuller and healthier lives. Also Karuna Trust with the help of ECHO will develop Tele-health facility to run Primary Health Centers (PHCs) for management of illnesses which need specialised care.	CSR activity, under item (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh and making available safe drinking water	Karnataka	2.21	DE=2.10 OH=0.11	2.21	Karuna Trust
14	The Program aims at improving agricultural productivity & livelihood support to small and marginal farmers through agriculture diversification. The main objectives of the program are (i) to improve productivity of small and marginal farmers, (ii) to help them sustain their livelihoods, (iii) to help marginal farmers move away from sustenance agriculture to smarter commercial agriculture through the use of agricultural technology, (iv) to bridge gap between government services, markets and farmers, (v) to address the gaps in information flow and inadequate extension services	CSR activity, under item (x) Rural Development projects	Purvi Champaran (Motihari), in the state of Bihar	5.37	DE=5.11 OH=0.26	5.37	SM Sehgal Foundation

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1.Local area/ others 2.Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1.Direct expenditure on project or programs (DE) 2.Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
15	Enhancement of Municipal school Facility near Thane.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Thane, Maharashtra	0.21	DE=0.20 OH=0.01	0.21	Aakruthi Foundation
16	Flood relief program in Tamil Nadu with focus on Health Initiatives. The program aims to implement various Health care measures to prevent the spread of the epidemic diseases.	CSR activity, under item (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swacch Bharat Kosh and making available safe drinking water	Chennai region, Tamil Nadu	8.93	DE=8.50 OH=0.43	8.93	Concern India Foundation

6. In case the Company has failed to spend the 2% of the Average Net Profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

Not Applicable

7. A Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

We hereby declare that the implementation and monitoring of the CSR Policy are in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Richard van der Merwe

Chairman - CSR Committee and Vice Chairman & Managing Director and CEO

(DIN: 06768305)

Ulrich Stefer

Member - CSR Committee and Executive Director & CFO

(DIN: 07447177)

Mumbai, July 05, 2016

ANNEXURE “B”

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended March 31, 2016.

I. CONSERVATION OF ENERGY**(a) Energy conservation measures taken at Himatnagar plant**

- Replaced old transformer with online tap changer Hi-Efficiency Transformer which leads to reduced power loss;
- Reduced cable length of Hi-Energy consumption Equipment to reduce the line losses;
- Installed New 200 KVAR Capacitor Panel;
- Replaced pumps with Hi-Efficiency Pumps;
- Improved batch time cycle by optimization of operations for SC, WP & WG formulations which reduced the consumption of electricity;
- Improved cleaning time cycle for all the stream.

(b) Capital Investments on Energy conservation equipments

- During the year, the Company spent ₹ 4.35 Millions on energy conservation equipments. Due to the use of the energy conservation equipments, there was a total saving of ₹ 1.60 Millions i.e. a saving of 213,333 units of electricity consumption.

(c) Total energy consumption and energy consumption per unit of production:

		Current Year (April 2015 - March, 2016)	Previous Year (April, 2014 - March, 2015)
A. Power and Fuel Consumption			
1. Electricity:			
(a) Purchased: Himatnagar Plant			
Unit (KWH)		3,485,670	3,412,905
Total Amount (₹ in Millions)		27.62	25.69
Rate / Unit (₹)		7.92	7.53
(b) Own Generation: Himatnagar Plant			
Through diesel generator			
Units (KWH)		4,116	4,824
Units / litre of diesel oil		1,030	929
Cost / Unit –		12.76	9.05
No separate unit cost calculated since generation is marginal. More diesel consumption for trial running for keeping generator in order.			

B. Consumption per unit of production

Since we are producing a variety of Products & Packs in one single production facility (WG,WP,SC,OD,EC) and due to that proper allocation of energy working cannot be ascertained per unit of consumption.

II. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are as under:

Research and Development (R & D)**1. Specific Areas**

As the leader in Innovation and Excellence, your Company continues to provide novel, innovative and effective crop protection products and solutions greatly benefitting the Indian farming community to keep pace with the dynamic scenario and enhancing productivity. As a part of ongoing research and development activities, your Company is evaluating in India the feasibility of a number of early phase compounds which are under global development with the prospect of introduction of some of the promising compounds in future in India. Further, new molecules and mixtures are also being 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.

Your Company successfully secured key product registrations viz.:

Crop Protection

- Luna Experience 400 SC, a new generation fungicide with a unique combination of two fungicides having different mode of actions, recommended for use in Grapes against powdery mildew and Anthracnose diseases. This formulation will benefit the farmers in effective management of these two important diseases as well as in resistance management of these diseases in Grapes, thereby enhancing the yield and quality of grapes.
- Energy 240 SC, a new systemic combination insecticide, with one of its active ingredients having a novel two-way systemic action. This product is approved for use in Brinjal for the control of whiteflies and red spider mites and in Okra for the control of red spider mites.

Environmental Science

- Your Company has got approval of key product Temprid SC for household use. The product gives excellent efficacy against household insect pests especially against bed bugs.

On the R&D front, your Company was successful in obtaining approvals for extending use of existing products for management of insect pests, diseases and weeds on many crops viz. Folicur 250 EC on Onion, Soybean and Black gram, Nativo 75 WG on Grape, Chilli, Wheat and Mango, Jump 80 WG on Onion and Cabbage, Solomon 300 OD on Soybean, Topstar 80 WP on Sunflower and Whip Super 9 EC on Groundnut.

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

Further, in order to continue to provide innovation and effective solutions to the farmers, your Company has submitted registration application for approval of new nematicide product to be launched in future for the control of nematodes which will help Indian farmers to fight against this difficulty to control soil pest which causes lot of damage, reducing crop yields.

Besides this, 8 new applications for label extensions of existing key products were submitted for approval on various crops like Onion, Potato, Maize, Chilli, Cotton, Tomato and Mango.

With the focus on improving productivity, quality and return on investment of farmers, your Company is developing total package solution from seed to harvest in key agriculture and horticulture crops like 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 also provides a helpline dedicated to the farming community for seeking clarifications on appropriate use of its products.

2. Future Plans

In the scenario of India's membership to the Organisation for Economic Co-operation & Development (OECD) resulting 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 2016 has an interesting line-up with expected approval/ launch of 6 globally renowned products in Crop Protection – 2 new fungicides, for the control of powdery mildew and Anthracnose in Grapes and for the control of late blight disease in Potato, 2 new insecticides for the control of sucking pests in Brinjal and Okra, a new plant growth regulator for use as defoliant and enhancing boll opening in Cotton to facilitate mechanical harvesting in one shot, a new product as seed treatment for the control of seed and seedling rot diseases in Groundnut and Soybean, besides securing key label extensions for key Crop Protection products. In Environmental Science, a new product for control of household insect pests will be launched.

3. Expenditure on R&D

(₹ in Millions)

(a)	Capital	Nil
(b)	Recurring	280
(c)	Total	280
(d)	Total R&D Expenses are 0.75 % of the Revenue from Operation (Net)	

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Information relating to exports is contained in the Directors' Report.
- Total foreign exchange utilised and earned:

Details relating to exports, foreign exchange earnings and expenditure have been given under Note Nos. 29 to 32 of the financial statements.

**ANNEXURE “C”
FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis :

The Company has not entered into any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year 2015-16.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The Company has entered into contracts with the related parties which are material in nature, the details of the said material contracts and the information required are as given below:

Name of the Related Party and nature of relationship	Bayer CropScience Aktiengesellschaft (“BCS AG”). BCS AG is the indirect holding company of the Company.
Nature of contracts/arrangements/transactions	Purchase of goods, Sale of goods, recoveries, professional and support charges incurred and other incidental services. These transactions are in the ordinary course of business and are conducted on an arm's length basis.
Duration of contracts/arrangements/transactions	Ongoing contracts
Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of goods, Sale of goods, recoveries, professional and support charges incurred and other incidental services.
Date of approval by the Board, if any	Not applicable, since the transaction is in the ordinary course of business and at arm's length
Amount paid as advances, if any	Nil

Name of the Related Party and nature of relationship	Bayer BioScience Private Limited (“BBPL”). Related Party as per Section 2(76) of the Companies Act, 2013
Nature of contracts/arrangements/transactions	Purchase of goods (seeds variety), sale of goods, professional and support services, recoveries, rent income/expenses, services and other obligations, if any. These transactions are in the ordinary course of business and are conducted on an arm's length basis.
Duration of contracts/arrangements/transactions	Ongoing contracts
Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of goods (seeds variety), sale of goods, professional and support services, recoveries, rent income/expenses, services, loans and other obligations, if any.
Date of approval by the Board, if any	Not applicable, since the transaction is in the ordinary course of business and at arm's length.
Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Pankaj Patel
Chairman
(DIN : 00131852)

Mumbai, July 05, 2016

ANNEXURE “D”
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L24210MH1958PLC011173
Registration Date	September 09, 1958
Name of the Company	Bayer CropScience Limited
Category	Company limited by shares
Sub-Category of the Company	Indian Non-government Company
Address of the Registered office and contact details	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400 607 Tel. No.: +91 22 2531 1234
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	TSR Darashaw 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company are stated below:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of insecticides, rodenticides, fungicides, herbicides	20211	40

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1	Bayer AG Leverkusen, Germany	NA	Holding	10.40	2(46)
2	Bayer CropScience AG Monheim, Germany	NA	Holding	15.58	2(46)
3	Bayer SAS Lyon, France	NA	Holding	19.26	2(46)
4	Bayer Vapi Private Limited Plot No 306/3, II Phase, GIDC, Vapi - 396195	U99999GJ1990PTC049322	Holding	23.33	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	8,198,564	0	8,198,564	22.39	8,248,312	0	8,248,312	23.33	0.94
d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	8,198,564	0	8,198,564	22.39	8,248,312	0	8,248,312	23.33	0.94
(2) Foreign									0.00
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate	17,052,343	0	17,052,343	46.57	15,996,372	0	15,996,372	45.25	-1.32
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	17,052,343	0	17,052,343	46.57	15,996,372	0	15,996,372	45.25	-1.32
Total Shareholding of Promoter and Promoter Group (A)	25,250,907	0	25,250,907	68.96	24,244,684	0	24,244,684	68.58	-0.38
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds / UTI	3,131,618	290	3,131,908	8.55	2,987,813	290	2,988,103	8.45	-0.10
(b) Financial Institutions / Banks	8,338	4,398	12,736	0.03	9,444	3,498	12,942	0.04	0.00
(c) Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	762,931	350	763,281	2.08	724,090	350	724,440	2.05	-0.04
(f) Foreign Institutional Investors	2,665,143	916	2,666,059	7.28	753,001	916	753,917	2.13	-5.15
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Foreign Portfolio Investors (Corporate)	536,559	0	536,559	1.47	2,479,031	0	2,479,031	7.01	5.55
(j) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)	7,104,589	5,954	7,110,543	19.42	6,953,379	5,054	6,958,433	19.68	0.26
2. Non-Institutions									
a) Bodies Corporate	1,285,999	4,128	1,290,127	3.52	1,310,475	4,128	1,314,603	3.72	0.20
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,088,507	434,577	2,523,084	6.89	1,978,481	411,625	2,390,106	6.76	-0.13
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	415,226	27,160	442,386	1.21	417,646	27,160	444,806	1.26	0.05
c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
i) Trusts	1,835	66	1,901	0.01	1,250	66	1,316	0.00	0.00
ii) Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
iii) Director	0	53	53	0.00	0	53	53	0.00	0.00
Sub-total (B) (2)	3,791,567	465,984	4,257,551	11.63	3,707,852	443,032	4,150,884	11.74	0.12
Total Public Shareholding (B) = (B)(1)+(B)(2)	10,896,156	471,938	11,368,094	31.05	10,661,231	448,086	11,109,317	31.42	0.38
TOTAL (A)+(B)	36,147,063	471,938	36,619,001	100.00	34,905,915	448,086	35,354,001	100.00	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
GRAND TOTAL (A)+(B)+(C)	36,147,063	471,938	36,619,001	100.00	34,905,915	448,086	35,354,001	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bayer CropScience AG	6,084,591	16.62	0.00	5,509,593	15.58	0.00	-1.03
2	Bayer AG	3,844,995	10.50	0.00	3,676,380	10.40	0.00	-0.10
3	Bayer SAS	7,122,757	19.45	0.00	6,810,399	19.26	0.00	-0.19
4	Bayer Vapi Private Limited	8,198,564	22.39	0.00	8,248,312	23.33	0.00	0.94
		25,250,907	68.96	0.00	24,244,684	68.58	0.00	-0.38

(iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year *	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Bayer CropScience AG				
	At the beginning of the year	6,084,591	16.62	--	--
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(266,832)	(0.73)	5,817,759	16.45
	March 18, 2016 Decrease in Shareholding (Promoter inter-se transfer)	(308,166)	(0.87)	5,509,593	15.58
	At the end of the year	--	--	5,509,593	15.58
2	Bayer AG				
	At the beginning of the year	3,844,995	10.50	--	--
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(168,615)	(0.46)	3,676,380	10.40
	At the end of the year	--	--	3,676,380	10.40
3	Bayer SAS				
	At the beginning of the year	7,122,757	19.45	--	--
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(312,358)	(0.89)	6,810,399	19.26
	At the end of the year	--	--	6,810,399	19.26
4	Bayer Vapi Pvt. Ltd.				

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year *	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	8,198,564	22.39	--	--
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(258,418)	(0.73)	7,940,146	22.46
	March 18, 2016 Increase in Shareholding (Promoter inter-se transfer)	308,166	0.87	8,248,312	23.33
	At the end of the year	--	--	8,248,312	23.33

*Paid up share capital at the beginning of the year was 36,619,001 and at the end of the year post the buyback of shares the paid up share capital was reduced to 35,354,001.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Net Changes	% to capital
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
1	Birla Sun Life Trustee Company Private Limited	917,666	2.51	1,320,661	3.74	402,995	1.14
2	Pinebridge Investments Gf Mauritius Limited (formerly known as Pinebridge Investments Asia Limited A/C Pinebridge Investments Gf Mauritius Ltd.)	683,765	1.87	752,428	2.13	68,663	0.19
3	HDFC Trustee Company Ltd	861,181	2.35	583,909	1.65	-277,272	-0.78
4	Indian Syntans Investments (P) Ltd	499,848	1.36	481,238	1.36	-18,610	-0.05
5	Oppenheimer International Small Company Fund	410,143	1.12	410,143	1.16	0	0.00
6	Meenakshi Narayanan Investments (P) Ltd	421,539	1.15	408,910	1.16	-12,629	-0.04
7	Franklin Templeton Mutual Fund	307,628	0.84	356,813	1.01	49,185	0.14
8	Bajaj Allianz Life Insurance Company Ltd.	460,505	1.26	322,485	0.91	-138,020	-0.39
9	Government Pension Fund Global	258,329	0.71	271,635	0.77	13,306	0.04
10	L And T Mutual Fund Trustee Ltd	219,585	0.60	256,545	0.73	36,960	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
(a)	Dr. Vijay Mallya, Chairman*				
	At the beginning of the year	53	-	53	-
	Increase / Decrease in Shareholding	No change during the year			
	At the end of the year	53	-	53	-

For each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
(b)	Mr. Sharad M. Kulkarni, Director			-	
(c)	Mr. A.K.R. Nedungadi, Director			-	
(d)	Mr. Vimal Bhandari, Director			-	
(e)	Mr. Peter Mueller, Director			-	
(f)	Mr. Kaikobad B. Mistry, Director			-	
(g)	Dr. Regine Juergens, Director			-	
(h)	Mr. Richard van der Merwe (KMP), Vice Chairman & Managing Director and Chief Executive Officer			-	
(i)	Dr. Thomas Hoffmann (KMP), Executive Director & Chief Financial Officer			-	
(j)	Mr. Ulrich Stefer – Additional Director			-	
(k)	Mr. Rajiv Wani (KMP), Vice President - Law, Patents & Compliance & Company Secretary			-	

* Dr. Vijay Mallya resigned as a Director with effect from June 30, 2016.

V. INDEBTEDNESS:

The Company has no indebtedness with respect to secured or Unsecured Loans or Deposits.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Mr. Richard van der Merwe Vice Chairman & Managing Director and CEO	Dr. Thomas Hoffmann Executive Director & CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42.01	25.38	67.39
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13.77	13.76	27.53
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify			
5	Others, please specify	-	-	-
	Total (A)	55.78	39.14	94.92
	Ceiling as per the Act	₹ 475.2 Millions (being 10% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
(1)	Independent Directors	Dr. Vijay Mallya	Mr. Sharad M. Kulkarni	Mr. A. K. R. Nedungadi	Mr. Vimal Bhandari	
	• Fee for attending Board and committee meetings	0.30	0.81	0.81	0.81	2.73
	• Commission	1.25	1.25	1.25	1.25	5.00
	• Others, please specify	-	-	-	-	-
	Total (1)	1.55	2.06	2.06	2.06	7.73
(2)	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1.55	2.06	2.06	2.06	7.73
	Ceiling as per the Act	₹ 47.5 Millions (being 1% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				
	Total Managerial Remuneration (A+B)					102.65
	Overall Ceiling as per the Act	₹ 522.7 Millions (being 11% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager / Whole Time Director

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Mr. Rajiv Wani
		Vice President - Law, Patents & Compliance & Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11.63
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.33
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-
2	Sweat Equity	-
3	Commission	-
4	- as % of profit	
	- others, specify	
5	Others, please specify	-
	Total (A)	11.96

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

(DIN : 00131852)

ANNEXURE “E”

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. **Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company and Percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary:**

Name of the Director/KMP	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees	Percentage increase in remuneration
Mr. Richard van der Merwe	Vice Chairman & Managing Director and Chief Executive Officer	49:1	5.5*
Dr. Thomas Hoffmann	Executive Director & Chief Financial Officer @	34:1	6.5*
Mr. Rajiv Wani	Company Secretary	NA	33

*Increase in Base Salary

@ Resigned as the Executive Director & Chief Financial Officer w.e.f. March 31, 2016

- b. **The percentage increase in the median remuneration of employees in the financial year : 6.5%**
- c. **The number of permanent employees on the rolls of the Company : 1,057**
- d. **The explanation on the relationship between average increase in remuneration and Company performance:**

Average increase in remuneration is linked to performance for all employees. Key parameters of Company performance such as sales growth, profitability growth, etc. form part of the targets assigned to the senior management and then cascaded down under the Company's Performance Management System to all employees. Basis, evaluation of the assigned Company's performance targets, performance is evaluated for all employees. On the basis of such performance evaluation, the remuneration increase is finalised.

- e. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

In line with the Company's Compensation philosophy and Variable Pay Plans, annual bonus payouts of its employees including Key Managerial Personnel are directly linked to individual performance as well as that of business/es and performance of Bayer in the Global Stock Markets.

During the year, revenue from operations (net) was ₹ 37,429 Millions and Profit before exceptional items and taxation (Profit Before Tax) was ₹ 4,629 Millions.

Accordingly, compensation paid to Key Managerial Personnel was duly reviewed and approved by the Nomination and Remuneration Committee of the Company.

- f. **Average Percentile increase already made in the salaries of employees other than the managerial personnel in last financial year and Comparison with percentile increase in the managerial remuneration and justification thereof:**

The Average annual increase for Managerial grade was 12.5% and for the Non-Managerial grade was 11.5%.

- g. **The Key Parameters of variable component of remuneration availed by Directors:**

Directors are covered under both Short Term and Long Term Incentive Programmes of the Company. While payout under the Short Term Incentive Programme depends on factors such as Individual Performance, performance of Bayer's Earnings Per Share and business performance, payouts under the Long Term Incentive Programme is dependent on movement of Bayer's Earnings Per Share.

- h. **The ratio of remuneration of highest paid director to that of the employees who are not Directors, but receive remuneration in excess of highest paid director during the year:**

None

- i. **Affirmation that the remuneration is as per remuneration policy of the Company:**

The Company affirms that remuneration is as per the remuneration policy of the Company.

ANNEXURE “F”
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO.9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To
 The Members
Bayer CropScience Limited
 Bayer House, Central Avenue
 Hiranandani Estate
 Thane West
 Thane 400607

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Bayer CropScience Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and subject to our separate letter attached as Annexure I; we hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes;
- (ii) Listing Agreement entered into by the Company with the BSE Limited.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have also examined, on 'test check' basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company:

- (i) Insecticides Act, 1968 and Insecticides Rules, 1971
- (ii) Seeds Act, 1966 and Seeds Rules, 1968

Based on such examination and having regard to the compliance system prevailing in the Company; the Company has complied with the provisions of the above laws during the audit period.

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;



We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that—

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has bought back 12,65,000 equity shares of the face value of ₹ 10/- each at a price of ₹ 4,000/- per share, after obtaining approval of the members of the Company by way of postal ballot.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Place: Mumbai
Date: May 13, 2016

Keyoor Bakshi
Partner
FCS 1844 / CP No. 2720

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2016

To,

The Members,

Bayer CropScience Limited

Our secretarial audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Place: Mumbai
Date: May 13, 2016

Keyoor Bakshi
Partner
FCS 1844 / CP No.2720

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Bayer is a Life Science Company with more than 150 year history and core competencies in the fields of healthcare and agriculture. With our innovative products, we are contributing to finding solutions to some of the major challenges of our time. Bayer is improving people's quality of life by preventing, alleviating and treating diseases as well as providing a reliable supply of high-quality food, feed and plant based raw materials. At the same time, our innovations form the basis for sustainable business activity. In line with the Bayer Group mission "Bayer: Science For A Better Life" we at Bayer CropScience Limited ("the Company") aim to improve people's quality of life. For this endeavor, we focus on developing and successfully commercializing innovative products and solutions based on scientific knowledge.

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. We are committed to operating sustainably and addressing our social and ethical responsibilities as a Corporate Citizen. Our values play a central role in our daily work and are intended to guide us in fulfilling our mission. These values are represented by the word LIFE: Leadership, Integrity, Flexibility, Efficiency.

The Board of Directors are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interest of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

Our business success is largely attributable to the knowledge, skills and commitment of our employees. It is their ability to experiment and their willingness to embrace continuous development that drives our position as a world class innovation company. We actively support lifelong learning as a part of our philosophy of people development. Our aim is to empower all employees to broaden their knowledge and skills and keep up with the latest changes throughout their working lives.

To maximize transparency, we provide regular and timely information on the Company's position and significant changes in the business activities to shareholders, financial analysts, the media and general public. We believe in the importance of building stockholder trust. We adhere to the highest levels of ethical business practices, as embodied by the Bayer Code of Conduct and Corporate Compliance Policy which provides guidelines for ethical conduct by our directors, officers and employees.

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 throughout the world. Bayer manages its business responsibly and is compliant with the statutory and regulatory requirements of the countries in which it operates.

The Corporate Compliance Policy ("the 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 Policy are designed to guide employees in their business-related actions and protect them from potential misconduct.

With the new Compliance Charta, Bayer is taking its compliance initiatives into a new era. Compliance functions are concentrating on a proactive, risk based and collaborative approach striving at early prevention. In this context, the Compliance Organization has redefined its priorities and now introduces a COMPLIANCE MANAGEMENT SYSTEM based on Business Partnership, Dialogue and Transparency as well as on Continuous Improvement and Innovation. Under the umbrella of "Integrated Compliance Management (ICM)", compliance specialists and those responsible for day-to-day operations work together even more systematically from the very beginning to prevent possible violations of rules and regulations. The site management works closely with local compliance specialists and legal experts in all the countries and regions to analyze the current situation in each relevant area of risk, thereby, adapting the business processes within the stipulated time to ensure that employees and the business are reliably protected against breaches of compliance. This initiative will further contribute to the integrity of our Company around the globe in accordance with the LIFE values. ICM for the Company focuses on the risk areas such as Antitrust, Anti-Corruption, Conflict of Interest, Data privacy, Foreign Trade Limitation, Insider Trading and Fair & Respectful Work Conditions. Employees affected by the risk areas are being guided and trained to follow the processes to prevent any potential compliance risk.

Bayer expects legally and ethically impeccable conduct from all 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 of the countries where they work that are of relevance to them. This lays the foundation for managing the business responsibly and in compliance with respective applicable laws. Employees may contact their respective supervisors or Compliance Officers for support and advice on ensuring legally compliant conduct in specific business situations.

2. BOARD OF DIRECTORS

The Board of Directors, along with its Committees, are entrusted with the responsibility to provide necessary guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

CORPORATE GOVERNANCE REPORT (contd.)**Composition**

As on the date of the Report, the Board consists of a total of eight Directors, out of which two are Executive Directors, four are Non-Executive Independent Directors, one of the Non-Executive Independent Director's appointment is subject to the approval of the Shareholders and two are Non-Executive Non-Independent Directors. None of the Directors of your Company are related to each other. The number of Directorships, Committee Membership/Chairmanship of all Directors is within respective limits prescribed under the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The necessary disclosures regarding Committee positions have been made by all the Directors. The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s) are provided herein.

Directorship in other companies / committee position as on March 31, 2016

Sr. No.	Name of Director	Category	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Memberships
1	Dr. Vijay Mallya, Chairman	Non-Executive Independent Director [§]	5	-	-
2	Mr. Richard van der Merwe, Vice Chairman*	Managing Director & CEO	-	-	-
3	Mr. Sharad M. Kulkarni	Non-Executive Independent Director	6	4	3
4	Mr. A.K. R. Nedungadi	Non-Executive Independent Director	2	-	2
5	Mr. Vimal Bhandari	Non-Executive Independent Director	8	2	2
6	Mr. Peter Mueller*	Non-Executive Non-Independent Director	-	-	-
7	Dr. Regine Juergens*	Non-Executive Non-Independent Director	-	-	-
8	Dr. Thomas Hoffmann*	Executive Director & Chief Financial Officer [#]	-	-	-
9	Mr. Ulrich Stefer*	Additional Director [#]	-	-	-

Notes:

- Directorships mentioned above include alternate directorships, but exclude directorships in private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.
- The details mentioned above are for companies other than Bayer CropScience Limited.
- Committee details consist only of Audit and Stakeholders Relationship Committees.
- *Represents promoter group.
- [#]Dr. Thomas Hoffmann resigned as the Executive Director & Chief Financial Officer with effect from the closing hours of March 31, 2016 and Mr. Ulrich Stefer is appointed as an Additional Director with effect from March 04, 2016.
- [§]Dr. Vijay Mallya resigned as the Chairman and Non-Executive Independent Director with effect from June 30, 2016.

Board Independence

Our definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. Annual confirmation and disclosures are received from all the Non-Executive Independent Directors on the Board of the Company. All Non-Executive Independent Directors comply with the requirements of the SEBI Listing Regulations applicable to an "Independent Director".

All the Non-Executive Independent Directors are professionals with expertise and experience in general corporate management, finance, accounting, legal and other allied fields. Apart from drawing sitting fees and commission, none of these Directors have any other material pecuniary relationship or transaction with the Company, its Promoters and its Management, which in the judgement of the Board would affect the independence of the Directors. As on the date of the Report, none of the Directors hold any shares in the Company.

3. BOARD PROCEDURE

The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to all the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting. The notice of Board meeting is given well in advance to all the Directors. 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 to the Directors in advance. 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 quarterly before the Board.

CORPORATE GOVERNANCE REPORT (contd.)

The Company held 6 Board meetings during the financial year 2015-16 and the gap between two meetings did not exceed 120 days. The dates on which the Board meetings were held are May 27, 2015, June 3, 2015, July 21, 2015, October 20, 2015, February 02, 2016 and March 04, 2016.

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 and Annual business performance of 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.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- 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.

Board Support

The Company Secretary is responsible for convening the Board and Committee meetings and collating the information for the agenda items circulated to the Board. The Company Secretary attends the meeting of the Board and the Committee and advises the Board on the various compliances that needs to be followed by the Company based on the different applicable regulations.

In order to bring more flexibility and for ease of operation, the Company has implemented paperless Board Meeting which is also aimed at reducing the paper consumption. Under this, the Board Folders are uploaded on an I-pad through a special application which can be accessed by the Directors using their unique log-in IDs and passwords. The application meets high standards of security and integrity that is required for storage and transmission of the Board/Committee Agenda.

Attendance Record of the Directors at Meetings of the Board and the Annual General Meeting (AGM)

The 57th AGM of the Company was held on Tuesday, September 15, 2015 at 11.30 a.m. The attendance of the Directors at the Board Meetings and AGM held during the financial year ended March 31, 2016 is as under:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance	
			Board Meeting (including attendance by video conferencing)	Annual General Meeting
1	Dr. Vijay Mallya ^{\$}	6	5	Yes
2	Mr. Richard van der Merwe	6	6	Yes
3	Mr. Sharad M. Kulkarni	6	6	Yes
4	Mr. A.K.R. Nedungadi	6	6	Yes
5	Mr. Vimal Bhandari	6	6	Yes
6	Mr. Peter Mueller	6	3	No
7	Mr. Kaikobad B. Mistry*	3	-	Yes
8	Dr. Regine Juergens	6	5	Yes
9	Dr. Thomas Hoffmann [@]	6	6	Yes
10	Mr. Ulrich Stefer [#]	1	1	NA

* Ceased as a director w.e.f. 17.09.2015

Appointed as a director w.e.f. 04.03.2016

@ Resigned as a director w.e.f. 31.03.2016

\$ Resigned as a director w.e.f. 30.06.2016

CORPORATE GOVERNANCE REPORT (contd.)**Separate Meeting of Independent Directors**

A separate meeting of the Non-Executive Independent Directors of the Company, without the attendance of Executive and Non Independent Directors and the members of management was held on March 04, 2016, and inter alia, the following points were discussed:

- The performance of Non-Independent Directors and the Board as a whole.
- The performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors.
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Vimal Bhandari, Mr. Sharad M. Kulkarni and Mr. A. K. R. Nedungadi attended the meeting of Independent Directors which was chaired by Mr. Bhandari.

Board of Director Evaluation and Criteria for evaluation

The Company has adopted a Performance Evaluation Policy ("the Policy") which provides for evaluation of the Board, the Committee of the Board and the Individual Directors, including Chairman of the Board. The criteria for Board Evaluation includes the experience and qualification possessed by the Directors, their relevant expertise that will be of assistance to the management in operating the Company's business, integrity, accountability and judgment of the Directors, to bring in objectivity in the Board proceedings. The Policy also sets independence standards for the Independent Directors to follow and adhere to. It also provides for the procedure for evaluation of the Independent Directors and the Board as a whole.

During the year, the evaluation was completed by the Company internally which included the evaluation of the Non-Independent Directors and the Chairperson based on their performance, attendance in the Board and Committee meeting and their level of participation in the Board proceedings based on the evaluation criteria as defined in the Policy.

Familiarization Programme for Non-Executive Independent Director

As per the provisions of the SEBI Listing Regulations, the Company has put in place a familiarization programme for its Non-Executive Independent Directors. This programme aims to provide insights into the Company to enable the Independent Directors in understanding the Company's business in detail and which also facilitates their active participation in the Board matters. At the time of appointing an Independent Director, a formal letter of appointment is given to him/her which, inter alia, explains his/her functions, roles, duties and responsibilities and the Board expectations. As an ongoing process, the Board of Directors is updated on a quarterly basis through presentations and discussions on the overall performance of the Company and its business, the initiatives taken to bring about an improvement in the performance of the Company in the Board Meetings.

The Non-Executive Independent Directors from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and explanation either at the meeting of the Board or otherwise. The Familiarization programme for Independent Directors is uploaded on the Company's website under the Corporate Governance section.

4. COMMITTEES OF THE BOARD

The Committees of the Board play a very important role in the governance structure of the Company and help the Board of Directors in discharging its duties and responsibilities. The Committees have been constituted to deal with specific areas/activities which concern the Company. The Board Committees are set up with clearly defined roles and goals which are crucial for the smooth functioning of the Company. The Board is responsible for the action of the Committees. The Chairman of the respective Committees inform the Board about the summary of the discussions held in the Committee Meetings. The minutes of meetings of all the Committees are placed before the Board for review.

The Board has constituted the following Committees which are mandatory.

Audit Committee:

The Company's Audit Committee comprises of four Non-Executive Directors, of which three are Non-Executive Independent Directors and one is a Non-Executive Non-Independent Director. The Audit Committee is headed by Mr. Sharad M. Kulkarni and Mr. A. K. R. Nedungadi, Mr. Vimal Bhandari, Mr. Peter Mueller are its members. All the members of the Committee have relevant experience in financial matters.

The Audit Committee met 5 times during the financial year ended March 31, 2016. The meetings were held on May 27, 2015, July 21, 2015, October 20, 2015, February 02, 2016 and March 04, 2016. Necessary quorum was present at all the meetings. The attendance of the Committee members at the meetings was as under.

Name of Member	Category	No. of Meetings attended during 2015-16
Mr. Sharad. M. Kulkarni	Non-Executive Independent Director	5
Mr. A.K.R. Nedungadi	Non-Executive Independent Director	5
Mr. Vimal Bhandari	Non-Executive Independent Director	5
Mr. Peter Mueller	Non-Executive Non-Independent Director	1

CORPORATE GOVERNANCE REPORT (contd.)

The meetings of Audit Committee are also attended by the Vice Chairman & Managing Director and Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board. The Audit Committee acts as a link between the Statutory and the Internal Auditors on one side and the Board of Directors of the Company on the other side.

Role of the Audit Committee:

The terms of reference of Audit Committee, inter alia are as follows:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - 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, if any
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Chairman of the Audit Committee, Mr. Sharad M. Kulkarni, was present at the 57th Annual General Meeting of the Company held on Tuesday, September 15, 2015.

Stakeholders Relationship Committee:

In terms of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations, the Company has a duly constituted Stakeholders Relationship Committee. Following are the terms of reference of the Stakeholders Relationship Committee:

CORPORATE GOVERNANCE REPORT (contd.)

- To consider and effectively redress the shareholders and investor complaints including complaints related to transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends.

The Stakeholders Relationship Committee comprises of Mr. A. K. R. Nedungadi, a Non-Executive Independent Director as the Chairman and Mr. Sharad M. Kulkarni, Non-Executive Independent Director, Mr. Richard van der Merwe and Dr. Thomas Hoffmann as the members of the Committee. During the year under review, post resignation of Dr. Hoffmann and appointment of Mr. Ulrich Stefer in his place, the Stakeholders Relationship Committee was re-constituted to include Mr. Stefer as the member of the Committee.

The Committee held 4 meetings during the financial year ended March 31, 2016. The meetings were held on May 27, 2015, July 21, 2015, October 20, 2015 and February 02, 2016. The attendance at the meetings was as under:

Sr. No.	Name of Member	Stakeholders Relationship Committee Meetings held in Member's tenure	No. of meetings attended during 2015-16
1	Mr. A.K.R. Nedungadi	4	4
2	Mr. Richard van der Merwe	4	4
3	Mr. Sharad M. Kulkarni	4	4
4	Dr. Thomas Hoffmann*	4	4

* Dr. Hoffmann ceased to be a member of the Committee with effect from March 31, 2016.

Complaints received and resolved by the Company during the year ended March 31, 2016 is given below:

Source of complaints	April 01, 2015 to March 31, 2016	
	Received	Resolved
Referred by SEBI	4	4
Referred by NSDL	-	-
Referred by BSE Limited	1	1

Share Transfer Committee:

In compliance with the Regulation 40 of the SEBI Listing Regulations 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 as on March 31, 2016 was as under:

Sr. No.	Name of Member	Designation
1	Mr. Richard van der Merwe Vice Chairman & Managing Director and CEO	Chairman
2	Dr. Thomas Hoffmann Executive Director & CFO*	Member
3	Mr. Rajiv Wani Vice President - Law, Patents & Compliance & Company Secretary	Member

* Dr. Hoffmann ceased to be a member of the Committee with effect from March 31, 2016 and was replaced by Mr. Ulrich Stefer with effect from April 01, 2016.

Nomination and Remuneration Committee:

In compliance with Section 178 of the Companies Act, 2013, and Regulation 19 of SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee. The Committee comprises of four Non-Executive Directors, of which three are Non-Executive Independent Directors. The Nomination and Remuneration Committee comprises of Mr. Vimal Bhandari, a Non-Executive Independent Director as the Chairman and Mr. A. K. R. Nedungadi, Non-Executive Independent Director, Mr. Sharad M. Kulkarni, Non-Executive Independent Director and Mr. Peter Mueller, Non-Executive Non-Independent Director as members of the Committee.

The terms of reference of the Nomination and Remuneration Committee are inter alia as follows:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

CORPORATE GOVERNANCE REPORT (contd.)

- To formulate criteria for evaluation of performance of the Independent Directors and the Board.
- To devise a policy on Board diversity.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To consider, adopt and adhere to the Nomination and Remuneration Policy.

The Committee met 4 times during the financial year ended March 31, 2016. The meetings were held on May 27, 2015, July 21, 2015, February 02, 2016 and March 04, 2016. The attendance at the meeting was as under:

Sr. No.	Name of Member	Nomination and Remuneration Committee Meetings held in Member's tenure	No. of meetings attended during 2015-16
1	Mr. Vimal Bhandari	4	4
2	Mr. A.K.R. Nedungadi	4	4
3	Mr. Sharad M. Kulkarni	4	4
4	Mr. Peter Mueller	4	-

Corporate Social Responsibility Committee:

As required under Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The composition of the Committee as on March 31, 2016 comprised of Mr. Richard van der Merwe as the Chairman and Mr. Vimal Bhandari, Non-Executive Independent Director and Dr. Thomas Hoffmann as members of the Committee.

The role of the Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board the Corporate Social Responsibility Policy and the activities to be undertaken by the Company.
- recommending the amount of expenditure to be incurred on the activities undertaken.
- reviewing the performance of the Company in the area of Corporate Social Responsibility.
- monitoring Corporate Social Responsibility Policy of the Company.

During the financial year ended March 31, 2016, the Committee met once on February 02, 2016.

5. REMUNERATION OF DIRECTORS

Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors during the financial year ended March 31, 2016.

a) Non-Executive Independent Directors

The details of the sitting fees and commission paid during the financial year ended March 31, 2016 are given in the table below:
(₹ in Millions)

Sr. No.	Name of Director	Sitting Fees	Commission	Total
1	Dr. Vijay Mallya	0.30	1.25	1.55
2	Mr. Sharad M. Kulkarni	0.81	1.25	2.06
3	Mr. A.K.R. Nedungadi	0.81	1.25	2.06
4	Mr. Vimal Bhandari	0.81	1.25	2.06

b) Executive Directors

Mr. Richard van der Merwe, the Vice Chairman & Managing Director and Chief Executive Officer and Dr. Thomas Hoffmann, Executive Director & Chief Financial Officer were paid remuneration during the financial year ended March 31, 2016 as per their respective agreements with the Company, which had been approved by the Board as well as the members of the Company.

The details of the remuneration paid to the Executive Directors during the financial year ended March 31, 2016 is as under:

(₹ in Millions)

Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
1	Mr. Richard van der Merwe	Managing Director & CEO	42.01	13.77	55.78	February 01, 2014 to January 31, 2019
2	Dr. Thomas Hoffmann	Executive Director & CFO	25.38	13.76	39.14	April 02, 2013 to March 31, 2016*

*Dr. Thomas Hoffmann resigned as the Executive Director & Chief Financial Officer with effect from March 31, 2016.

CORPORATE GOVERNANCE REPORT (contd.)**c) Service contract, notice period and severance fees**

Mr. Richard van der Merwe had been appointed as the Vice Chairman & Managing Director of the Company with effect from February 01, 2014 by the Board of Directors. The employment contract with Mr. van der Merwe is for a period of 5 years, terminable by 6 months' notice on either side.

Dr. Thomas Hoffmann who had been appointed as a Whole time Director of the Company from April 02, 2013 resigned from the Board of the Company with effect from the closing hours of March 31, 2016.

Mr. Ulrich Stefer was appointed as the Whole time Director of the Company with effect from April 01, 2016 by the Board of Directors. The said appointment is subject to the approval of the Shareholders & Central Government. The employment contract with Mr. Stefer is for a period of 5 years, terminable by 6 months' notice on either side.

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

6. POLICIES**Whistle Blower Policy**

Our Company is committed to high standards of Corporate Governance and stakeholder responsibility. Our Commitment is towards reaching the goals with utmost respect for human values and to serve the interests of Bayer with integrity. In terms of the Corporate Compliance Program and the SEBI Listing Regulations, the Company has a 'Whistle Blower Policy' with an objective to provide appropriate avenues to the employees and Directors of the Company to bring to the attention of the Management any genuine concerns regarding unethical behavior, actual or suspected frauds including possible breaches of Company's policies and standards, values or any laws within the country or elsewhere. The said vigil mechanism also provides for adequate safeguards against victimization of persons who uses such mechanism. It basically enables the employees to raise their concerns which would be looked into and would be fully investigated and acted upon.

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 & conducive work environment to its employees. The Company has formulated a 'Policy for Prevention of Sexual Harassment' (Policy) at workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Code of Conduct for Directors

In compliance with the requirements of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors had adopted a Code of Conduct for Directors, including Non-Executive Directors and Senior Management of the Company. All Board members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct. A certificate from Mr. Richard van der Merwe, Vice Chairman & Managing Director and CEO and Mr. Ulrich Stefer, Executive Director & CFO to this effect is attached to this Report. The policies as well as codes are posted on the website of the Company at www.bayer.in.

Risk Management

Risk management comprises of all the organisational rules and actions for early identification of risks in the course of doing business and 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 about risk assessment and minimisation procedures. These procedures have been periodically reviewed to ensure that executive management monitor and control risks pertinent to their business operations.

The Vice President - Internal Audit is responsible for coordinating with the various head of departments with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors, recommending corrective action and reporting to the Audit Committee.

Code of Conduct and Code of Fair Disclosures - For Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, the Company has in place a Code of Conduct and Code of Fair Disclosures - For Prevention of Insider Trading (Code). The Code is an important governance code to prevent any insider trading activities by dealing in shares of the Company. The Code restricts the Directors, designated persons and any other insider to deal in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The Objective of the Code is to protect the interest of the shareholders and to prevent the misuse of any price sensitive information and to prevent any insider trading activity. The Code is available on the website of the Company at www.bayer.in under the Corporate Governance section.

CORPORATE GOVERNANCE REPORT (contd.)

Policy for Archival and Preservation of Documents

In compliance with the requirement of Regulations 9 and 30(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted a Policy for Archival and Preservation of Documents. The documents that are required to be maintained under this Policy are preserved considering their importance, usefulness and information. The Company does recognize that all the documents whether in physical or electronic mode, forms an important and integral part of the Company's records. The preservation of documents is important in order to ensure immediate access to the records, its retrieval and authentication.

Policy on Disclosure of Material Events/Information

In accordance with the requirements of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted a Policy on Disclosure of Material Events/Information ("Policy").

The Company is ever committed to function keeping in view the best interests of its various stakeholders with due integrity. The objective of this Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the SEBI Listing Regulations and to provide an overall governance framework for such determination of materiality.

7. COMPLIANCE OFFICER

Mr. Rajiv Wani, Vice President - Law, Patents & Compliance & Company Secretary, is the Compliance Officer of the Company.

8. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date of AGM : Monday, September 12, 2016

Venue and time : Yashwantrao Chavan Pratishthan Auditorium,
Y. B. Chavan Centre, Near Mantralaya,
Gen. J. Bhonsale Marg,
Mumbai - 400 021 at 11.00 a.m.

Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 31, 2016 to Monday, September 12, 2016 (both days inclusive).

Proposed Date of Dividend Payment

The final dividend of ₹ 17 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 58th Annual General Meeting to be held on Monday, September 12, 2016 will be paid at par within 30 days of the said date:

- (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Tuesday, August 30, 2016.
- (ii) in respect of shares held in dematerialised form, to the beneficial owners of the shares as at the close of business hours on Tuesday, August 30, 2016 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Financial Calendar

The financial calendar of the Company is from April 01 to March 31.

Board Meetings for Quarterly Results

(Tentative and subject to change)

First Quarter Results	On or before August 14, 2016
Second Quarter and Half Yearly Results	On or before November 15, 2016
Third Quarter Results	On or before February 14, 2017
Fourth Quarter and Annual Results	On or before May 30, 2017

Corporate Identification Number (CIN): L24210MH1958PLC011173

Registered Office

Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) - 400 607.

CORPORATE GOVERNANCE REPORT (contd.)**Listing of Equity Shares on Stock Exchange**

Name and Address of Stock Exchange	:	BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.
Scrip Code	:	506285
Scrip ID	:	BAYERCROP
ISIN	:	INE462A01022 (NSDL & CDSL)

The Company has paid the annual listing fees.

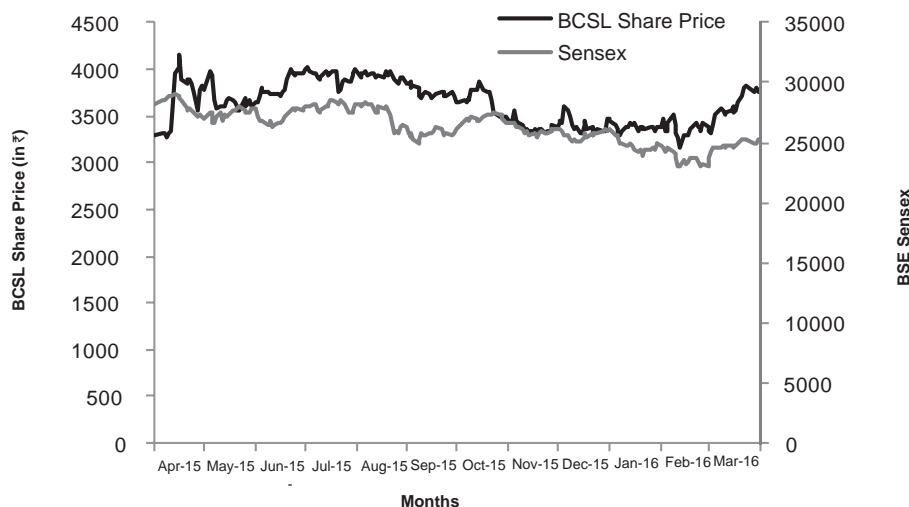
Stock Price Data

The monthly high and low price of the Company's shares on BSE Limited from April 01, 2015 to March 31, 2016 was as under:

Month	Share price (in ₹)	
	High Price	Low Price
April 2015	4,234.00	3,245.00
May 2015	4,044.90	3,509.95
June 2015	4,050.00	3,575.00
July 2015	4,088.60	3,674.10
August 2015	4,005.00	3,810.05
September 2015	3,885.55	3,621.30
October 2015	3,900.00	3,451.00
November 2015	3,597.90	3,295.65
December 2015	3,727.55	3,240.50
January 2016	3,552.00	3,222.00
February 2016	3,550.10	3,115.00
March 2016	4,074.00	3,295.00

Stock Performance

Bayer CropScience Limited ("BCSL") Share Price vis-a-vis BSE Sensex April 01, 2015 to March 31, 2016:

**Registrar & Share Transfer Agent**

TSR Darashaw Limited (TSRDL) acts as the Registrar and Share Transfer Agent 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. Mary George

CORPORATE GOVERNANCE REPORT (contd.)

a) Branch Offices of TSRDL

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: tsrdlbg@tsrdarashaw.com

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

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

4. TSR DARASHAW LIMITED

2/42, Sant Vihar,
1st floor, Ansari Road, Daryaganj,
New Delhi – 110 002
Tel No.: 011 – 2327 1805
Fax No.: 011 – 2327 1802
e-mail: tsrdldel@tsrdarashaw.com

b) Agent 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

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 Company's Registrar & Share Transfer Agent, TSR Darashaw Limited, 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 on weekly basis.

Distribution of shareholding as on March 31, 2016

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1 - 500	19,373	1,349,171	94.91
501 - 1,000	536	384,906	2.63
1,001 - 2,000	255	363,512	1.25
2,001 - 3,000	66	162,597	0.32
3,001 - 4,000	32	113,293	0.16
4,001 - 5,000	17	74,437	0.08
5,001 - 10,000	45	320,910	0.22
10,001 and above	88	32,585,175	0.43
Total	20,412	35,354,001	100.00

Shareholding Pattern as on March 31, 2016

Category of Shareholder	Number of Share holders	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	8,248,312	8,248,312	23.33
(2) Foreign Body Corporate	3	15,996,372	15,996,372	45.25
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4	24,244,684	24,244,684	68.58
(B) Public Shareholding				
(1) Institutions				
(a) Mutual Funds / UTI	52	2,988,103	2,987,813	8.45
(b) Financial Institutions / Banks	20	12,942	9,444	0.04
(c) Insurance Companies	9	724,440	724,090	2.05
(d) Foreign Institutional Investors/ Foreign Portfolio Investors - Corp	100	3,232,948	3,232,032	9.14
Sub-total (B)(1)	181	6,958,433	6,953,379	19.68

CORPORATE GOVERNANCE REPORT (contd.)

(2) Non-Institutions					
(a)	Bodies Corporate	366	1,242,029	1,237,901	3.51
(b)	Individuals –				
i	Individual shareholders holding nominal share capital upto ₹ 2 lakh	19,710	2,410,159	1,998,481	6.82
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	5	424,806	397,646	1.20
(c)	Any Other				
i	LLP	11	7,529	7,529	0.02
ii	Trusts	2	1,316	1,250	0.00
iii	Clearing Members	133	65,045	65,045	0.18
Sub-total (B)(2)		20,227	4,150,884	3,707,852	11.74
Total Public Shareholding (B) = (B)(1)+(B)(2)		20,408	11,109,317	10,661,231	31.42
Total (A)+(B)		20,412	35,354,001	34,905,915	100.00

List of Top 10 shareholders as on March 31, 2016

Sr. No.	Name of Shareholders	Number of shares	Percentage to Total Share Capital
1	Bayer Vapi Private Limited	8,248,312	23.33
2	Bayer SAS	6,810,399	19.26
3	Bayer CropScience AG	5,509,593	15.58
4	Bayer AG	3,676,380	10.40
5	Birla Sun Life Trustee Company Pvt. Ltd.	1,320,661	3.74
6	Pinebridge Investments Asia Limited A/c Pinebridge Investments GF Mauritius Limited	752,428	2.13
7	HDFC Trustee Company Ltd	583,909	1.65
8	Indian Syntans Investments (P) Limited	481,238	1.36
9	Oppenheimer International Small Company Fund	410,143	1.16
10	Meenakshi Narayanan Investments (P) Ltd.	408,910	1.16

Pledge of Equity Shares

None of the Equity Shares held by the Promoters and / or Promoter Group as on March 31, 2016 have been pledged or otherwise encumbered.

Dematerialisation of Shares and Liquidity

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

The process of 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 offer 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, 2016 - 34,905,915 equity shares constituting 98.73% of the total shares issued by the Company are in dematerialised form.

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

Not Applicable

Plant Location

66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat

CORPORATE GOVERNANCE REPORT (contd.)

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 Estate,
Thane (West) - 400 607.
Tel. No.: 022 - 2531 1234
Fax No.: 022 - 2545 5063
e-mail: ir_bcs@bayer.com
Website: www.bayer.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.: 022 - 6656 8484
Fax No.: 022 - 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:

ir_bcs@bayer.com

9. OTHER DISCLOSURES

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

Year	Venue	Date	Time
2014-2015	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	September 15, 2015	11.30 a.m.
2013-2014	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	August 28, 2014	11.30 a.m.
2012-2013	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	August 29, 2013	12.15 p.m.

Special resolution passed in the previous 3 Annual General Meetings

Re-appointment of Dr. Thomas Hoffmann as a Director and also the Wholetime Director of the Company with effect from April 02, 2013: Passed unanimously at the AGM held on August 29, 2013.

Postal Ballot

During the year under review, a Special Resolution under Section 68 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, including any amendments thereof, to buyback fully paid-up equity shares of ₹ 10 each not exceeding 12,65,000 equity shares at a price of ₹ 4,000 per equity share was passed by a postal ballot. The Postal Ballot was conducted pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as set out in the Notice dated June 12, 2015. The Board had appointed Mr. B. Narasimhan, Practising Company Secretary, as the scrutinizer to conduct the Postal Ballot process.

The said resolution was passed by the requisite majority.

Voting Result

Voting	Number of Votes	% of Total Votes
Votes For	31,481,649	99.975
Votes Against	8,013	0.025
Total	31,489,662	100.00

CORPORATE GOVERNANCE REPORT (contd.)**Related Party Disclosures**

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for the Related Party Transaction on a yearly basis for the transactions which are of repetitive nature and /or entered in the Ordinary Course of Business and are at arm's length. All Related Party Transactions are subjected to independent review by a reputed consultant to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Company has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc that may have potential conflict with the interests of the Company at large. All material transactions entered into with the related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and at arm's length. Transactions with related parties as per the requirements of Accounting Standards 18 are disclosed in the Notes to Financial Statements.

The Board has approved the policy for Related Party Transactions which has been uploaded on the website of the Company. All transactions with the related parties are as per the Board approved policy and are in the ordinary course of business and are at arm's length.

Details of non-compliance

There was no non-compliance by the Company on any matters related to capital markets during the last 3 years.

Means of communication

Financial Results: The quarterly, half-yearly and annual results of the Company are sent to BSE Limited immediately after these are approved by the Board. The results are also published in widely circulated newspapers, viz. The Financial Express and the Loksatta.

Website: The results are also regularly posted on the Company's website: www.bayer.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, Code of Conduct and Code of Fair Disclosures – For prevention of insider trading, Investor Presentations, etc. are also available on the Company's website.

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.

For and on behalf of the Board of Directors

Pankaj Patel
Chairman
(DIN : 00131852)

Mumbai, July 05, 2016

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 demat form.
- Fill and submit nomination forms (to the Company / TSRDL – for Physical shares; to DP – for dematerialised shares).
- Obtain valid documents relating to purchase/sale of shares.
- Transfer shares prior to book closure / record date to be eligible for corporate benefits.
- Deal only through SEBI registered intermediaries.
- Give clear 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 REPORT (contd.)

CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members
Bayer CropScience Limited,

I have examined the compliance of conditions of Corporate Governance by Bayer CropScience Limited, ('the Company') for the financial year ended March 31, 2016, as stipulated in :

- 1) Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from 1st April, 2015 to 30th November, 2015.
- 2) Clause 49 (VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from 1st April, 2015 to 1st September, 2015.
- 3) Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from 2nd September, 2015 to 31st March, 2016 and
- 4) Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.

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 Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

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 Niles A. Pradhan & Co.,
Practicing Company Secretary

Niles A. Pradhan
Proprietor
C. P. No.: 3659
FCS No.: 5445

Mumbai, July 05, 2016

CORPORATE GOVERNANCE REPORT (contd.)**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER OF THE COMPANY**

We, Richard van der Merwe, Vice Chairman & Managing Director and Chief Executive Officer and Ulrich Stefer, Executive Director & Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief we state that:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - 2) 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.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- a) significant changes in internal control over financial reporting during the financial year;
 - b) significant changes, if any in accounting policies during the financial year 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 over financial reporting.
- E. 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 the 'whistle blowers' from unfair termination and other unfair or prejudicial employment malpractices; and
- F. We further declare that all the Board members and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct for the year under review.

For and on behalf of the Board of Directors

Richard van der Merwe

Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 06768305)

Ulrich Stefer

Executive Director &
Chief Financial Officer
(DIN: 07447177)

Mumbai, July 05, 2016

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. OVERVIEW OF AGRICULTURAL SECTOR

Agriculture plays a very important role in India's economy. Over 50 per cent of rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP).

As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015-16.

The farm sector has experienced two years of low growth on account of two consecutive years of deficient south-west monsoon (June-September) rainfall, the only fourth such occurrence during the last 115 years (source: National Council of Applied Economic Research). The post monsoon (October-December) rains also turned out to be below normal. As per the information of the Department of Agriculture & Cooperation and Farmers Welfare (advance estimates February, 2016) for 2015-16, the production of food grains and oil-seeds is estimated to decline by 0.5 per cent and 4.1 per cent respectively; while the production of fruits and vegetables is likely to increase marginally.

As per the Second Advance Estimates for 2015-16, foodgrains production during 2015-16 is estimated at 253.16 million tonnes which is expected to be higher by 1.14 million tonnes over the production of 252.02 million tonnes during 2014-15.

Given the importance of the agriculture sector, the Government of India, in its Budget 2016-17, planned several steps for the sustainable development of agriculture. Budget 2016-17 proposed a slew of measures to improve agriculture and increase farmers' welfare such as 2.85 million hectares to be brought under irrigation, ₹ 287,000 crore (US\$ 42.11 Billions) grant in aid to be given to gram panchayats and municipalities and 100 per cent village electrification targeted by May 01, 2018.

The government has already taken steps to address two major factors (soil and water) critical to improve agriculture production. Steps have been taken to improve soil fertility on a sustainable basis through the soil health card scheme and to support the organic farming scheme 'Paramparagat Krishi Vikas Yojana'. Other steps include improved access to irrigation through 'Pradhanmantri Gram Sinchai Yojana'; enhanced water efficiency through 'Per Drop More Crop'; continued support to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the creation of a unified national agriculture market to boost the income of farmers.

The Government of India recognises the importance of micro irrigation, watershed development and 'Pradhan Mantri Krishi Sinchai Yojana'; thus, it allocated a sum of ₹ 5,300 crore (US\$ 777.6 Millions) for it. It urged the states to focus on this key sector. The state governments are compelled to allocate adequate funds to develop the agriculture sector, take measures to achieve the targeted agricultural growth rate and address the problems of farmers.

The Department of Agriculture and Cooperation under the Ministry of Agriculture has inked Memorandum of Understanding (MOU)/ agreements with 52 countries including the United States of America. In addition, the Department of Agriculture Research & Education (DARE) and the Department of Animal Husbandry, Dairying & Fisheries (DAHD&F) under the Ministry of Agriculture have signed MOUs/agreements with other countries, taking the number of partnerships with other countries to 63. These agreements would provide better agricultural facilities in areas such as research and development, capacity building, germ-plasm exchange, post-harvest management, value addition/food processing, plant protection, animal husbandry, dairy and fisheries. The agreements could help enhance bilateral trade as well.

Given the correlation between improvement in agriculture and the development of the country, the Government of India adopted several initiatives and programmes to ensure continuous growth. It allocated ₹ 25,000 crore (US\$ 3.67 Billions) for the Rural Infrastructure Development Fund (RIFD), ₹ 1,500 crore (US\$ 220 Millions) for the long-term rural credit fund, ₹ 45,000 crore (US\$ 6.60 Billions) for the short-term cooperative rural credit finance fund and ₹ 25,000 crore (US\$ 3.67 Billions) for the short-term Regional Rural Bank (RRB) refinance fund. It also marked an ambitious target of ₹ 8.5 lakh crore (US\$ 124.71 Billions) of agriculture credit during 2015-16.

2. INDUSTRY DEVELOPMENT

Overall, the global seed and crop protection market receded in 2015. While the demand for high-value seeds remained at the previous year's level, worldwide crop protection sales declined. Market volumes decreased in Latin America, particularly in Argentina and Brazil, primarily as a result of political uncertainties, macroeconomic developments and lower pest pressure. The market also declined in North America, mainly due to a reduction in corn and cotton acreages and because of lower overall price levels for agricultural commodities than in the previous year. Positive growth impetus for the seed and crop protection market in 2015 came from the Asia / Pacific and Europe regions.

In 2015-16, the Indian crop protection market was flat. Most companies de-grew over the previous year. The primary reason for this lackluster performance was deficit monsoon and consequently poor crop stand and investment by farmers. Herbicides saw the biggest decline (mid-single digit) followed by Insecticides (low single digit). Fungicides however maintained the growth momentum and maintained a high single digit growth.

Crop wise business performance has been a mixed bag. Market on field crops declined due to acreage decline – 0.4 m ha in Rice in key markets of Andhra Pradesh and Karnataka, 1 m ha in Cotton and 0.8 m ha in Corn. On the other hand fruits, vegetables and pulses witnessed an increase in market size due to better acreages (2% plus in vegetables and 12% plus in pulses) and attractive commodity prices.

For the seeds business, 2015-16 was a below average year. Poor monsoon affected Hybrid Rice & Millet crops. The acreages under cotton also reduced considerably, however, the outlook for these crops remains good subject to normal monsoon in coming years.

MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)**3. REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE**

The Company's Revenue from operation (Net) increased from ₹ 37,233 Millions in 2014-15 to ₹ 37,429 Millions in 2015-16. Profit before exceptional items and tax was ₹ 4,629 Millions in 2015-16 in comparison to ₹ 5,735 Millions in 2014-15.

The year 2015-16 has been a difficult year for Agrochemical Industry. The market was almost flat. In this difficult year also, the Company has managed to grow at 7% which is a testimony of its unique position in the market. Strong portfolio, diverse geographical reach, farmer and channel trust and a highly motivated and engaged team have been instrumental in helping us achieve this unprecedented success.

The Company enjoys a unique position in the market because of its capability to offer new innovative products, technologies, processes, services and business models.

Innovation has always been a cornerstone in Bayer's product offerings. In the year 2015-16, the Company successfully launched three new products Profiler®, Belt® Expert and Laudis® which were received very well by the farmers. The Company has been able to outgrow the market on the strength of an outstanding portfolio in all indications. Despite the market conditions, the Company has grown in all indications. Fungicides were the star with a double digit growth based on a fantastic performance on Fruits and Rice with our portfolio of Profiler®, Nativo® and Antracol®. Successful launch of Laudis® and sustained performance of Topstar™ ensured that herbicides too grew at double digit despite the de-growth of the market. In a very challenging Insecticides market, the Company managed to sustain a mid-single digit growth on the strength of brands Confidor®, Regent® and Fame®.

Innovations in developing integrated spray programs have been able to differentiate the Company from the competition. In 2015-16, the Company further strengthened its flagship program "Bayer Labhsutra". We have extended the scope and number of demonstrations across multiple crops and geographies, but more importantly also commercialized the concept in the form of "Labhsutra Kits" in some of the key geographies. These learnings will be further refined in coming years and will be extended to new geographies.

In 2015-16, the Company further consolidated its knowledge and expertise on innovative farming technologies which helped gain an edge over competition and develop new solutions for Indian farmers. Labour scarcity and its increased cost has become a major driver for adoption of technology in agricultural operations. Mechanical Transplantation of rice, mechanical picking of cotton and promoting the concept of seed treatment with Seed Treatment machines are some of the key projects where we see a great future in coming years.

In the Agri-Seeds, 2015-16 was a difficult year. Apart from below par monsoon, some other non-environmental factors affected our business. Changes in the Government Subsidy program in a few states had an adverse volume impact on our flagship hybrid rice business, which we could partially offset by good price development. Millet business also de-grew because of lower volumes which were partially offset by better prices. However our cotton business did very well mainly due to very good response to Surpass® First Class. Also we achieved further good growth with our Proagro® Mustard Hybrids though still on a small base.

The Food Chain Partnership expresses our belief that together with our partners in the food chain we can build relationships that benefit everyone. The Company provides farmers with innovative crop protection products, seeds, and services, as well as advice on the optimal use of products and application technologies. These Partnerships also provide traceability and transparency – making ongoing quality improvements possible. Exporters and importers have to consider not only the local quality standards of the producer country, but also those of the export market. As consumers become increasingly food-conscious, retailers face the challenge of maintaining and boosting consumer confidence in the produce they sell. We have covered an area of 76 K ha with 120,000 farmers in vegetables, fruits and Basmati Rice. In 2015-16, the Company also signed two new agreements taking the total number of partnerships to 35.

In the last few years, the Company started an ambitious project of segmenting close to 3 million farmers of the country. In the exercise, we generated valuable insights which will define our future customer contact landscape. The Company also realized that in order to use these insights, a digital touch point will be required to communicate, execute and monitor various demand generation activities. In 2015-16, we started to provide these insights to our Territory Managers. Now these Territory Managers can access the information and insights about the relevant farmers of their territory and they and our field advisors can execute various demand generation activities based on scientific farmer profiles.

Environmental Science's aspiration is to provide our customers first-choice sustainable solutions to protect and care for the environment in which we all live, work and play. It aims to provide greater environmental hygiene and health benefits, as well as to improve living standards and comfort in the various markets segments viz. Professional pest control and Vector Control.

The year 2015-16 has been a very good year for the Environmental Science business with an overall growth of 26 % over previous year. The Professional Pest Control business grew at a very healthy rate of 33 %. We increased our footprint by engaging directly with large Pest Management Professionals (PMPs). These activities yielded good results in growing the Pest Control Operations (PCO) business. Currently, the Company has 58 Bayer Network PCOs across 25 cities in India. Overall, in the background of increasing urbanization, will give Bayer Environmental Science Business an opportunity to grow and live the mission 'Science For A Better Life'.

4. OPPORTUNITIES, RISKS, CONCERNS AND OUTLOOK

The central challenge and at the same time opportunity of Indian agriculture is low productivity, evident in modest average yields. Wheat and rice are the two important cereals which are grown on the most fertile and irrigated areas in the country. And they use a large part of the resources that the government channels to agriculture, whether water, fertilizer, power, credit or procurement under the MSP program. Even then, average yields of wheat and rice in India are much lower than that of China's (46 per cent below in the case of rice and 39 per cent in the case of wheat). India happens to be the major producer and consumer of pulses, which is one of the major sources of protein for the population. India has low yields comparable to most countries. Given that India is the major

MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

producer and consumer of pulses, imports cannot be the main source for meeting domestic demand. Therefore, policy must incentivize movement of resources towards production of pulses.

The negative consequences of low agriculture yields extend from precarious incomes of farmers to large tracts of land locked in low value agriculture, despite growing demands for high value products such as fruits, vegetables and livestock products.

Although water is one of India's most scarce natural resources, India uses 2 to 4 times more water to produce a unit of major food crop than China and Brazil. Hence, it is imperative that the country focuses on improving the efficiency of water use in agriculture.

Irrigation investments must shift to adopting technologies like sprinkler, drip irrigation and rainwater harvesting. In order to facilitate this shift, the new irrigation technologies need to be accorded "infrastructure lending" status and both the center and states need to increase public spending for adoption & deployment of micro irrigation.

Addressing India's multiple challenges in agriculture will require significant upgradation of the country's national agriculture research and extension systems. India's National Agricultural Research System (NARS) (comprising the Indian Council of Agricultural Research (ICAR), other central research institutes, and national research centers set up by ICAR), together with state agricultural universities played a key role in the Green revolution. In more recent years, however, agriculture research has been plagued by severe under investment and neglect.

Similarly, private sector innovation and high yielding variety and hybrids in seeds can result in immense productivity gains. Currently, the seed replacement rates are very low in some crops, highlighting the need for greater private sector engagement in order to spur innovation and high yields.

India should also fully leverage new low cost technologies that have wider benefits for agriculture. Digital platforms using mobile phones can provide information on weather, prices and cultivation practices to farmers which can lead to massive increases in farm incomes. Since the costs of drones have fallen sharply, they can be used to provide crucial information on crop health, irrigation problems, soil variation and even pest and fungal infestations that are not apparent at eye level to farmers. Small efforts can go a long way in mitigating farm losses and risks and maximizing income.

Innovation in the input industry, both seeds and crop protection also go a long way in addressing productivity problems that Indian Agriculture is facing currently. The increase in intensity and education on safe usage of crop protection can not only help farmers to reduce losses but will also increase the marketability of their produce.

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs and time, improved port gate management and better fiscal incentives would contribute to the sector's growth. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers.

The 12th Five Year Plan estimates the food grains storage capacity to expand to 35 Million tonnes. Also, a 4 per cent growth would help restructure the agriculture sector in India in the next few years.

The Company understands these trends very well and is poised to address these issues in a comprehensive manner. Our products offerings (both Seeds and Crop Protection), distribution reach and extension capabilities with a vast network of more than 3,000 field officers are well geared to address these challenges and provide comprehensive and differentiated solutions to different farmers. We are also investing heavily in the expansion of our production capacities to meet rising demand of our products.

5. CORPORATE SUSTAINABILITY

Responsible business practices are the foundation of the Bayer corporate alignment in India. Bayer's objective is to create entrepreneurial value while adhering to social values. Our products and services are designed to benefit people and improve their quality of life. At the same time we want to create value through innovation, growth and high earning power. This, we believe is the only way to generate sustainable profitable growth. Our business approach complies with the principles of sustainability in fulfilling our mission - Bayer: Science For A Better Life.

At Bayer sustainability forms an integral part of our corporate strategy in the same way as the areas of research or human resources. While Bayer promotes cutting-edge research and talented individuals, the Company is equally focused on innovative educational and social projects. Ensuring ample food supplies is one of the biggest challenges of our time. Bayer is developing solutions to this problem underscoring the concept of sustainable agriculture. Bayer takes its responsibility to protect the environment very seriously. It is constantly working to reduce environmental impact and find innovative product solutions that benefit the environment. Our commitment is two-fold: improving resource and energy efficiency. The details about the Corporate Social Responsibility projects for the financial year 2015-16 are provided in the Directors' Report.

6. 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 processes in line with the approved internal audit plan. Audit observations and follow-up actions are discussed with the management of the Company as well as the Audit Committee.

7. CAUTIONARY STATEMENT

The statements in the "Management Discussion & Analysis Report" describing the Company's objectives, expectations and forecasts may be forward looking within the meaning of applicable securities laws and regulations. The actual results may differ from those expressed or implied, depending upon the economic and climatic conditions, government policies and other incidental factors.

INDEPENDENT AUDITORS' REPORT**To the Members of Bayer CropScience Limited****Report on the Financial Statements**

1. We have audited the accompanying financial statements of Bayer CropScience Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.



INDEPENDENT AUDITORS' REPORT

To the Members of Bayer CropScience Limited

10. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and 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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Notes 5 and 24;
 - ii. The Company has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses. There are no long term derivative contracts as at March 31, 2016;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended March 31, 2016.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner
Membership Number: 046061

Place : Mumbai

Date : May 13, 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Bayer CropScience Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements for the year ended March 31, 2016

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner
Membership Number: 046061

Place : Mumbai

Date : May 13, 2016

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent 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, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three 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 have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 7A on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory [excluding goods in transit and stocks with third parties] have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans granted by it. Further, the Company has not made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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.
- vii. (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 sales tax, income tax, service tax and value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including duty of excise, provident fund, employees' state insurance, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs and cess which have not been deposited on account of any dispute. Refer Appendix I for the particulars of dues of income tax, sales tax, service tax, duty of excise, value added tax as at March 31, 2016 which have not been deposited on account of a dispute.
- viii. 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 loans or borrowings to any bank. Further, there were no dues payable to financial institution or Government or debenture holders as at the Balance Sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent 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, 2016

- x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner
Membership Number: 046061

Place : Mumbai

Date : May 13, 2016

Appendix I

Referred to in paragraph vii(b) of our Annexure B to the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements for the year ended March 31, 2016

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	92	Assessment Years 1992-1993, 2002-2003, 2003-2004, 2007-2008, 2010-2011, 2011-2012, 2012-2013	Appellate Authority - up to Commissioner's level
	Sub Total		92		
2	Sales Tax The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax and Value Added Tax liability	676	Years 1977-1978 to 1984-1985, 1994-1995, 1995-1996, 1999-2000 to 2006-2007, 2008-2009 to 2012-2013, 2014-2015	Appellate Authority - up to Commissioner's level
			2	Years 1989-1990 to 1990-1991, 2007-2008, 2009-2010	Sales Tax Appellate Tribunal
	Sub Total		678		
3	Excise Duty The Central Excise Act, 1944	Excise duty liability	5	Years 1986 to 1991, 1993 to 1997 and 2009	Appellate Authority - up to Commissioner's level
			2	Years 1993-1994, 2000-2001 and 2002-2003	Custom, Excise and Service Tax Appellate Tribunal
			14	Years 1994-1995, 2000-2001, 2001-2002 and 2002-2003	High Court
	Sub Total		21		
4	Service Tax The Finance Act, 1994	Service Tax liability	13	Years 2004 to 2007 and 2010 to 2013	Appellate Authority - up to Commissioner's level
	Sub Total		13		
Total			804		



Balance Sheet as at March 31, 2016

₹ in Millions

	Note	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	354	366
Reserves and Surplus	3	17,205	19,963
		17,559	20,329
NON-CURRENT LIABILITIES			
Other Long-term Liabilities	4	94	102
Long-term Provisions	5	563	520
		657	622
CURRENT LIABILITIES			
Trade Payables	6		
- Total outstanding dues of Micro Enterprises and Small Enterprises		7	29
- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,446	2,647
Other Current Liabilities	4	2,832	3,127
Short-term Provisions	5	882	977
		6,167	6,780
Total		24,383	27,731
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	7A	3,156	3,210
- Intangible Assets	7B	25	8
- Capital work-in-progress		67	2
- Intangible Assets under development		3	4
		3,251	3,224
Non-Current Investments	9	34	34
Deferred Tax Assets (Net)	10	69	96
Long-term Loans and Advances	11	721	680
		824	810
CURRENT ASSETS			
Current Investments	9	364	254
Inventories	12	6,582	5,647
Trade Receivables	13	4,963	5,711
Cash and Bank Balances	14	7,632	11,304
Short-term Loans and Advances	11	714	670
Other Current Assets	15	53	111
		20,308	23,697
Total		24,383	27,731
Significant Accounting Policies	1		
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: 046061

Rajiv Wani
Vice President - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board

Vice Chairman & Managing Director
and CEO
Richard van der Merwe
DIN 06768305

Directors
Sharad Kulkarni
DIN 00003640
A.K.R. Nedungadi
DIN 00103214

Executive Director & CFO
Vimal Bhandari
DIN 00001318
Ulrich Stefer
DIN 07447177

Place : Mumbai
Date : May 13, 2016

Place : Mumbai
Date : May 13, 2016

Statement of Profit and Loss for the year ended March 31, 2016

₹ in Millions

	Note	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Revenue from Operations (Gross)		39,430	39,029
Less: Excise Duty		2,001	1,796
Revenue from Operations (Net)	16	37,429	37,233
Other Income	17	757	879
TOTAL REVENUE		38,186	38,112
EXPENSES			
Cost of Materials Consumed	18	8,564	8,616
Purchases of Stock-in-Trade	19	17,589	15,571
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	20	(1,271)	(51)
Employee Benefit Expenses	21	2,253	2,269
Finance Costs	22	73	46
Depreciation and Amortisation Expense	8	247	253
Other Expenses	23	6,102	5,673
TOTAL EXPENSES		33,557	32,377
PROFIT BEFORE TAX		4,629	5,735
Tax Expense			
- Current Tax [including reversal for earlier years 10 (Previous Year Nil)]		1,593	1,862
- Deferred Tax		27	43
		1,620	1,905
PROFIT FOR THE YEAR		3,009	3,830
Earnings Per Share (net of tax) - Basic and Diluted [Face Value per Equity Share - ₹ 10/-]	41	₹ 83.41	₹ 104.59
Significant Accounting Policies	1		
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
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Executive Director & CFO **Vimal Bhandari**
DIN 00001318
Ulrich Stefer
DIN 07447177

Place : Mumbai
Date : May 13, 2016

Place : Mumbai
Date : May 13, 2016



Cash Flow Statement for the year ended March 31, 2016

₹ in Millions

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
A. Cash Flow from Operating Activities:		
Profit Before Tax	4,629	5,735
Adjustments for:		
Depreciation and Amortisation Expense	247	253
Interest Expense	73	46
Interest Income	(457)	(544)
Dividend Income	(114)	(138)
(Profit)/ Loss on Tangible Assets sold/ discarded (Net)	(6)	(3)
Profit on sale of Investments	(2)	-
Bad Debts	7	33
Provision for Doubtful Debts (Net)	20	3
Liabilities no longer required written back	(91)	(104)
Provision for Employee benefits	19	27
Provision for Indirect Taxes and Other Commercial Matters (Net)	27	81
Inventory write off/ write down	36	181
Unrealised foreign exchange (gain)/ loss	(16)	10
	(257)	(155)
Operating Profit before Working Capital changes	4,372	5,580
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	689	(1,615)
(Increase)/ Decrease in Other Receivables	(53)	(230)
(Increase)/ Decrease in Inventories	(971)	(376)
Increase/ (Decrease) in Trade Payables	(164)	(194)
Increase/ (Decrease) in Other Payables	(255)	744
	(754)	(1,671)
Cash generated from Operations	3,618	3,909
Taxes Paid	(1,654)	(1,905)
Net Cash from Operating Activities	1,964	2,004
B. Cash Flow from Investing Activities:		
Purchase of Tangible/ Intangible Assets	(304)	(516)
Proceeds from Sale of Other Tangible/ Intangible Assets	34	20
Proceeds from Sale of Ankleshwar Manufacturing Facilities [Refer Note 38]	-	1,466
Loan given to Related Party	(1,106)	(1,096)
Loan repaid by Related Party	1,106	4,596
Proceeds from Sale of Investments	606	-
Purchase of Investments	(714)	(254)
Interest Received	482	498
Dividend Received on Current Investments	114	138
Net Cash from Investing Activities	218	4,852
C. Cash Flow from Financing Activities:		
Buyback of Equity Shares [Refer Note 2(d)]	(5,060)	-
Interest Paid	(48)	(9)
Dividend Paid	(621)	(347)
Dividend Distribution Tax Paid	(126)	(59)
Net Cash used in Financing Activities	(5,855)	(415)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(3,673)	6,441
Cash and Cash Equivalents at the beginning of the year	11,297	4,856
Cash and Cash Equivalents at the end of the year	7,624	11,297

Cash Flow Statement for the year ended March 31, 2016 (contd.)

₹ in Millions

	As at 31.03.2016	As at 31.03.2015
Cash and Cash Equivalents comprise		
Balance with Banks	7,524	11,097
Short-term highly liquid investment	100	200
	<u>7,624</u>	<u>11,297</u>

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Accounting Standard - 3 on Cash Flow Statements.
- 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/ regrouped to conform to current year's presentation.

In terms of our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 046061

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Vice President - Law, Patents & Compliance
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Executive Director & CFO **Vimal Bhandari**
DIN 00001318
Ulrich Stefer
DIN 07447177

Place : Mumbai
Date : May 13, 2016

Place : Mumbai
Date : May 13, 2016



Notes to the financial statements for the year ended March 31, 2016

(All amounts in ₹ Millions, unless otherwise stated)

COMPANY PROFILE

Bayer CropScience Limited ("The Company") is a Company incorporated under the Companies Act, 1956 having its registered office at Bayer House, Central Avenue, Hiranandani Estate, Thane - 400 607. The Company is engaged into 'Agri Care' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, weedicides and various other agrochemical products and sale & distribution of hybrid seeds. Out of the total paid-up share capital of the Company, 68.58% is held by its promoters. The Company is listed on the Bombay Stock Exchange, Mumbai. The Company has its own manufacturing site at 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. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and the realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

(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 from 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 Asset which are carried at cost are recognised immediately in the Statement of Profit and Loss.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets as per the rates prescribed under Schedule II to the Companies Act, 2013.

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

Notes to the financial statements for the year ended March 31, 2016 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(d) Intangible Assets**

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

Goodwill, Technical Knowhow and Computer Software are amortised on straight line basis 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 Statement of Profit and Loss in the period in which they are incurred.

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

(h) Inventories

Inventories are stated at lower of cost and net realisable value. 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.



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(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.

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

Export Incentives are recognised on an accrual basis.

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

(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.

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 in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss 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.

Notes to the financial statements for the year ended March 31, 2016 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(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 recognized only if there is virtual certainty supported by convincing evidence that they can be realized 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.

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.

(o) Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash on hand, balance with banks, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

2. SHARE CAPITAL

	As at 31.03.2016	As at 31.03.2015
Authorised:		
46,300,000 (Previous Year 46,300,000) Equity Shares of ₹ 10/- each	463	463
Issued, Subscribed and Paid-up:		
35,354,001 (Previous Year 36,619,001) Equity Shares of ₹ 10/- each, fully paid-up	354	366

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.

b) Reconciliation of number of Issued, Subscribed and Paid-up Equity Shares:

	As at 31.03.2016		As at 31.03.2015	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	36,619,001	366	36,619,001	366
Less: Shares bought back during the year [Refer Note (d) below]	1,265,000	12	-	-
Balance as at the end of the year	35,354,001	354	36,619,001	366

c) Shares bought back during 5 years immediately preceeding the Balance Sheet:

	Number of Shares	
	01.04.2011 to 31.03.2016	01.04.2010 to 31.03.2015
Aggregate number of Equity Shares bought back	4,144,746	2,879,746

- d) Pursuant to the approval of the Board of Directors on June 3, 2015 and Shareholders of the Company through postal ballot, results of which were declared on July 20, 2015, the Company bought back 1,265,000 equity shares (representing 3.45% of the equity capital) at a price of ₹ 4,000/- per equity share aggregating to 5,060 through the tender offer route, in terms of Public Announcement dated July 22, 2015. After extinguishment of 1,265,000 Equity Shares on October 26, 2015, the Issued, Subscribed and Paid-up Equity Capital of the Company reduced from 36,619,001 equity shares to 35,354,001 equity shares.

Accordingly: (i) the face value of issued, subscribed and paid-up equity share capital is reduced by 12; (ii) 12 has been transferred from Surplus in Statement of Profit and Loss to Capital Redemption Reserve as per the provision of Section 69(1) the Companies Act, 2013; (iii) the premium aggregating to 5,048 has been adjusted from the Surplus in Statement of Profit and Loss.

e) Shares held by Ultimate Holding Company and its subsidiaries:

	Number of Shares	
	As at 31.03.2016	As at 31.03.2015
Ultimate Holding Company:		
Bayer AG, Germany	3,676,380	3,844,995
Subsidiaries of Ultimate Holding Company:		
Bayer Vapi Private Limited, India	8,248,312	8,198,564
Bayer S.A.S., France	6,810,399	7,122,757
Bayer CropScience AG, Germany	5,509,593	6,084,591

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

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

3. RESERVES AND SURPLUS

	As at 31.03.2016	As at 31.03.2015
Capital Redemption Reserve		
Balance as at the beginning of the year	29	29
Add: Transfer from Surplus in Statement of Profit and Loss [Refer Note 2(d)]	12	-
Balance as at the end of the year	41	29
General Reserve		
Balance as at the beginning of the year	3,277	2,894
Add: Transfer from Surplus in Statement of Profit and Loss during the year	301	383
Balance as at the end of the year	3,578	3,277
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	16,657	14,134
Add: Profit for the year	3,009	3,830
Less: Appropriations		
- Interim Dividend [Refer Note (a) below]	-	146
- Dividend Distribution Tax on Interim Dividend	-	25
- Proposed Dividend [Refer Note (b) below]	601	623
- Dividend Distribution Tax on Proposed Dividend	118	130
- Transfer to General Reserve	301	383
- Premium paid on Buy-back of shares [Refer Note 2(d)]	5,048	-
- Transfer to Capital Redemption Reserve [Refer Note 2(d)]	12	-
Balance as at the end of the year	13,586	16,657
	17,205	19,963

- a) During the previous year, pursuant to the approval of Board of Directors at its meeting held on September 17, 2014, the Company declared payment of Interim Dividend of ₹ 4.00 per equity share amounting to 146.
- b) The Board of Directors, in their meeting held on May 13, 2016 proposed a dividend of ₹ 17.00 per share for the year ended March 31, 2016 (Previous Year ₹ 17.00 per share) amounting to 601 (Previous Year 623). The proposal is subject to approval of Shareholders at the Annual General Meeting.

4. OTHER LIABILITIES

	Long-term		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Unpaid Dividends [Refer Note (a) below]	-	-	8	6
Others:				
- Advances from Customers	-	-	793	870
- Discounts/ Rebates payable to Customers	-	-	1,172	1,418
- Deposits from Customers	-	-	99	95
- Payable for Capital Purchases [Refer Note 40]	-	-	13	17
- Accrual for Anticipated Sales Returns	-	-	202	106
- Payable to Employees	94	102	430	503
- Payable towards Statutory Liabilities	-	-	115	112
	94	102	2,832	3,127

- 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.



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

5. PROVISIONS

	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits:				
- Gratuity	170	152	36	32
- Compensated Absences	38	51	105	93
- Pension	5	6	1	1
- Long Service Award	8	8	2	3
Other Provisions:				
- Provision for Direct Tax Matters [Net of Advance Tax of 155 (Previous Year 159)] [Refer Note (a) below]	24	12	-	-
- Provision for Indirect Tax Matters [Refer Note (a) below]	65	64	-	-
- Provision for Commercial and Other Matters [Net of Payment of 5 (Previous Year 5)] [Refer Note (a) below]	253	227	-	-
- Provision for Current Income Tax [Net of Advance Tax of 1,591 (Previous Year 1,780)]	-	-	15	95
- Proposed Dividend	-	-	601	623
- Dividend Distribution Tax on Proposed Dividend	-	-	122	130
	563	520	882	977

a) Disclosure of Provisions for Contingencies

	Direct Tax (net of advance tax)	Indirect Tax	Commercial and Other Matters (net of payment)
Balance as at the beginning of the year	12 (9)	64 (64)	227 (146)
Add: Additional provision	12 (3)	1 (-)	26 (81)
Balance as at the end of the year	24 (12)	65 (64)	253 (227)

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 Nil (Previous Year 33) is recognised under the head "Purchases of Stock-in-Trade" [Refer Note 19], 26 (Previous Year 25) is recognised under the head "Finance Costs" [Refer Note 22] and Nil (Previous Year 23) under the head "Other Expenses - Rates and Taxes" [Refer Note 23] as an additional provision towards Commercial and Other Matters.

6. TRADE PAYABLES [Refer Note 40]

	As at 31.03.2016	As at 31.03.2015
Total outstanding dues of Micro Enterprises and Small Enterprises	7	29
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,446	2,647
	2,453	2,676

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

7A. TANGIBLE ASSETS

Assets	Gross Block (at Cost)				Depreciation/ Amortisation				Impairment Loss				Net Book Value
	As at 01.04.2015	Additions	Deletions	As at 31.03.2016	As at 01.04.2015	For the Year	On deletions	As at 31.03.2016	As at 01.04.2015	For the Year	On deletions	As at 31.03.2016	As at 31.03.2016
Freehold Land	-*	-	-	-*	-	-	-	-	-	-	-	-	-*
	(-)*	(-)	(-)	(-)*	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)*
Leasehold Land	180	-	-	180	-*	-*	-	-*	-	-	-	-	180
	(19)	(178)	(17)	(180)	(3)	(-)*	(3)	(-)*	(-)	(-)	(-)	(-)	(180)
Buildings	2,150	19	-	2,169	97	48	-	145	-	-	-	-	2,024
	(1,015)	(1,949)	(814)	(2,150)	(214)	(50)	(167)	(97)	(72)	(-)	(72)	(-)	(2,053)
Plant and Equipment	571	45	11	605	292	47	7	332	-	-	-	-	273
	(2,484)	(138)	(2,051)	(571)	(1,426)	(51)	(1,185)	(292)	(68)	(-)	(68)	(-)	(279)
Furniture and Fixtures	189	22	2	209	47	18	2	63	-	-	-	-	146
	(153)	(95)	(59)	(189)	(76)	(18)	(47)	(47)	(1)	(-)	(1)	(-)	(142)
Leasehold Improvements	3	-	1	2	3	-	1	2	-	-	-	-	-
	(3)	(-)	(-)	(3)	(3)	(-)	(-)	(3)	(-)	(-)	(-)	(-)	(-)
Vehicles	546	51	66	531	195	60	47	208	-	-	-	-	323
	(508)	(97)	(59)	(546)	(186)	(54)	(45)	(195)	(1)	(-)	(1)	(-)	(351)
Office Equipment (including Computers)	515	75	30	560	310	65	25	350	-	-	-	-	210
	(424)	(161)	(70)	(515)	(294)	(68)	(52)	(310)	(2)	(-)	(2)	(-)	(205)
Total	4,154	212	110	4,256	944	238	82	1,100	-	-	-	-	3,156
	(4,606)	(2,618)	(3,070)	(4,154)	(2,202)	(241)	(1,499)	(944)	(144)	(-)	(144)	(-)	(3,210)

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

- a) Figures shown in brackets are in respect of previous year.
- b) A portion of Building has been given on operating lease to Group Companies.

7B. INTANGIBLE ASSETS

Assets	Gross Block (at Cost)				Amortisation				Net Book Value	
	As at 01.04.2015	Additions	Deletions	As at 31.03.2016	As at 01.04.2015	For the Year	On deletions	As at 31.03.2016	As at 31.03.2016	
Goodwill	93	-	-	93	93	-	-	93	-	
	(93)	(-)	(-)	(93)	(93)	(-)	(-)	(93)	(-)	
Computer Software	78	26	22	82	70	9	22	57	25	
	(76)	(2)	(-)	(78)	(58)	(12)	(-)	(70)	(8)	
Technical Knowhow	15	-	2	13	15	-	2	13	-	
	(15)	(-)	(-)	(15)	(15)	(-)	(-)	(15)	(-)	
Total	186	26	24	188	178	9	24	163	25	
	(184)	(2)	(-)	(186)	(166)	(12)	(-)	(178)	(8)	

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



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

8. DEPRECIATION AND AMORTISATION EXPENSE

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Depreciation and Amortisation Expense		
- on Tangible Assets	238	241
- on Intangible Assets	9	12
	<u>247</u>	<u>253</u>

9. INVESTMENTS

	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
INVESTMENT PROPERTY				
Freehold Land	34	34	-	-
INVESTMENT IN MUTUAL FUNDS				
(Current, Non-trade and Unquoted) - Lower of Cost and Fair Value				
9,623,926 (Previous Year Nil) units of ₹ 10/- each in DHFL Pramerica Arbitrage Fund	-	-	101	-
9,545,842 (Previous Year Nil) units of ₹ 10/- each in HDFC Arbitrage Fund	-	-	101	-
7,822,382 (Previous Year Nil) units of ₹ 10/- each in IDFC Arbitrage Fund	-	-	101	-
Nil (Previous Year 4,751,309) units of ₹ 10/- each in Kotak Equity Arbitrage Fund	-	-	-	51
5,876,809 (Previous Year Nil) units of ₹ 10/- each in L&T Arbitrage Opportunities Fund	-	-	61	-
Nil (Previous Year 14,604,581) units of ₹ 10/- each in Reliance Arbitrage Advantage Fund	-	-	-	152
Nil (Previous Year 4,017,104) units of ₹ 10/- each in Religare Invesco Arbitrage Fund	-	-	-	51
	<u>34</u>	<u>34</u>	<u>364</u>	<u>254</u>

a) Aggregate cost of Unquoted Investments 364 (Previous Year 254)

b) Aggregate fair value of Unquoted Investments in Mutual Funds 364 (Previous Year 254)

10. DEFERRED TAX

	As at 31.03.2016	As at 31.03.2015
Deferred Tax Assets		
Liabilities allowed on payment basis	160	148
Disallowances under Section 40(a)(i) and 40(a)(ia)	56	53
Provision for Doubtful Debts/ Advances/ Deposits	59	51
	<u>275</u>	<u>252</u>
Less: Deferred Tax Liabilities		
Depreciation/ Impairment of Assets	206	156
	<u>206</u>	<u>156</u>
Net Deferred Tax Assets/ (Liabilities)	<u>69</u>	<u>96</u>

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

11. LOANS AND ADVANCES

(Unsecured - considered good unless stated otherwise)

	Long-term		Short-term	
	As at	As at	As at	As at
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Capital Advances	2	4	-	-
Security Deposits:				
- Considered Good	136	91	31	25
- Considered Doubtful	6	6	-	-
	142	97	31	25
Less: Provision for Doubtful Deposits	6	6	-	-
	136	91	31	25
Other Loans and Advances:				
- Advance to/ recoverable from Vendors	-	-	38	33
- Loans to/ receivables from Employees	-*	1	20	22
- Prepaid Expenses	9	9	41	48
- Fringe Benefit Tax [Net of Provision for Taxation 125 (Previous Year 125)]	3	3	-	-
- Advance payment of Income Tax [Net of Provision for Taxation 12,588 (Previous Year 10,743)]	444	442	-	-
- Balance with Government Authorities	127	130	584	542
	721	680	714	670

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

12. INVENTORIES

(Lower of Cost and Net Realisable Value)

	As at	As at
	31.03.2016	31.03.2015
Raw Materials [Includes in transit 874 (Previous Year 754)]	2,305	2,642
Packing Materials [Includes in transit 1 (Previous Year Nil)]	94	95
Semi-Finished Goods [Refer Note (a) below]	138	188
Finished Goods [Includes in transit 161 (Previous Year 111)] [Refer Note (a) below]	1,904	1,646
Stock-in-trade [Includes in transit 729 (Previous Year 119)] [Refer Note (a) below]	2,129	1,066
Stores and Spare Parts	12	10
	6,582	5,647

(a) Details of Inventories

Class of Goods	Semi-Finished Goods	Finished Goods	Stock-in-trade
- Active Ingredients	-	372	1,226
	(14)	(369)	(199)
- Formulations	138	1,532	840
	(174)	(1,277)	(807)
- Seeds	-	-	54
	(-)	(-)	(50)
- Others	-	-	9
	(-)	(-)	(10)
	138	1,904	2,129
	(188)	(1,646)	(1,066)

Figures shown in brackets are in respect of previous year.



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

13. TRADE RECEIVABLES

	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Secured, considered good				
- Debts outstanding for a period exceeding six months from the date they are due for payment	-	-	- *	- *
- Others	-	-	51	56
	-	-	51	56
Unsecured, considered good				
- Debts outstanding for a period exceeding six months from the date they are due for payment	-	-	400	201
- Others [includes due from a Private Company in which a Director is a Director 26 (Previous Year 21)]	-	-	4,512	5,454
	-	-	4,912	5,655
Unsecured, considered doubtful				
- Debts outstanding for a period exceeding six months from the date they are due for payment	155	107	-	-
- Others	8	36	-	-
Less : Provision for Doubtful Debts	163	143	-	-
	-	-	-	-
	-	-	4,963	5,711

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

14. CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with banks

- In Current	189	198
- In Fixed Deposits (less than 3 months maturity)	7,335	10,899

Short-term highly liquid investments [Refer Note (a) below]	100	200
---	-----	-----

Other Bank Balances

In Fixed Deposits	-	- *
In Margin Deposits **	-	1
Earmarked balances with banks in:		
- Unpaid Dividend Accounts	8	6
	7,632	11,304

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

** Under lien with bank towards bank guarantee.

(a) Investment in Mutual Funds

(Current, Non-trade and Unquoted) - Lower of Cost and Fair Value

81,837 (Previous Year Nil) units of ₹ 1,000/- each in Kotak Mutual Fund - Liquid Scheme	100	-
Nil (Previous Year 200,231) units of ₹ 1,000/- each in Union KBC Liquid Fund	-	200
	100	200

(i) Aggregate amount of Unquoted Investments 100 (Previous Year 200)

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

15. OTHER CURRENT ASSETS

(Unsecured - considered good unless stated otherwise)

	As at 31.03.2016	As at 31.03.2015
Accrued Interest Receivable	32	57
Other Receivables [Includes due from a Private Company in which a Director is a Director 4 (Previous Year 4)]	21	54
	<u>53</u>	<u>111</u>

16. REVENUE FROM OPERATIONS

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Sale of Goods [Refer Note (a) below]	38,442	37,949
Other Operating Revenue:		
- Recoveries from Group Companies and Third Parties	835	923
- Tolling Charges	-	25
- Export Incentives	148	123
- Scrap Sales	5	9
Revenue from Operations (Gross)	39,430	39,029
Less: Excise Duty [Refer Note (b) below]	2,001	1,796
Revenue from Operations (Net)	<u>37,429</u>	<u>37,233</u>

(a) Details of Sale of Goods (Gross of Excise Duty)

Class of Goods	Finished Goods		Stock-in-trade	
	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
- Active Ingredients	4,395	5,658	5,749	4,549
- Formulations	10,970	10,699	12,450	11,796
- Seeds	-	-	4,788	4,974
- Others	-	-	90	273
	<u>15,365</u>	<u>16,357</u>	<u>23,077</u>	<u>21,592</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 23.

17. OTHER INCOME

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Interest Income	457	544
Dividend Income from Current Investments	114	138
Liabilities No Longer Required Written Back	91	104
Rent Income [Refer Note 33]	80	72
Profit on Tangible Assets sold/ discarded (Net)	6	3
Profit on sale of Investments	2	-
Miscellaneous	7	18
	<u>757</u>	<u>879</u>



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

18. COST OF MATERIALS CONSUMED

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Raw Materials:		
Opening Stock	2,642	2,481
Add: Purchases	7,886	8,452
	10,528	10,933
Less: Closing Stock	2,305	2,642
Cost of Raw Materials consumed	8,223	8,291
Packing Materials consumed	341	325
	8,564	8,616
[Refer Notes below]		
(a) Includes 24 (Previous Year 5) on account of write off/ write down in carrying values of Raw Materials and Packing Materials.		
(b) Materials Consumed		
Class of Goods		
- Active Ingredients	6,554	6,559
- Others	2,010	2,057
	8,564	8,616
(c) Value of Imported and Indigenous Materials Consumed		
	Amount	%
Imported	6,455	75
	(6,984)	(81)
Indigenous	2,109	25
	(1,632)	(19)
	8,564	100
	(8,616)	(100)

Figures shown in brackets are in respect of previous year.

19. PURCHASES OF STOCK-IN-TRADE

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Class of Goods		
- Active Ingredients	5,907	4,006
- Formulations	7,961	7,626
- Seeds	3,639	3,755
- Others	82	184
	17,589	15,571

20. CHANGES IN INVENTORIES OF SEMI-FINISHED GOODS, FINISHED GOODS AND STOCK-IN-TRADE

Opening Stock:		
- Semi-Finished	188	225
- Finished	1,646	1,752
- Stock-in-trade	1,066	872
	2,900	2,849
Closing Stock:		
- Semi-Finished	138	188
- Finished	1,904	1,646
- Stock-in-trade	2,129	1,066
	4,171	2,900
Increase in Inventories [Refer Note (a) below]	(1,271)	(51)

- (a) Includes 1 (Previous Year 168) [net of amount recovered from insurance company 11 (Previous Year 8)] on account of net write off/ write down in carrying values of Semi-Finished Goods, Finished Goods and Stock-in-trade.

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
21. EMPLOYEE BENEFIT EXPENSES [Refer Note 28 and 37]		
Salaries and Wages	1,985	1,952
Contribution to Provident and Other Funds	88	80
Gratuity	64	135
Staff Welfare Expenses	116	102
	2,253	2,269
22. FINANCE COSTS		
Interest Expense - Others	73	46
	73	46
23. OTHER EXPENSES [Refer Note 37]		
Consumption of Stores and Spare Parts [Refer Note (a) below]	18	29
Power and Fuel	61	116
Rent [Refer Note 33(a)]	180	182
Repairs and Maintenance:		
- Buildings	13	34
- Plant and Equipment	1	15
- Others	56	51
	70	100
Insurance	26	26
Rates and Taxes	110	168
Excise Duty [Refer Note 16(b)]	58	65
Job Work Charges [Refer Note 39]	991	775
Freight Outward and Clearing Charges	606	593
Travelling and Conveyance	374	438
Communication	138	121
Directors' Sitting Fees	3	2
Commission to Non-Executive Directors	5	5
Payments to Auditor [Refer Note (b) below]	8	6
Advertisement, Publicity and Sales Promotion	1,687	1,543
Cash Discounts	768	633
Commission	85	101
Legal and Professional Fees	491	440
Donations	89	28
Royalty	6	18
Bad Debts	7	33
Less: Withdrawn from Provision for Doubtful Debts	5	31
	2	2
Provision for Doubtful Debts	25	34
Foreign Exchange Fluctuations (Net)	42	33
Miscellaneous	259	215
	6,102	5,673



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

23. OTHER EXPENSES (contd.)

(a) Value of all Imported and Indigenous Stores and Spare Parts consumed

	Amount	%
Imported	1	6
	(1)	(3)
Indigenous	17	94
	(28)	(97)
	18	100
	(29)	(100)

Figures shown in brackets are in respect of previous year.

(b) Payments to Auditor:

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
(i) As Auditor:		
- for statutory audit	3	3
- for limited review	2	1
- for certification	- *	- *
(ii) For other audit services in respect of:		
- Tax Audit	1	1
- Audit of Group Reporting Package	2	1
- Others	- *	-
(iii) Reimbursement of out-of-pocket expenses	- *	- *
	8	6

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

Above figures include Service tax.

As at 31.03.2016	As at 31.03.2015
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24. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts towards:

a) Direct Tax Matters	344	332
b) Indirect Tax Matters (Excise duty, Customs duty, Service tax and Sales tax)	738	773
c) Litigation/ claims filed by customer/ vendor/ labour	53	48
d) Litigation/ demands raised by other Statutory Authorities	117	25

Future cash flows in respect of above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities.

25. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts (net of advances) remaining to be executed on capital account	29	27
b) Value of customs duty in respect of export obligation (against advance licenses) remaining to be met at year end	176	343
c) Bank Guarantees issued in favour of various statutory authorities	815	354

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

26. RESEARCH AND DEVELOPMENT EXPENSES

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Research and Development Revenue Expenses	280	222

(a) Above expenses are net of recoveries.

(b) Above expenses include Product Registration Expenses of 122 (Previous Year 87)

27. 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 (Proprietary) Limited, South Africa
- Bayer (South East Asia) Pte. Ltd., Singapore
- Bayer A/S, Denmark
- Bayer Animal Health GmbH, Germany
- Bayer BioScience Private Limited, India
- Bayer Business Services GmbH, Germany
- Bayer Business Services Philippines Inc., Philippines
- Bayer Business and Technology Services LLC, U.S.A.
- Bayer Co. (Malaysia) Sdn Bhd, Malaysia
- Bayer CropScience AG, Germany
- Bayer CropScience LP, U.S.A.
- Bayer CropScience Limited, Bangladesh
- Bayer de Mexico S.A. de C.V., Mexico
- Bayer Direct Services GmbH, Germany
- Bayer HealthCare Pharmaceuticals Inc., U.S.A.
- Bayer Intellectual Property GmbH, Germany
- Bayer Middle East FZE, UAE
- Bayer Pakistan (Private) Limited, Pakistan
- Bayer Pharmaceuticals Private Limited, India
- Bayer S.A., Argentina
- Bayer S.A.S., France
- Bayer Thai Company Limited, Thailand
- Bayer Vapi Private Limited, India (the Enterprise in respect of which, the Company is an Associate effective April 28, 2014)
- Covestro Deutschland AG, Germany
- Covestro (Hong Kong) Limited, Hong Kong (formerly Bayer MaterialScience Limited, Hong Kong)
- Covestro (India) Private Limited, India (formerly Bayer MaterialScience Private Limited, India)
- Nunhems India Private Limited, India
- Nunhems Vegetable Seeds Private Limited, India
- PT. Bayer Indonesia, Indonesia

* The list of parties above have been limited to entities with whom transactions have taken place during the year or balances are outstanding as at the year end.

(iii) **Key Management Personnel** :**Name** : **Designation**

- Mr. Richard van der Merwe : Vice Chairman & Managing Director and CEO (from February 1, 2014)
- Dr. Thomas Hoffmann : Executive Director & CFO (Upto March 31, 2016)
- Mr. Ulrich Stefer : Executive Director & CFO (from April 1, 2016)



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

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

(iv) The transactions with and outstanding balances of related party referred to in (i) above are furnished below:

Nature of Transaction	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Recoveries made	-*	47
Dividend paid	65	36
Professional/ Support Charges incurred	5	7
	As at 31.03.2016	As at 31.03.2015
Outstanding Receivables (net of Payables)	-	36
Outstanding Payables (net of Receivables)	1	-

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

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

Nature of Transaction	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Sale of Goods		
Bayer CropScience AG	4,964	5,991
Others	544	406
	5,508	6,397
Recoveries from Group Companies		
Bayer Vapi Private Limited	220	156
Bayer BioScience Private Limited	121	122
Bayer CropScience AG	105	112
Bayer Business Services GmbH	91	79
Bayer Pharmaceuticals Private Limited	85	89
Nunhems India Private Limited	82	67
Covestro (India) Private Limited	40	162
Others	11	9
	755	796
Tolling Charges recovered		
Covestro (India) Private Limited	-	25
	-	25
Rent Income		
Covestro (India) Private Limited	26	24
Bayer Pharmaceuticals Private Limited	17	16
Bayer BioScience Private Limited	9	10
Bayer Vapi Private Limited	7	-*
Others	-*	-*
	59	50
Interest Income		
Covestro (India) Private Limited	-	330
Bayer Vapi Private Limited	60	31
	60	361
Purchase of Goods		
Bayer CropScience AG	9,046	7,092
Bayer BioScience Private Limited	3,652	3,776
Others	473	841
	13,171	11,709

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

27. 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	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Professional/ Support Charges incurred		
Bayer Business Services GmbH	192	210
Bayer Business Services Philippines Inc	86	-
Bayer CropScience AG	63	101
Others	30	38
	<u>371</u>	<u>349</u>
Rent Expense		
Bayer BioScience Private Limited	14	15
Bayer Vapi Private Limited	2	-*
	<u>16</u>	<u>15</u>
Royalty Expense		
Bayer Intellectual Property GmbH	6	18
	<u>6</u>	<u>18</u>
Dividend paid		
Bayer Vapi Private Limited	139	78
Bayer S.A.S.	121	68
Bayer CropScience AG	103	58
	<u>363</u>	<u>204</u>
Sale of Fixed Assets		
Covestro (India) Private Limited	9	227
Others	-*	-
	<u>9</u>	<u>227</u>
Purchase of Fixed Assets (including Capital work-in-progress)		
Bayer CropScience LP	14	7
Bayer Business Services GmbH	7	1
Bayer CropScience Limited, Bangladesh	7	-
Covestro (India) Private Limited	-	1
	<u>28</u>	<u>9</u>
Employee related liability paid/ payable on transfer of employees		
Covestro (India) Private Limited	10	13
Bayer BioScience Private Limited	5	9
Bayer Vapi Private Limited	4	-*
	<u>19</u>	<u>22</u>
Employee related liability taken over on transfer of employees		
Bayer BioScience Private Limited	3	1
Bayer Vapi Private Limited	3	-
Others	-*	-
	<u>6</u>	<u>1</u>
Short-term Loan given to [Refer Note 36]		
Bayer Vapi Private Limited	1,106	1,096
	<u>1,106</u>	<u>1,096</u>
Short-term Loan repaid by [Refer Note 36]		
Bayer Vapi Private Limited	1,106	1,096
Covestro (India) Private Limited	-	3,500
	<u>1,106</u>	<u>4,596</u>



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

27. 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.)

	As at 31.03.2016	As at 31.03.2015
Outstanding Receivables (net of Payables)		
Bayer CropScience Limited, Bangladesh	51	25
Bayer Vapi Private Limited	42	-
Nunhems India Private Limited	37	15
Bayer Pharmaceuticals Private Limited	36	28
Bayer Pakistan (Private) Limited	25	69
Covestro (India) Private Limited	7	51
Bayer CropScience AG	-	153
Others	13	19
	211	360
Outstanding Payables (net of Receivables)		
Bayer CropScience AG	597	-
Bayer Intellectual Properties GmbH	6	18
Bayer Business Services GmbH	1	19
Bayer BioScience Private Limited	-	92
Bayer Vapi Private Limited	-	27
Others	59	5
	663	161

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

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

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Related Party		
Mr. Richard van der Merwe	56	65
Dr. Thomas Hoffmann	39	42
	95	107

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

28. EMPLOYEE BENEFITS

The disclosures required as per Accounting Standard 15 - Employee Benefits (Revised 2005), are as under:

a) Brief description of the Plans:

The Company has various schemes for employee benefits such as provident fund, superannuation, employees' state insurance scheme, 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, employees' state insurance scheme 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	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Provident Fund	64	57
Superannuation	24	23

* included in Note 21 – 'Employee Benefit Expenses'

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

28. EMPLOYEE BENEFITS (contd.)**c) Disclosures for defined benefit plans based on actuarial reports:**

	Gratuity (Funded plan)		Pension (Non-funded plan)	
	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
(i) Changes in Present Value of Defined Benefit Obligation:				
Opening present value of defined benefit obligation	484	438	7	8
Current service cost	31	26	- *	- *
Interest cost	39	41	1	1
Actuarial loss/ (gain)	19	92	(1)	- *
Transfer of Employees (Net) **	(7)	(15)	- *	-
Benefits paid	(33)	(98)	(1)	(2)
Closing present value of defined benefit obligation	533	484	6	7
** 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	300	276	-	-
Expected return on plan assets	27	24	-	-
Actuarial gain/ (loss)	(2)	- *	-	-
Contributions by employer	35	86	-	-
Benefits paid	(33)	(86)	-	-
Closing fair value of Plan Assets	327	300	-	-
(iii) Actual return on Plan Assets	25	24	-	-
(iv) Amount recognised in the Balance Sheet:				
Present value of defined benefit obligation as at year end	533	484	6	7
Less: Fair value of plan assets as at year end	(327)	(300)	-	-
Net (asset)/ liability recognised	206	184	6	7
Recognised under:				
Long Term Provision [Refer Note 5]	170	152	5	6
Short Term Provision [Refer Note 5]	36	32	1	1
	206	184	6	7
(v) Expenses recognised in the Statement of Profit and Loss:				
Current service cost	31	26	- *	- *
Interest cost	39	41	1	1
Expected return on plan assets	(27)	(24)	-	-
Net actuarial loss/(gain) recognised in the current year	21	92	(1)	- *
Total expense (Included in Note 21 – ‘Employee Benefit Expenses’)	64	135	-	1
(vi) Expected employer’s contribution for the next year	36	32	-	-

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

28. EMPLOYEE BENEFITS (contd.)

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

	Gratuity (Funded plan)		Pension (Non-funded plan)	
	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
(vii) Principal actuarial assumptions used:				
Discount rate (per annum)	7.81%	7.95%	7.81%	7.95%
Expected rate of return on plan assets (per annum)	8.10%	8.70%	Not Applicable	Not Applicable
Attrition Rate (per annum)	5 - 10 %	5 - 10 %	5 - 10 %	5 - 10 %
Salary Escalation rate (per annum)	12% for Next year, 10% for subsequent 2 years and 8% thereafter	12% for Next 2 years, 10% for subsequent 2 years and 8% thereafter	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.

(ix) Other Information:	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014	01.04.2012 to 31.03.2013	01.04.2011 to 31.03.2012
Gratuity (Funded Plan)					
Present value of defined benefit obligation at the end of the year	(533)	(484)	(438)	(414)	(341)
Fair value of plan assets at the end of the year	327	300	276	270	227
Surplus/ (deficit)	(206)	(184)	(162)	(144)	(114)
Experience adjustments on plan liabilities - gain/ (loss)	(29)	(45)	(32)	(23)	(20)
Experience adjustments on plan assets - gain/ (loss)	(2)	- *	- *	2	1
Pension (Non-funded Plan)					
Present value of defined benefit obligation at the end of the year	(6)	(7)	(8)	(8)	(7)
Surplus/ (deficit)	(6)	(7)	(8)	(8)	(7)
Experience adjustments on plan liabilities - gain/ (loss)	1	1	1	- *	2

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

- (x) The liability for compensated absences and long service award as at March 31, 2016 aggregates 143 (Previous Year 144) and 10 (Previous Year 11), respectively.

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

29. NET AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

For the Year	No. of Shareholders	No. of Equity Shares	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
2014-15 (Final Dividend)	4	17,053,783	290	-
2014-15 (Interim Dividend)	4	17,053,783	-	68
2013-14 (Final Dividend)	4	17,053,783	-	94

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

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
30. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	5,951	5,226
Packing Materials	12	29
Stock-in-trade	4,408	2,934
Stores and Spare Parts	1	1
Capital Goods (including Work-in-Progress)	54	32
31. EXPENDITURE IN FOREIGN CURRENCY		
Professional Fees	275	288
Other Expenses	61	71
Communication	59	43
Salary	51	47
Royalty	6	18
32. EARNINGS IN FOREIGN EXCHANGE		
Export of Goods calculated on F.O.B. basis	5,442	6,287
Recoveries from Group Companies	206	247
33. OPERATING LEASE		

a) Assets taken on lease:

The Company has taken certain residential flats and offices under non-cancellable operating lease and lease rent amounting to 16 (Previous Year 52) has been recognised under the head Other Expenses - 'Rent' under Note 23 to the Statement of Profit and Loss.

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

Period	As at 31.03.2016	As at 31.03.2015
Not later than one year	12	16
Later than one year and not later than five years	10	6
Later than five years	-	-

The Company has entered into cancellable leasing arrangement for office, residential, guest house and warehouse premises. The lease rental of 164 (Previous Year 130) has been recognised under the head Other Expenses - 'Rent' under Note 23 to the Statement of Profit and Loss.

Further, the Company has recovered sub-lease rental of 12 (Previous Year 16) which has been recognised under the head Other Income - 'Rent Income' under Note 17 to the Statement of Profit and Loss.

b) Assets given on lease:

Additionally, the Company had given Land (disclosed as Investment Property) and portion of Building on operating lease under cancellable lease arrangement during the year. The lease rentals aggregating to 68 (Previous Year 56) has been recognised under the head Other Income - 'Rent Income' under Note 17 to the Statement of Profit and Loss.



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

34. 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, 2016.

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

Secondary Segmental Reporting

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
1. Revenue from Operations (Net)		
(a) Segment – Local	31,760	30,669
(b) Segment – Exports	5,669	6,564
	<u>37,429</u>	<u>37,233</u>
2. Segmental Assets (excluding Deferred/ Current Tax Assets)		
(a) In India	23,453	26,513
(b) Outside India	414	677
	<u>23,867</u>	<u>27,190</u>
3. Capital Expenditure during the year in India	<u>300</u>	<u>412</u>

35. 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:

As at	Currency	₹ Buy/ (Sell)	Number of Contracts	Amount in Foreign Currency Millions	₹ equivalent in Millions
March 31, 2016	US Dollar	Buy	2	3	221
March 31, 2015	US Dollar	Buy	1	4	224

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

Particulars	Currency	Amount in Foreign Currency Millions	₹ equivalent in Millions
- Payable	US Dollar	10	642
		(-)	(-)
- Receivable	US Dollar	-	-
		(4)	(267)
- Payable	EURO	-*	19
		(-)*	(7)
- Payable	ZAR	-	-
		(-)*	(1)
- Payable	THB	-*	-*
		(-)	(-)
- Receivable	CHF	-*	1
		(-)	(-)

Figures shown in brackets are in respect of previous year.

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

36. The Company had given loans to Bayer Vapi Private Limited during Current Year 1,106 (Previous Year 1,096) for capital investment and general business purpose and to Covestro (India) Private Limited (formerly known as Bayer MaterialScience Private Limited) Nil (Previous Year 3,500) for working capital purpose which were repaid during respective years by both the parties. These loans were given in compliance with Section 186 of the Companies Act, 2013 and in accordance with the terms and conditions of agreements entered with both the parties.

Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

37. Expenses towards activities relating to Corporate Social Responsibility in compliance with Section 135 of the Companies Act, 2013 (Included in Operating Activities under Cash Flow Statement)**a) Amount spent**

Particulars	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Donations	89	28
Employee Benefit Expenses	4	2
Other Expenses	2	4
	95	34
b) Gross amount required to be spent by the Company	95	70

38. Pursuant to the approval of Board of Director's vide its resolution dated July 30, 2013, the Company had entered into a 'Business Transfer Agreement' with Deccan Fine Chemicals (India) Private Limited, to sell, convey, assign and transfer the Chemical Manufacturing Facility at Ankleshwar, as a going concern on a slump sale basis and an 'Asset Transfer Agreement' with Covestro (India) Private Limited (formerly known as Bayer MaterialScience Private Limited), to sell and transfer all the assets related to the Poly-isocyanate Unit located within the Ankleshwar facility. The transactions were concluded at the close of business hours of May 31, 2014. Upon conclusion of both the transactions, the Company had recognised net gain of 3 (net of impairment loss of 144 recognised during the year ended March 31, 2014) and realised proceeds of 1,466 during the year ended March 31, 2015.

39. During the year, the Company has recognized a charge of 203 (Previous Year 18) towards job work charges for the shortfall in the committed quantities.

40. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at 31.03.2016	As at 31.03.2015
(I) (i) Principal amount due and remaining unpaid to any supplier at the end of accounting year [includes capital payables 0.01 (Previous Year 0.46)]	7	30
(ii) Interest amount due and remaining unpaid to any supplier at the end of accounting year *	-	-
(II) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the suppliers during the year	30	61
(III) The amount of interest due and payable for the period of delay in making the payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, beyond the appointed date	-	-
(IV) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(V) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-

* Current Year 0.02 (Previous Year Nil)

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.



Notes to the financial statements for the year ended March 31, 2016 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

41. EARNINGS PER SHARE

Particulars	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Profit After Taxation	3,009	3,830
Weighted average number of equity shares outstanding at year end	36,076,364	36,619,001
Nominal Value Per Equity Share (in ₹)	10	10
Earnings Per Share (net of tax) [Basic and Diluted] (in ₹)	83.41	104.59

42. Previous year figures have been regrouped/ reclassified to conform to current year's presentation.

Signature to Notes 1 to 42

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Uday Shah

Partner
Membership Number: 046061

Rajiv Wani

Vice President - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board

Vice Chairman &
Managing Director
and CEO

Richard van der Merwe
DIN 06768305

Directors

Sharad Kulkarni
DIN 00003640

A.K.R. Nedungadi
DIN 00103214

Vimal Bhandari
DIN 00001318

Executive Director &
CFO

Ulrich Stefer
DIN 07447177

Place : Mumbai
Date : May 13, 2016

Place : Mumbai
Date : May 13, 2016

Facts

	2006	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
₹ in Millions										
Revenue from Operations (Net)	7,746	12,383	14,826	17,241	21,373	22,723	27,253	32,452	37,233	37,429
Profit Before Tax	891	680	1,508	1,964	1,988	2,044	15,632	4,408	5,735	4,629
Net Cash from Operating Activities	366	1,404	346	824	1,223	1,067	1,383	2,815	2,004	1,964
Dividend (including interim dividend)	95	95	111	158	158	166	197	201	769	601
Dividend %	24%	24%	28%	40%	40%	42%	50%	55%	210%	170%
Dividend Payout Ratio %	17%	19%	12%	12%	12%	12%	2%	7%	20%	20%
Share Capital	395	395	395	395	395	395	395	366	366	354
Reserves and Surplus	2,919	3,299	4,115	5,203	6,335	7,532	18,918	17,057	19,963	17,205
Borrowings	1,081	692	427	1,140	1,085	-	-	-	-	-
Gross Block	3,435	4,274	4,519	5,077	5,531	4,738	5,414	6,958	4,346	4,514
Net Block	1,554	2,479	2,701	3,208	3,537	2,566	3,457	4,446	3,224	3,251
Net Current Assets	2,776	1,139	1,990	2,835	5,204	4,861	15,562	12,583	16,917	14,141
Employee Benefit Expenses	671	1,221	1,343	1,411	1,566	1,553	1,810	2,040	2,269	2,253
Number of Employees	1,020	1,159	1,325	1,351	1,102	1,147	1,181	1,217	1,043	1,057
₹										
Earnings Per Share (on the basis of profits after tax)	14.39	12.43	23.91	32.22	33.30	35.19	294.11	75.14	104.59	83.41
Book Value per Share	83.91	93.53	114.17	141.72	170.38	200.70	488.95	475.79	555.15	496.66
Share Price at Stock Exchange — High	303.40	474.50	343.00	693.00	1,173.00	999.00	1,341.80	1,829.20	3,819.90	4,234.00
— Low	101.00	199.05	180.20	224.90	635.15	673.05	749.00	1,065.05	1,384.55	3,115.00
Number of Shareholders	21,180	18,852	18,803	19,324	21,251	21,431	20,865	19,138	20,647	20,412

Notes:

1. Figures for the period 2007-08 are for fifteen months.
2. Dividend Payout Ratio % = Dividend *100/ Profit After Tax
3. Figures have been regrouped wherever necessary.



NOTES

[illegible]



Bayer CropScience Limited

Corporate Identification No. (CIN) - L24210MH1958PLC011173

Registered Office: Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400 607

Tel. No. +91 22 2531 1234 E-mail: ir_bcs@bayer.com Website: www.bayer.co.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s): _____

Registered Address: _____

E-mail id: _____

Folio No. / Client ID No. _____ DP ID No. _____

I / We, being the member(s) of _____ shares of Bayer CropScience Limited, hereby appoint

1. Name: _____ Email id: _____
Address: _____
Signature: _____ or failing him/her
2. Name: _____ Email id: _____
Address: _____
Signature: _____ or failing him/her
3. Name: _____ Email id: _____
Address: _____
Signature: _____

As my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 58th Annual General Meeting of the Company to be held on Monday, September 12, 2016 at 11.00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No.	Resolution	For	Against
1.	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for financial year ended March 31, 2016		
2.	Declaration of dividend on Equity Shares for the financial year ended March 31, 2016		
3.	Re-appointment of Mr. Peter Mueller (DIN: 03582162) as a Director		
4.	Re-appointment of Auditors and fixing their remuneration		
5.	Appointment of Mr. Ulrich Stefer as the Wholtime Director (DIN: 07447177) & Chief Financial Officer of the Company		
6.	Appointment of Mr. Pankaj Patel (DIN: 00131852) as the Non-Executive Independent Director of the Company		
7.	Ratification of Cost Auditors' remuneration		
8.	Approval of transaction with Bayer BioScience Private Limited		
9.	Adoption of new Articles of Association of the Company		

Signed this _____ day of _____ 2016

Signature of shareholder _____

Affix
Revenue
Stamp

NOTES:

1. Please put tick(✓) in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
2. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607, not less than 48 hours before the commencement of the Meeting.



Bayer CropScience Limited

Corporate Identification No. (CIN) - L24210MH1958PLC011173

Registered Office: Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607

Tel. No. 91 22 2531 1234 E-mail: ir_bcsl@bayer.com Website: www.bayer.in

ATTENDANCE SLIP

(To be presented at the Annual General Meeting venue)

58TH ANNUAL GENERAL MEETING ON MONDAY, SEPTEMBER 12, 2016 AT 11.00 A.M.

at “Yashwantrao Chavan Pratishthan Auditorium”, Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai 400 021

I/ We hereby record my/ our presence at the FIFTY-EIGHTH ANNUAL GENERAL MEETING of the Company at “Yashwantrao Chavan Pratishthan Auditorium”, Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai 400 021, on Monday, September 12, 2016 at 11.00 a.m.

Member's Folio/ Client ID/ DP IDNo.

Member's/ Proxy's name in Block Letter

Member's/ Proxy's Signature

- NOTES:
- Only Member/ Proxy holder can attend the Meeting.
 - Please complete the Folio/ Client ID/ DP ID No. and name of the Member/ Proxy, sign this Attendance Slip and hand it over at the entrance of the Meeting hall.
 - Member/ Proxy holder should bring his/ her copy of the Annual Report for reference at the Meeting.

PARTICULARS FOR VOTING THROUGH ELECTRONIC MEANS (REMOTE E-VOTING)

For Members opting to vote through electronic means, instead of voting at the Annual General Meeting, facility is available at the web link: <https://www.evoting.nsdl.com>. Particulars for electronic voting are as under:

EVEN (E-Voting Event Number)	User ID	Password

NOTE: Please refer the instructions printed under the Notes (Note No. 16) of the Notice of the 58th Annual General Meeting. The e-voting period **starts from 9.00 a.m. on Thursday, September 08, 2016 and will end at 5.00 p.m. on Sunday, September 11, 2016**. The voting module shall be disabled by NSDL for voting thereafter.

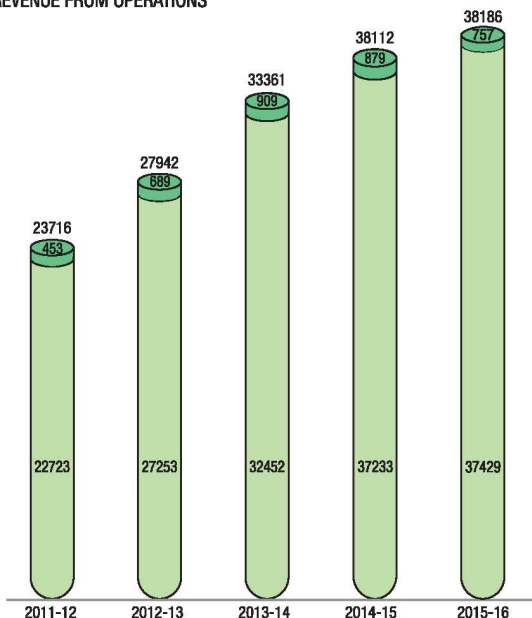
Performance Highlights



TOTAL REVENUE

(₹ in Millions)

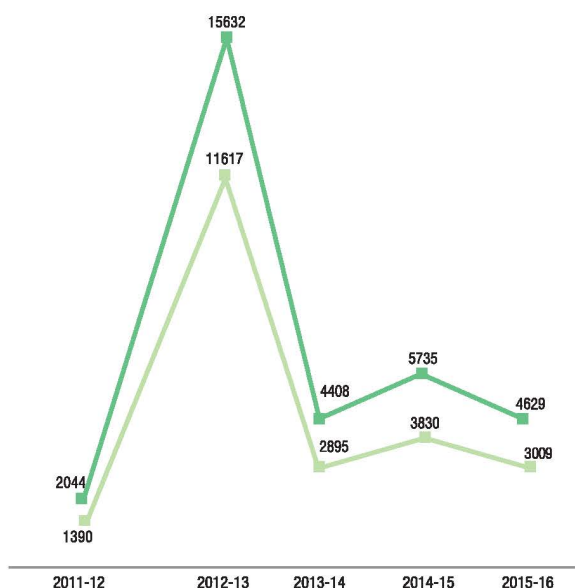
- OTHER INCOME
- REVENUE FROM OPERATIONS



PROFITS

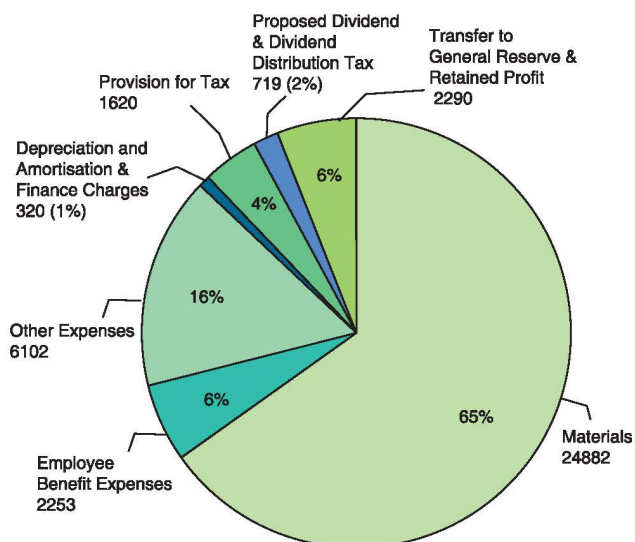
(₹ in Millions)

- PROFIT BEFORE TAX
- PROFIT AFTER TAX



DISTRIBUTION OF REVENUE 2015-16

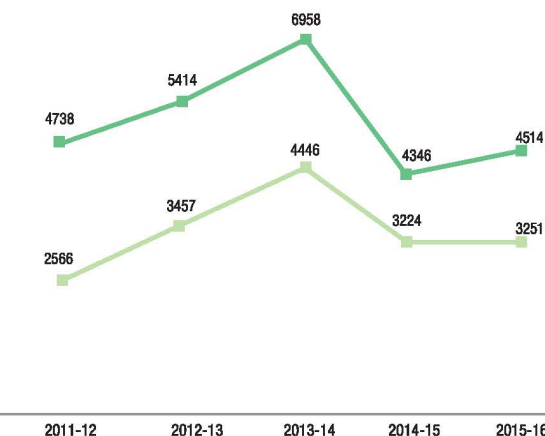
(₹ in Millions (%))



FIXED ASSETS

(₹ in Millions)

- GROSS BLOCK
- NET BLOCK





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