

Bayer CropScience Limited

62nd Annual Report

2019-20



On the Annual Report cover:

Rice harvesting by women smallholder farmers in Bari village in Chhatarpur district of Madhya Pradesh in India.



The 62nd Annual General Meeting
of Bayer CropScience Limited
will be held on

Date: August 7, 2020

Time: 11:00 am IST onwards



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Our mission: Science for a better life



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Unlocking smallholders' farming potential

In India, 80% of farmers are smallholders who farm on less than two hectares of land. Smallholder farmers play a crucial role in ensuring food security for India, but they face multiple challenges such as lack of finance, adverse climate impact, irrigation management, pests & crop diseases, rural migration and fluctuating commodity prices. Because of these challenges, they are unable to realize their full farming potential.

Bayer CropScience Limited has introduced various global and local initiatives to support long-term capacity building for smallholder farmers in India to help them increase crop yields & farm incomes and use their farms as a source of sustainable income rather than just to survive.

In addition, Bayer CropScience Limited is collaborating with state governments, internationally recognized NGOs & local organizations to scale up its existing and new value chain partnerships to maximize the incremental impact created for smallholder farmers and rural farming communities.

We firmly believe that when smallholder farmers will succeed in generating higher incomes, it will support rural job creation and increase the contribution of agriculture to India's economic growth. This in turn will make farming an attractive profession for future generations and bring more investment to the industry.

Our Goals

- // Empower 2.5 million Indian smallholders by 2025 through access to modern agri-inputs and better public health
- // Activate 5,000 agri-entrepreneurs in horticulture, corn and rice



Santhi Devi is a progressive rice farmer who grows Bayer's Arize rice hybrids in Bhondra, Jharkhand. She has been steadily improving her income and is able to meet healthcare and education expenses for her children without relying on loans.

////// Leveraging partnerships with the 'Better Life Farming' alliance

In April 2018, Bayer AG, the global development finance institution IFC, the irrigation technology firm Netafim and insurance company Swiss Re Corporate Solutions set up the 'Better Life Farming' (BLF) alliance, to provide holistic and innovative solutions for smallholder farmers in developing economies. In July 2018, the alliance was set up in India with additional local partners: Yara Fertilisers, DeHaat, AgriBazaar and Big Basket.

The BLF alliance currently operates in the states of Uttar Pradesh and Jharkhand. These states were chosen as pilots after conducting a baseline study to identify regions where local crop yields were significantly lower compared to India's average national yield.

With the interventions of Better Life Farming, smallholder farmers have been able to double their crop yields and triple their farm incomes.

Under the alliance, Bayer is providing seeds and crop protection inputs along with advisory on integrated crop management practices. IFC is imparting financial literacy and helping family farms run their operations as a commercial business and increase their income. Netafim is creating awareness about precision irrigation and other advanced farming practices that can reduce vulnerability to weather changes. Yara Fertilisers is educating farmers about balanced crop nutrition and maintaining soil health. DeHaat, AgriBazaar and Big Basket are working as offtakers to ensure that smallholder farmers get the right price and market access for their produce.



Highlights

- // Better Life Farming projects currently operational in Uttar Pradesh & Jharkhand
- // Focus crops currently include rice and horticulture (vegetables) with plans to expand into corn
- // Plans to expand in future to Bihar, Chhattisgarh, Odisha, West Bengal, Maharashtra and Madhya Pradesh

Himanshu Singh grows green chillies in his one-acre farm at Sikhar village in Uttar Pradesh. He is also an agri-entrepreneur running his own Better Life Farming center, through which he plans to generate employment for youth in his village.



Agri-entrepreneurship through Better Life Farming centers

In 2019, the Better Life Farming alliance introduced an agri-entrepreneurship model for smallholder farmers in the form of 'Better Life Farming centers'. This initiative supports agricultural micro-entrepreneurs from the farming community to provide smallholder farmers with access to agri-inputs, crop advisory, irrigation best practices, new technologies and support produce aggregation for sale to offtakers. This will also empower rural youth to be a part of the agri value chain and create local employment opportunities.

The BLF alliance has ambitious plans to make these agricultural micro-entrepreneurs operate like business owners, thereby increasing their sales, revenues, and profitability. Each BLF center covers a group of 500 farmers from five to six nearby villages. The BLF alliance is also helping smallholder farmers procure the necessary Seeds, Pesticides and Fertilizers licenses, GST registrations and acquire digital expertise to set up their agri-entrepreneurship business.

We have also adopted a gender-smart approach to work with women agri-entrepreneurs to serve the needs of women smallholders better. Our endeavor is to provide an opportunity to women smallholders and empower them economically and socially as producers and entrepreneurs.

In India, where agriculture is the main source of livelihood for many rural communities, the BLF alliance has created price transparency and increased the bargaining power of smallholders. Besides, increasing crop yields and farm incomes, the biggest transformation is a shift towards sustainable agriculture with smallholder farmers moving from subsistence farming to commercial farming.



Highlights

- // 78 Better Life Farming centers currently operational in India
- // 5,000 Better Life Farming centers planned by 2025 to serve 2.5 million farmers across India
- // Special focus on roping in women agri-entrepreneurs to serve women smallholders
- // Collaboration with value chain partners and local and international NGOs to scale up presence of BLF centers

Kalyani Singh is a second-generation farmer and the owner of a Better Life Farming center in Jharkhand. She supports women smallholders in her village with access to agri-inputs and advisory.

Capacity building for use of modern agricultural technologies

Rice farmers in the eastern belt of India largely practice subsistence farming and suffer from drastically low yields. Affordability and lack of knowledge hinder them from cultivating hybrid seeds. Hybrid rice seeds have the potential to yield 20 to 35% more than the best inbred variety. It also provides better responsiveness in challenging ecologies (water, stress, etc.) and can provide better return on investment to farmers.

In Kharif 2019, Bayer CropScience Limited conducted a three-week-long capacity building initiative in the states of Jharkhand, Chhattisgarh and Odisha, which are an integral part of India's rice growing belt. The initiative introduced rice smallholder farmers to advanced agricultural technologies in the areas of seeds, crop protection, crop nutrition, soil management, drip irrigation, post-harvest management and financial literacy.

Since seed is the first step in any crop cycle and is a critical enabler for farmers to improve their crop productivity, Bayer CropScience Limited distributed free packs of hybrid rice seeds to rice smallholders to enable them to experience the yield advantage from cultivating hybrid seeds. Beneficiary farmers were quite encouraged seeing the higher germination rate of Bayer's hybrid rice seeds compared to the traditional seeds they were growing.

Besides seed distribution, rice smallholders will be provided with routine agronomic advisory and support to cultivate hybrid rice in subsequent seasons. They will also receive demonstrations on how hybrid rice cultivation can help conserve water and provide inbuilt disease tolerance. 10,000 fields will be selected and maintained for carrying out product differentiation activities and showcasing the benefits of cultivating hybrid rice.



Highlights

- // Bayer collaborated with 16 local NGO's to carry out the capacity building exercise
- // ~300 metric tons of hybrid rice seeds were distributed to more than 1,00,000 smallholders
- // 1,700+ villages covered across Jharkhand, Chhattisgarh & Odisha

Hybrid rice seeds were distributed to resource poor smallholder farmers across three states during Kharif 2019 to build capacities for adoption of modern agricultural technologies.



Message from our Chairman



Pankaj Patel



On September 16, 2019, the India integration of Monsanto India Limited with Bayer CropScience Limited was completed, marking a strategic milestone in Bayer's 125-year-old history in India.

Dear Shareholders,

I am pleased to present you with our 62nd Annual Report, which looks back on a particularly eventful financial year for Bayer CropScience Limited in 2019-20.

On September 16, 2019, the India integration of Monsanto India Limited with Bayer CropScience Limited was completed, following a lengthy and intensive regulatory process. This marked a strategic milestone in Bayer's 125-year-old history in India. As of March 31, 2020, the integration is well on track and the Company has started seeing good first contributions arising from the consolidation of employee talent, product portfolios and business operations.

With the integration, we will be able to provide Indian farmers a strong portfolio of innovation-led agricultural solutions. Our long-term goal is to unlock the growth potential of Indian agriculture as a global producer and exporter of food, feed & fibre.

In the financial year 2019-20, Bayer CropScience Limited registered Revenue from Operations of ₹ 36,094 million and Profit Before Exceptional Items & Tax stood at ₹ 7,133 million. The Company successfully launched one new product in the Crop Protection segment, four in Hybrid Seeds and one in Environmental Science. Through projects such as 'Food Chain Partnerships' and 'Better Life Farming', the Company is working on providing tailored solutions that meet the specific local needs of Indian farmers.

With greater focus on agriculture and its contribution to rural livelihoods, agriculture will see increased investment from the private sector and support from the Government through agri-reforms and supporting policies. Farmers will invest in quality agri-inputs for achieving higher and better-quality yields and a more favorable return on investment. With increasing labor shortage, there will be a push for mechanized and digital solutions in agricultural operations. All these factors will enable good growth opportunities for Bayer CropScience Limited.

As we look ahead, on behalf of the Board of Directors, I take this opportunity to express my sincere appreciation to our Shareholders, Banks & Financial Institutions, Employees, Distributors and Farmers for your support and trust. I seek your continued support to grow and progress our Company to greater heights.

Best wishes,

Pankaj Patel

Message from our MD & CEO

Dear Shareholders,

Agriculture is the backbone of rural India, with millions of smallholder farmers relying on agriculture for their livelihood. Many of these smallholders have limited access to modern agricultural inputs, advisory and technologies. Yet, they cater to 80% of India's food requirement and help our nation to be self-reliant in food production.

Towards late March in the financial year 2019-20, the Covid-19 global pandemic disrupted operations across all industry sectors. With the Government declaring agricultural operations 'essential', farmers continued to toil hard to ensure adequate food production.

For us, at Bayer CropScience Limited, this was not just an allowance to operate and support farmers with essential seeds and crop protection products... it was much more. It was an obligation we owed to farmers – to serve them and support in every way possible. This meant thinking beyond mere sale of products and going the extra mile to support farmers with market linkages, capacity building for transfer of new technologies, help with harvesting, facilitating cash liquidity and setting up new business models that enabled digitalization of agriculture.

Currently, Indian agriculture is in a phase of unprecedented transformation. With the recent agri-reforms introduced by the Government, we have a golden opportunity to collaborate across the agri value chain and help Indian farmers increase crop productivity, farm profitability and progress from subsistence farming to commercial farming.

When smallholders will earn higher farm incomes, it will support rural job creation and increase the contribution of agriculture to India's economic growth. This in turn will make farming an attractive profession for future generations and bring more investment to the industry. It will also bring alive the Government's vision of doubling farmers' incomes and help place India in the league of the top five agricultural nations worldwide.

Bayer CropScience Limited is committed to fulfil Bayer's promise of 'Science for a better life' by improving the lives of farmers and consumers with access to safe, nutritious and affordable food and ensure 'Health for all, Hunger for none'. We look forward to collaborating with farmers, the government, industry and the broader society to help us achieve this mission and create value for all our stakeholders.

Best wishes,

D Narain



D Narain



We are committed to our promise of 'Science for a better life' by improving the lives of farmers and consumers with access to safe, nutritious and affordable food and ensure 'Health for all, Hunger for none'.



Board of Directors



Pankaj Patel

(DIN: 00131852)

*Chairman & Non-Executive
Independent Director*

Pankaj Patel is the Chairman of the Company since September 2016. He has both research and techno-commercial expertise. He is also the Chairman of IIM, Udaipur and Member of the Board of Governors of the IIM Ahmedabad, IIFT and other education institutes and universities. He is the Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre.

Mr. Patel has been nominated as a Member of the Mission Steering Group (MSG), the highest policy making and steering body constituted under National Health Mission (NHM) and of the Drug Technical Advisory Board by Ministry of Health & Family Welfare, Govt. of India, New Delhi. He has also been nominated on the reconstituted Court of the Indian Institute of Science for the period 2018-21. Mr. Patel is a Past President of the Federation of Indian Chamber of Commerce & Industry (FICCI).

In recognition of his contributions to the healthcare industry in India, Mr. Patel was conferred several awards which includes the Acharya PC Ray Memorial Gold Medal Award and the Eminent Pharmacist Award, the India Innovator Award at the India Business Leaders Awards instituted by CNBC. For his entrepreneurial vision, Mr. Patel was awarded the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category.

Duraiswami Narain is the Senior Bayer Representative, South Asia, since December 1, 2018 and oversees Bayer's business operations across India, Bangladesh, Sri Lanka and Pakistan. He successfully steered the India integration of Monsanto India Limited with Bayer CropScience Limited that was completed on September 16, 2019.

His career spans 30+ years in the agriculture industry. He worked with ITC's Agribusiness unit in its early years of inception in India. In 1998, he joined Monsanto as the Chief Financial Officer for the India Region and went on to hold various global roles across US & Europe. From 2015 to 2018, he worked as Vice President & Treasurer at Monsanto's global headquarters in St. Louis, USA.

He is a Chartered Accountant and an MBA from the Kellogg School of Management, USA.



Duraiswami Narain

(DIN: 03310642)

*Vice Chairman &
Managing Director and CEO*

**Ketaki Bhagwati****(DIN: 07367868)***Non-Executive
Independent Director*

Ketaki Bhagwati is an independent financial services consultant. Ms. Bhagwati was the former Chief Investment Officer in the Financial Institutions Group at the International Finance Corporation (IFC), the private sector financing arm of the World Bank Group, for 25 years, working in private equity, M&A, debt & structured finance and distressed asset workouts across sectors in several regions including Asia, the Middle East & Africa. Prior to IFC, she worked at the Credit Rating Information Services of India (CRISIL) in Mumbai.

She has a Bachelor of Arts from Wellesley College (USA) and a Master of Public Administration from Harvard University's John F. Kennedy School of Government. She is currently a member of the Wellesley College Business Leadership Council and Golden Seeds, an early stage investment firm with a focus on women leaders.

Sekhar Natarajan has contributed significantly towards the growth of the agriculture sector and farmers. With a career spanning over three decades, he led and built Monsanto India as an organization that has been a growth leader and innovator in Indian Agriculture. Prior to his role as the Chairman of Monsanto India Limited, he was the India Region lead, South Asia Business Lead, Business Development Head, Sales and Marketing Head and Financial Controller.

He is a Managing Partner of S. N. Consultants and continues to stay connected with Agriculture industry by providing strategic guidance to local/international companies. He also works closely with industry leaders and forums. Mr. Natarajan is a qualified Chartered Accountant and Cost Accountant. He has extensive experience in Strategic Thinking, Business Development and Mergers and Acquisitions (M&A).

**Sekhar Natarajan****(DIN: 01031445)***Non-Executive
Independent Director***Rolf Hoffmann****(DIN: 08460583)***Executive Director & CFO*

Rolf Hoffmann started his career with Bayer AG as a Commercial Trainee in 1995. He stepped into the world of Finance in 2000 when he moved into the Corporate Audit team at Bayer AG, Germany, as an Auditor. Before joining the Company as Executive Director & CFO, Rolf headed Regional Finance Teams of EMEA and Region International for Bayer Consumer Care AG in Basel, Switzerland.

In his stint with Bayer globally, Rolf worked in different roles across geographies. He held the position as Chief Financial Officer / Compliance Officer for Bayer Vietnam Ltd. and subsequently as Chief Financial Officer for Bayer Korea Ltd.

Rolf holds an MBA from the University of Bradford in UK and a Bachelor's degree in Economics and Management from the FOM University of Applied Sciences in Essen, Germany.



Board of Directors (Contd.)

Jens Hartmann is the Senior Commercial Leader of a customer-facing business in a culturally diverse region with complex country portfolios. Jens has worked in the agriculture industry for his entire career spanning over 30 years, with a passion for emerging markets, smallholder farmers and digital farming.

Jens has taken on a wide spectrum of leadership roles, including leader of the Crop Science business for Asia Pacific, Global Chief Information Officer for Crop Science, Head of Global Marketing for Agricultural Commercial Operations & Country Cluster Head for South Asia for Crop Science. He has a wealth of experience working in Asia / Africa for over 20 years, having held various commercial and managerial positions in South Africa, Kenya, India, Pakistan and Singapore. He has a B.A. in Economics from Cologne, Germany.



Jens Hartmann

(DIN: 08338494)

Non-Executive

Non-Independent Director



Dr. Thomas Hoffmann

(DIN: 06485949)

Non-Executive

Non-Independent Director

Thomas Hoffmann joined Bayer AG in 2001 as a Manager in Corporate Controlling. In 2003, he took over responsibilities in Corporate Accounting. In 2005, he moved to Tokyo as Head of Financial Reporting and later Head of Enterprise Accounting and Reporting for the Bayer Group in Japan. Thereafter, he returned to Bayer AG, Corporate Finance to take on the role of Head of Structured Finance from 2008 till 2013.

In February 2013, Dr. Hoffmann assumed the role of Chief Financial Officer South Asia in Mumbai. After that, he moved to Shanghai in 2016 as Chief Financial Officer Greater China. He joined Bayer AG again in September 2019 for the position as Head of Treasury. He has studied Business Administration with specialization in Finance & Controlling and Audit.

Corporate Information

Company Secretary & Compliance Officer

Nikunj Kumar Savaliya
Membership No.: FCS 7048

Statutory Auditor

Deloitte Haskins & Sells LLP

Solicitor

Crawford Bayley & Co.

CIN

L24210MH1958PLC011173

Registered Office

Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) – 400 607
Maharashtra, India
Tel No.: +91 22 2531 1234
Fax No.: +91 22 2545 5063
Email: ir_bcs1@bayer.com
Website: www.bayer.in

Registrar & Share Transfer Agent

TSR Darashaw Consultants Private Limited
6, 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
Website: www.tsrdarashaw.com



Notice

NOTICE is hereby given that the 62nd Annual General Meeting of Bayer CropScience Limited will be held on Friday, August 07, 2020 at 11.00 a.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") 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, 2020 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend on Equity Shares for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr. Jens Hartmann (DIN: 08338494), who retires by rotation and being eligible offers his candidature for re-appointment.

Special Business:

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

4. **Appointment of Mr. Sekhar Natarajan (DIN: 01031445) as the Non-Executive Independent Director of the Company:**

As an Ordinary Resolution:

"RESOLVED THAT Mr. Sekhar Natarajan (DIN: 01031445) who was appointed as an Additional Director of the Company with effect from October 01, 2019 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 153 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. Sekhar Natarajan 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 & 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. Sekhar Natarajan, 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 August 07, 2020 upto August 06, 2025.

RESOLVED FURTHER THAT Mr. Natarajan 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 Executive Director and Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorised 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."

5. **Appointment of Dr. Thomas Hoffmann (DIN: 06485949) as the Non-Executive Director of the Company:**

As an Ordinary Resolution:

"RESOLVED THAT Dr. Thomas Hoffmann (DIN: 06485949) who was appointed as an Additional Director of the Company with effect from September 16, 2019 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") read with Article 153 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 candidature of Dr. Thomas Hoffmann for the office of Director, be and is hereby appointed as the Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Vice Chairman & Managing Director and Chief Executive Officer or the Executive Director and Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorised 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. 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(s) thereof, for the time being in force), the remuneration payable to M/s. D. C. Dave & Co., Cost Accountants, having Firm Registration No. 000611, 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, 2021, being ₹ 0.59 Million (Rupees point five nine million only) plus taxes as applicable 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 of the Company and the Company Secretary 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.”

Notes:

- In view of the COVID-19 pandemic, social distancing is a norm to be followed. The Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic means to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website at www.bayer.in and website of BSE Limited at www.bseindia.com as well as on the website of NSDL at www.evoting.nsdl.com.
- Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- The Explanatory Statement pursuant to Section 102(1) of the Act is annexed hereto and forms part of this Notice.
- The details under Regulation 36(3) of the SEBI Listing Regulations including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force, in respect of Directors seeking approval for appointment/re-appointment at the Annual General Meeting, forms part of the annexure to this Notice.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 29, 2020 till Friday, August 07, 2020 (both days inclusive).
- The final dividend of ₹ 25 per Equity Share, as recommended by the Board of Directors, if



declared at the ensuing 62nd Annual General Meeting to be held on Friday, August 07, 2020 will be paid on or after Tuesday, August 18, 2020:

- (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 as on Tuesday, July 28, 2020, after effecting the transfers lodged on that date 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, July 28, 2020 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
10. In terms of the MCA Circular No. 20/2020 dated May 5, 2020, due to non-availability of the details of the bank account, if the Company is unable to pay the final dividend, the dividend warrants / cheques, shall upon normalisation of postal services, be despatched to such shareholders by post.
11. Members are requested to direct all shares related correspondence to TSR at the following address:
- TSR Darashaw Consultants Private Limited ("TSR"),
Unit : Bayer CropScience Limited,
6, 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 id: csg-unit@tsrdarashaw.com
12. Members holding shares in physical form are requested to notify / send the following to TSR prior to Record date i.e. Tuesday, July 28, 2020 in order to facilitate better service:
- (i) any change in their address / mandate / bank account details;
 - (ii) particulars of their core bank account number in case the same have not been sent earlier;
 - (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;
 - (iv) update their PAN card details in case the same have not been sent earlier.

13. Members holding shares in the dematerialised form are requested to intimate all changes pertaining to their bank account 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 / TSR. Changes intimated to the Depository Participant will be received through Depository by the Company/ RTA on updation by the Depository Participant. This will help the Company and TSR to provide efficient and better service to the members.
14. **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. With effect from April 01, 2019, transfer of shares in physical form is disallowed. However, transmission and transposition of shares can be processed. Members can contact the Company or TSR for assistance in this regard.**
15. The Ministry of Corporate Affairs has vide notification dated September 05, 2016 brought into force certain provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") with effect from September 07, 2016 including amendments thereof. Pursuant to the provisions of Section 124 of the Act, the dividend which remains unclaimed / unpaid for a period of seven years from the date of the transfer to the unpaid dividend account of the Company is required to be transferred to the IEPF Account of the Central Government.

Further, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Account within thirty days of such shares becoming due for transfer to IEPF.

The members/claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim their shares or apply for refund by making an online application to the IEPF Authority in e-Form IEPF-5.

Members are requested to claim all the unpaid/ unclaimed dividend to avoid transfer of dividend or shares as the case may be to the IEPF Account and are requested to contact TSR at

csg-unit@tsrdarashaw.com for claiming the dividend. The details of the unclaimed dividends are available on the Company's website at www.bayer.in and Ministry of Corporate Affairs at www.mca.gov.in.

16. Members are requested to note, that dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education & Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

17. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") and bank account details by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to get their PAN details and Bank Details registered with their Depository Participants with whom they are maintaining their demat accounts.

Members holding shares in physical form are requested to submit their PAN details and Bank details to TSR. The request should be submitted along with the self certified copy of PAN and original cancelled cheque bearing the name of the shareholders as account holder.

18. As directed by SEBI, in case of failure to register the PAN and bank account details as aforesaid, any transaction in the securities of the Company shall be subject to enhanced due diligence by the Company/RTA, as may be prescribed. Also, it may be noted that issue of payment instruments without bank details may be disallowed.
19. 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 TSR, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
20. 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 TSR, 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.

21. Members, who wish to inspect the documents, as mentioned in this AGM Notice or as required under law, may write to the Company at ir_bcsi@bayer.com and the Company shall endeavour to provide inspection of documents by such Member.
22. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to shareholders at the prescribed rates (plus applicable surcharge and cess) as may be notified from time to time. The information regarding the applicability of TDS rate for various categories of shareholders and documentation required, is available under the Investor section at www.bayer.in. The shareholders are requested to send all the necessary documents complete in all respect through email at tdscertificate@bayer.com on or before July 28, 2020 to enable the Company to deduct the correct TDS on the dividend payment.

A. Voting through electronic means

1. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the 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).
2. The remote e-voting period commences on Tuesday, August 04, 2020 (IST 9:00 a.m.) and ends on Thursday, August 06, 2020 (IST 5:00 p.m.). During this period, members' of the Company, holding



shares either in physical form or in dematerialised form, as on the cut-off date of Friday, July 31, 2020 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.

3. The Board of Directors has appointed Mr. N.L. Bhatia (Membership No. FCS 1176), failing him Mr. Bharat Upadhyay (Membership No. FCS 5436), failing him Mr. Bhaskar Upadhyay (Membership No. FCS 8663) of N.L. Bhatia & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.
4. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
5. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
6. Any person, who acquires shares of the Company and becomes a Member of the Company after sending the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if the Member is already registered with NSDL for remote e-voting, then they can use their existing User ID and password for casting the vote.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

7. The details of the process and manner for remote e-voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in the process for registration of email id for obtaining Annual Report and user id/password for e-voting.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company i.e. **113041** for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

- a) 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. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in.



- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com to reset the password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. In case of any grievances connected with the facility for e-voting, please contact Ms. Pallavi Dabke, Manager – NSDL at evoting@nsdl.co.in.

Process for registration of email id for obtaining Annual Report:

In case of physical holding, send a request to the Registrar and Transfer Agents of the Company, TSR at Csg-kyc@tsrdarashaw.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front & back), PAN (self attested scanned copy of PAN Card), Aadhaar (self attested scanned copy of Aadhaar Card) for registering email address.

In case of Demat Holding, please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

B. Instructions for members for e-voting on the day of AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

C. Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company, i.e. **113041** will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. The facility for joining the AGM shall close at the expiry of 15 minutes after the scheduled time or once the capacity is filled, whichever is earlier.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Please note that members/shareholders participating from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and

Client ID/folio number, PAN, mobile number at ir_bcsl@bayer.com from Friday, July 31, 2020 (IST 09:00 a.m.) to Tuesday, August 04, 2020 (IST 05:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

1. 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.
2. 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.
3. 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.
4. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall make, not later than two 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 authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. 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 authorised by him in writing. The results shall also be immediately forwarded to BSE Limited, Mumbai.

By Order of the Board of Directors

Nikunj Kumar Savaliya

Company Secretary & Compliance Officer
Membership No. FCS 7048

Vadodara, May 22, 2020

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. Jens Hartmann (DIN: 08338494)

Mr. Jens Hartmann (Age: 55 years) who retires by rotation being eligible has offered his candidature for re-appointment.

Brief Profile:

Mr. Jens Hartmann is Senior Vice President / Senior Commercial Leader of a customer-facing business in a culturally diverse region with complex country portfolios. Mr. Hartmann has worked in the agriculture industry for his entire career spanning over 30 years, with a passion for emerging markets, smallholder farmers and digital initiatives.

Mr. Hartmann has proven experience in driving business growth focussed on commercial innovation and execution, developing and implementing value-added strategies with full P&L responsibility, while dealing with challenging organisational transformations. Through his entire professional career, he is committed to leading change, driving vision and purpose and attracting, developing and retaining talent in high-performing teams.

Prior to assuming the overall responsibility for Commercial Operations for the Asia Pacific region at Bayer CropScience, Mr. Hartmann has taken on a wide spectrum of leadership roles, including leader of the Crop Science business for Asia Pacific 1 (South East Asia, Greater China, North East Asia, and Australia/New Zealand), Global CIO (Chief Information Officer) for Crop Science, Head of Global Marketing for Agricultural Commercial Operations and Commercial Lead and Country Cluster Head for South Asia for CropScience.

He has a wealth of experience working in Asia / Africa for over 20 years, having held various commercial and managerial positions in South Africa, Kenya, India, Pakistan and Singapore. Mr. Hartmann has a B.A. in Economics from Cologne, Germany.

He does not hold any shares in the Company.

Mr. Sekhar Natarajan (DIN: 01031445)

Mr. Sekhar Natarajan (Age: 67 years) has been appointed as an Additional Director of the Company with effect from October 01, 2019. He holds office

till the ensuing Annual General Meeting and being eligible, offers his candidature for appointment.

Brief Profile:

Mr. Sekhar Natarajan is a professional with high integrity and passion for results. With a focus on the Agriculture sector, he has contributed significantly towards the growth of the sector and farmers, over the years. After his retirement and now as Managing Partner of M/s. S. N. Consultants, he continues to stay connected with the Agriculture Industry in providing advice and strategic guidance to local/international companies. He also works closely with Industry leaders and with Industry forums. He is also on the Board of a few Indian companies.

With a career spanning over three decades, he led and built Monsanto India as an organisation that has been a growth leader and innovator in Indian Agriculture. Prior to his role as the Chairman of Monsanto India Limited, he was the India Region lead, South Asia Business Lead, Business Development Head, Sales and Marketing Head and Financial Controller. His stint as VP Corporate Strategy at Monsanto's headquarters in St. Louis (USA) increased his global perspective. A qualified Chartered Accountant and Cost Accountant, he possesses extensive knowledge and experience in Strategic Thinking, Business Development and Mergers and Acquisitions (M&A).

As on May 22, 2020, Mr. Natarajan is on the Board of the following listed companies:

- Ingersoll-Rand (India) Limited
- Accelya Solutions India Limited
- Colgate-Palmolive (India) Limited

He holds 533 shares in the Company.

Dr. Thomas Hoffmann (DIN: 06485949)

Dr. Thomas Hoffmann (Age: 49 years) has been appointed as an Additional Director of the Company with effect from September 16, 2019. He holds office till the ensuing Annual General Meeting and being eligible, offers his candidature for appointment.

Brief Profile:

Dr. Thomas Hoffmann joined Bayer AG in 2001 as a manager in Corporate Controlling. In 2003, he took

over responsibilities in Corporate Accounting. In 2005, he moved to Tokyo as Head of Financial Reporting and later Head of Enterprise Accounting and Reporting for the Bayer Group in Japan. Thereafter, he returned to Bayer AG, Corporate Finance to take on the role of Head of Structured Finance from 2008 up to 2013. In February 2013, Dr. Thomas Hoffmann assumed the role of Chief Financial Officer South Asia in Mumbai. After that, he moved to Shanghai in 2016 as Chief Financial Officer Greater China. Dr. Hoffmann joined Bayer AG again as Head of Treasury as of September 2019. Dr. Thomas Hoffmann has studied Business Administration with specialisation in Finance & Controlling and Audit.

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. 4 to Item no. 6 in the accompanying Notice dated May 22, 2020:

Item No. 4:

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee had appointed Mr. Sekhar Natarajan (DIN: 01031445) as an Additional Director with effect from October 01, 2019 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 153 of the Articles of Association of the Company, Mr. Natarajan 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. Natarajan as a candidate for the office of Director.

The Company has also received the declaration from Mr. Natarajan 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 detailed profile of Mr. Natarajan is set out in the Annexure to this Notice.

A copy of the letter of appointment issued to Mr. Sekhar Natarajan setting out the terms and conditions of his appointment as an Independent Director will be available for inspection by the members as stated in point 21 of the notes given above.

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

The Board of Directors recommend the Ordinary Resolution in relation to the appointment of Mr. Sekhar Natarajan as a Non-Executive Independent Director of the Company for a period of five (5) years commencing from August 07, 2020 upto August 06, 2025.

Except Mr. Natarajan, 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. 4.

Item No. 5:

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee of the Company had appointed Dr. Thomas Hoffmann (DIN: 06485949) as an Additional Director of the Company with effect from September 16, 2019. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 153 of the Articles of Association of the Company, Dr. Thomas Hoffmann holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. The Company has received a notice in writing under Section 160 of the Act from a member signifying the intention to propose the name of Dr. Thomas Hoffmann as a candidate for the office of Director.

The Board of Directors recommend the Ordinary Resolution in relation to the appointment of Dr. Thomas Hoffmann as a Non-Executive Non-Independent Director of the Company.

Except Dr. Thomas Hoffmann, 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, on the recommendation of the Audit Committee, has approved the appointment of M/s. D.C. Dave & 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, 2021 for a remuneration of ₹ 0.59 Million (Rupees point five nine million) plus taxes as applicable and out-of-pocket expenses incurred by them for the purpose of audit for the financial year 2020-21. A Certificate



issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection by the members as stated in point 21 of the notes given above.

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. 6 of the Notice.

The Board of Directors recommend the Ordinary Resolution in relation to the ratification of the remuneration payable to M/s. D.C. Dave & Co., Cost Accountants, for the Cost Audit.

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

By Order of the Board of Directors

Nikunj Kumar Savaliya

Company Secretary & Compliance Officer
Membership No. FCS 7048

Vadodara, May 22, 2020

Registered Office:

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

Directors' Report

Dear Members,

The Board of Directors are pleased to present the Company's 62nd Annual Report on business and operations, together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2020.

Financial Performance:

(₹ in Million)

Particulars	2019-20	2018-19*
Revenue from Operations	36,094	31,673
Other Income	660	531
Total Income	36,754	32,204
Profit before Finance Costs, Depreciation and Taxation	7,924	5,342
(Less) : Finance Costs	(138)	(104)
(Less) : Depreciation and Amortisation Expense	(653)	(438)
Profit Before Tax and Exceptional Item	7,133	4,800
(Less) : Exceptional Items [#]	(1,302)	-
Profit Before Tax	5,831	4,800
(Less) : Tax Expense	(1,086)	(1,429)
Profit for the year	4,745	3,371
(Less) : Other Comprehensive Income	(182)	(151)
Total Comprehensive Income for the year	4,563	3,220
Add : Retained Earnings at the beginning of the year	18,897	13,521
Amount available for Appropriation	23,460	16,741
Appropriations:		
Dividend declared	1,016	1,275
Dividend Distribution Tax	216	269
Transfer to General Reserve	330	299

*The results for the year ended March 31, 2019, include results of erstwhile Monsanto India Limited from June 7, 2018, (the date on which Monsanto Company, USA was acquired by Bayer AG) and are therefore not comparable.

[#] Exceptional items consist of i) Expense in relation to separation of employees arising from restructuring measures due to amalgamation of Monsanto India Limited with Bayer CropScience Limited and Bayer 2022 global efficiency program; and ii) Amalgamation related expenses i.e. stamp duty, professional/ consulting fees and other costs.

COVID-19 update

As the world at large and the country continues to grapple with the COVID-19 pandemic, the Company believes that it is our role and responsibility during such tough times to ensure that we stay committed to our vision of 'health for all, hunger for none'. The Company has ensured that it strictly follows the directives issued by the Government of India/State Governments and has adopted several measures to ensure the safety and well-being of all its employees, including providing IT infrastructure and connectivity to enable them to work from home. Across its offices and site locations, the Company has implemented strict practices of hygiene, health and sanitation, and is proactively promoting social distancing.

During this crisis, the exemplary collaboration amongst all our employees at production sites, supply chain, sales and commercial teams and people who are working from home has ensured that customers, farmers have access to our products. We, at Bayer, have been operating very responsibly. We have ensured that all our operations are conducted in a safe and hygienic way meeting the Indian statutory and Bayer global health, safety and environment standards.

As we all move through this crisis together, we must not forget our communities. We are equally committed to their safety and well-being. We have also strengthened our CSR activities around relief measures for COVID-19. We have donated masks and personal protective equipment to the medical fraternity. We are also engaged in supporting needy people,



migrant labour and others with food supply and other essentials. Many of our employees are volunteering and providing support to their communities. As a Company in the Life Science industry, it's a privilege to do our duty in this critical time.

We would like to iterate that the Company accords the highest priority to the safety and well-being of its employees, customers, vendors, business partners and the communities in which it operates. The Company continues to closely monitor the rapidly changing situation, while ensuring adherence to Government guidelines and advisories, in addition to its own Internal Control and Corporate Governance standards.

Dividend:

In line with the Dividend Distribution Policy, the Board of Directors have recommended a final dividend of ₹ 25 per Equity Share of ₹ 10 each amounting to ₹ 1,124 Million for the financial year ended March 31, 2020, subject to the approval of the members.

The Register of Members will remain closed from Wednesday, July 29, 2020 to Friday, August 07, 2020 (both days inclusive).

Amalgamation of Monsanto India Limited with Bayer CropScience Limited:

The Mumbai Bench of NCLT conveyed its approval for the Scheme of Amalgamation of Monsanto India Limited ("MIL") with Bayer CropScience Limited ("BCSL") and their respective Shareholders ("the Scheme") vide its order dated September 13, 2019, and the certified copy of the order, along with the Scheme, was filed with the Registrar of Companies, Mumbai, on September 16, 2019, when the merger came into effect.

In consideration for the amalgamation of MIL with BCSL, in terms of the Scheme and basis the Valuation Report issued jointly by S.R. Batliboi & Co LLP and Bansi S. Mehta & Co., Independent Chartered Accountants, as well as the fairness opinion provided by ICICI Securities Limited, a Category-I Merchant Banker, BCSL issued and allotted 2 (Two) equity shares of ₹ 10/- each, credited as fully paid-up of BCSL for every 3 (Three) equity shares of ₹ 10/- each held in MIL. BCSL held 1,350,000 equity shares in MIL (7.82% of the paid-up capital of MIL), and on the Scheme becoming effective, the equity shares held by BCSL in MIL stood cancelled.

The amalgamation of Monsanto India Limited with Bayer CropScience Limited marked an important

milestone in the Company's journey. This integration brings together two highly complementary businesses, creating an innovation engine for the Indian agriculture. With the integration, we are able to provide Indian farmers a strong portfolio of innovation led agricultural solutions. The combination brings together a vast talent pool of experienced employees from both organisations who will work closely with farmers to enhance crop-yields, increase in farmer income and drive sustainable agriculture. The integration opens new opportunities for our Company and also customers and consumers.

The Board of Directors would like to thank the shareholders of both the companies for their immense support in the successful closure of the merger.

Insurance:

Your Company's assets continue to be adequately insured against various risks like fire, riot, earthquake, terrorism and the risk of loss of profits arising due to these insurable risks also stands insured, amongst other things. In addition, adequate coverage has been availed to cover public liability, environmental liability and product liability claims. The Company has also taken Directors and Officers Liability Insurance Policy. Stocks are insured whilst in transit and/or stored in the warehouses. In addition, all the employees are covered against the risk of loss of life, hospitalisation and personal accident.

Foreign Exchange Management:

The Company's exposure to foreign exchange risk comprises the risk of fluctuations of a foreign currency versus the local currency. The goal is to reduce the negative impact on the earnings arising from fluctuations in the exchange rates.

In this endeavour, majority of the forex transactions with group companies are invoiced in rupee terms effective from January 2018, thereby insulating the Company's books from forex volatility. To mitigate the currency fluctuations for the balance non-Group US dollar denominated transactions, the net exposure of the Company, if required, is hedged, after taking advantage of the natural hedge, on fortnightly basis.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 ("the Act"), 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 judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the financial year ended March 31, 2020;
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:

BCSL considers safety as a vital part of its core values, as also reflected by the Group-wide commitment to Safety: "Act Safe & Sustainable".

Product stewardship, replacement of hazardous materials by lesser hazardous materials, as well as energy and resource conservation are integral to the process of development and manufacturing of products at the Company's production facilities. Hazard identification and risk assessment is conducted for all kinds of manufacturing activities, with an objective to manage occupational and process risks. Adequate controls are maintained and monitoring mechanisms are implemented for effective control of risks. BCSL's Active Ingredients (AI) formulation & packing facility based at Himatnagar is certified as per ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System.

To create awareness amongst the employees at all levels, across the country, World Environment Day, National Safety Week, Road Safety Week and Bayer Safety Day, were celebrated at all the Company premises, Defensive driving training is imparted to the sales employees regularly. The Company's business

partners, including warehousing, suppliers and contract manufacturers, are regularly audited to improve safety performance.

Social Responsibility and Corporate Sustainability:

Since Bayer's inception 150 years ago, there have been dramatic changes in the communities around which the Company operates, as well as in their expectations from businesses. BCSL remains committed to continuously adapt, and align itself, to these dynamic transformations, with the aim of not just meeting but, in fact, pre-empting the needs of the future.

Armed with a robust portfolio of products, along with a strong market leadership position and innovation thrust, BCSL is well positioned to continue to make significant positive contributions to solving some of the major challenges of contemporary times. The Company is fully cognizant of its responsibility to effectively combat the challenges of the growing and ageing global population, climate change and diseases, and also to help achieve the United Nations Global Goals on Sustainable Development. It is the Company's constant endeavour to deliver on its commitments towards the realisation of these goals, as well as the resolution of the multiple community challenges.

BCSL recognises that the impact of its business is measured not only by what it offers to its immediate stakeholders but also by how it engages with the society at large, and the communities around the world.

Corporate Societal Engagement:

Globally, the Bayer Group, through corporate foundations, provides funding to promote leading-edge research, talented individuals, as well as innovative educational and social projects. In addition, BCSL also provides funding for projects and initiatives in the fields of community development, food and nutrition, education and disaster aid.

Such funding enables the Company to contribute to improving the quality of life in the areas around its sites worldwide, and to solving social challenges. BCSL supports local communities with innovative social projects that are based on the principle of "helping people to help themselves". The Company's close collaborations with both Government institutions and Non-governmental organisations facilitate this support system.

The year under review witnessed a lot of changes triggered by the Monsanto acquisition, and saw a marked shift in the Company's CSR strategy, making it more innovative, impactful and technology-driven.



This led to the evolution of a combined, more holistic CSR strategy, focussed on:

- Catalysing farmer prosperity
- Inspiring health & wellness
- Supporting the neighbourhood ecosystem

Business Responsibility Reporting:

Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalisation, shall include a Business Responsibility Report (BRR). A separate section on Business Responsibility forms part of this Annual Report.

Human Resources:

With People a key asset of its strategic charter, BCSL remains committed to nurturing an environment of progressive growth, knowledge and skill development, coupled with high levels of satisfaction for its employees. Led by its corporate values defined as “LIFE” (Leadership, Integrity, Flexibility and Efficiency), the Company continues to focus proactively on providing professional training to employees, while promoting a dialogue-oriented corporate culture, rooted in trust, respect for diversity and equal opportunity.

The Company strives to provide fair treatment at workplace, a transparent and equitable compensation system, flexible work timings, and an environment that ensures health and well-being. Aligning itself to the Group’s global human resources strategy, BCSL has structured its people philosophy to providing secure employment & stable incomes, thereby encouraging social cohesion, which enables it to retain the best employees in the Company.

Measuring Employee Satisfaction:

To map the employee satisfaction levels, BCSL has in place a system of institutionalised feedback discussions and Employee Surveys, which enables it to monitor the effectiveness of its initiatives and accordingly improvise. To capture the sentiments of the employees during the integration phase, the Company conducted quarterly pulse surveys in the third quarter of the financial year which showed an engagement of 87% which was 2% positive over the previous quarter. All the Focus Behaviours showed a positive trend, with scores ranging from 87% to 97%.

Fostering Growth:

At the heart of the Company’s HR Policy is its focus on attracting, developing and retaining the best managers and employees, and providing them with wide-ranging career opportunities, thereby translating into employee empowerment. This philosophy is aligned to the Company’s Employer Value proposition - its Employer Brand - ‘Passion to Innovate | Power to Change’, which emphasises on the offerings and the expectations of the Group. It also helps in the realisation of Bayer’s mission statement “Science for a better life”.

Since the roll-out of the Bayer Competency Model, the Bayer Competencies - Core and Leader - remain linked to People processes, Performance management and Talent development initiatives across the employee life cycle. The Company continues to emphasise and amplify the four focus behaviours – Customer Focus, Experimentation, Collaboration and Trust, to ensure that its culture supports its strategy and purpose.

Equal opportunities – The Company advertises job roles, right up to Management level, via a globally accessible platform across the Group, to facilitate internal movement. It also provides opportunity to its employees to undertake international assignments and during 2019-20, 18 employees moved to regional/global roles, while creating new avenues for those based in the country to expand their functional roles beyond borders.

Training & development – Development centres allow employees to build on their capabilities while providing them with opportunities to move into different roles and positions. During 2019-20, the Company continued with its unique learning initiatives, such as “NIEV” - Certificate in Management Studies in collaboration with WE School and “My Growth My Life” – an accelerated leadership development programme.

In 2019, around 1,900 students from 28 institutes applied for the Bayer Scholarships. After a thorough evaluation, wherein the shortlisted students underwent an aptitude test and an interview, 119 students were selected as Bayer Scholars.

Open & engaging culture – The Company promotes dialogue between employees and their supervisors on career development perspectives for the employee. The Company’s Career Facebook and LinkedIn pages continue to present the brand in an engaging manner. Communication is facilitated at all levels,

through various channels within the organisation, as well as regular updates via mailers, blogs and intranet articles, along with town halls, breakfast meets/sessions with the Managing Director and Senior Leadership. Feedback is encouraged and is supported by a Group-wide performance management system, whose assessment determines a significant portion of the employees' variable compensation. 'WeSolve' is an internal crowdsourcing platform for employees to post their questions relating to internal activities in the organisation. Employees are also involved in business processes through active dialogue and prompt information about upcoming changes.

Culture of fairness – In line with its Corporate Policy – “Fairness and Respect at Work”, the Company stringently adheres to the Group-wide standards of conduct, focussed on protecting employees from discrimination, harassment and retaliation. Training videos and the Company website provide relevant guidelines and training for employees to imbue these principles. Child and forced labour are strictly prohibited at BCSL, in accordance with the core labour criteria of the International Labour Organisation (ILO). This prohibition is set out in Bayer's binding Human Rights Policy and applies across the Group.

Attractive working conditions – The Company has a well-crafted compensation policy, based on continuous benchmarking and evaluation, and voluntarily pays employees on permanent employment contracts in excess of the statutory minimum wage. The compensation concept also includes variable one-time payments. Flexible working hours, option to work from home, and support in childcare beyond the statutory requirement combine to provide a healthy work-life balance to employees. To promote good health and ensure safe working conditions, the Company has, since the last 2 years, been following a global framework concept to promote employee health and quality of life (BeWell@Bayer). It also strives to provide employees with access to affordable health offerings, such as regular medical check-ups, sports programmes and on-site medical care. An “Employee Assistance Program” – a fully confidential support system for requirements in the areas of psychological, marital, financial and legal advice in personal matters, further helps nurture the well-being of the employees.

Awards & Recognition:

The Company has been recognised, for the third time in row, as Best Employer by AON, based on a study backed with engagement research of over 6,400

global organisations, including 2,300 in the region, and covering 800,000 employees' opinions. This makes it one of the most comprehensive studies of its kind in the Asia-Pacific region. The study methodology involved a nine-month long rigorous process, vetted by a panel of external, independent jury members, representing eminent business leaders and academicians. BCSL has always been committed to creating a culture conducive for everyone to continuously innovate, perform and develop. Awards such as this are a testament of the Company's commitment to nurturing the career development of its employees through state-of-the-art talent management practices and tools.

Board of Directors:

As reported in the 61st Annual Report of the Company, Mr. Ulrich Stefer resigned as an Executive Director with effect from May 31, 2019 and as the Chief Financial Officer of the Company with effect from June 30, 2019, due to his appointment as the Chief Financial Officer for Bayer in Greater China. Further, during the year under review, Mr. Peter Mueller also resigned from the Board as Non-Executive Non-Independent Director of the Company, with effect from August 31, 2019, owing to his retirement from the services of Bayer AG.

The Board of Directors placed on record its warm appreciation for the rich and valuable contributions made by Mr. Stefer and Mr. Mueller during their tenure as the Directors of the Company.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have made the following appointments during the year under review:

- Dr. Thomas Hoffmann was appointed as an Additional Non-Executive Non-Independent Director with effect from September 16, 2019
- Mr. Sekhar Natarajan was appointed as an Additional Independent Director with effect from October 01, 2019

In accordance with the provisions of Section 161 of the Act, Dr. Hoffmann and Mr. Natarajan shall hold office upto the date of the forthcoming Annual General Meeting of the Company and being eligible, offer their candidature for appointment as Director of the Company. BCSL has sought the approval of all shareholders for Dr. Hoffmann's appointment as Non-Executive Non-Independent Director and Mr. Natarajan's appointment as Non-Executive Independent Director, in the Notice convening the Annual General Meeting of the Company.



At the forthcoming 62nd Annual General Meeting of the Company and in accordance with the applicable provisions of the Act, Mr. Jens Hartmann, Non-Executive Non-Independent Director retires by rotation and being eligible offers his candidature for re-appointment as Director of the Company.

The Independent Directors hold office for a fixed term of five (5) years and are not liable to retire by rotation.

In accordance with the provisions of Section 149(7) of the Act, Mr. Pankaj Patel, Ms. Ketaki Bhagwati and Mr. Sekhar Natarajan, the Independent Directors of the Company as on March 31, 2020 have given their declarations 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") as amended.

Key Managerial Personnel:

During the year under review, Mr. Rajiv Wani, Head – Law, Patents & Compliance & Company Secretary, resigned as the Company Secretary & Compliance Officer of the Company with effect from December 31, 2019. The Board, at its meeting held on November 12, 2019, appointed Mr. Nikunj Kumar Savaliya as the Company Secretary & Compliance Officer of the Company. The appointment came into effect on January 01, 2020.

The Board of Directors placed on record its appreciation for the strong support and guidance provided by Mr. Rajiv Wani during his tenure as the Company Secretary & Compliance Officer. The Board also applauded the efforts of Mr. Wani in ensuring the timely completion of the merger of Monsanto India Limited with the Company. The merger paved the way for the integration of Monsanto with Bayer and leverage the synergy.

Brief Profile of Mr. Nikunj Kumar Savaliya

Mr. Savaliya, a graduate of Commerce from Sardar Patel University, holds a degree in Law from Gujarat University, and is a Fellow Member of the Institute of Company Secretaries of India, New Delhi. Equipped with hands-on experience of over 13 years in Corporate Secretarial, Legal and General Corporate Affairs, he has extensive expertise in the areas of corporate legislation, corporate governance, and in establishing and strengthening compliance culture, drafting of contracts and ensuring legal compliances. In addition to acquiring specialised knowledge in Intellectual Property Management through the World Intellectual Property Organisation

(WIPO), Geneva, he completed a leadership course on Leadership & Change Management from XLRI, that further strengthened his leadership skills.

Mr. Savaliya started his career as Company Secretary in practice, before joining 20 Microns Limited, a Vadodara-based Indian multinational company, where he played a pivotal role as Company Secretary and Compliance Officer responsible for compliance of all Securities Laws, in addition to compliance of Corporate Laws. During his tenure, he also demonstrated excellence in handling the Initial Public Offering (IPO) of 20 Microns Limited, and the listing of its shares on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. He proved to be an expert for overseeing the complex compliance environment in manufacturing landscape at Bayer and provided practical & pragmatic legal solutions to mitigate legal issues.

Corporate Governance:

The Company is committed to maintaining the highest standards of Corporate Governance and ensuring adherence 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 Regulations, a detailed Corporate Governance Report is annexed to this Report. The Company is in full compliance with the requirements and disclosures that must be made in this regard. A Certificate from a Company Secretary in whole-time practice, confirming compliance of the Corporate Governance requirements by the Company, is annexed with the Corporate Governance Report. A Certificate of Corporate Governance from the Chief Executive Officer and Chief Financial Officer of the Company, in terms of the SEBI Listing Regulations, inter alia confirming the correctness of the financial statements and cash flow statements, as well as adequacy of Internal Control Measures of the Company, also forms a part of the Corporate Governance Report.

Meetings of the Board:

During the financial year 2019-20, five Board Meetings were convened and held. The details of the same are given in the Corporate Governance Report.

Audit Committee:

During the financial year 2019-20, four Audit Committee Meetings were convened and held. The composition of the Audit Committee is given in the Corporate Governance Report. The Board accepted all the recommendations made by the Audit Committee.

Board Evaluation:

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board and Committee Evaluation was carried out during the year wherein all the members of the Board evaluated the Board's as well as Committee's performance based on various parameters. The said parameters are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Nomination & Remuneration Committee reviewed the performance of the individual Directors based on criteria such as constructive inputs in meetings, preparedness on the issues discussed at the meetings, etc. The results of the evaluation were discussed at the Nomination & Remuneration Committee Meetings and were placed at the Board Meeting for the Chairman's review. The Evaluation process primarily focussed on the criteria with respect to the overall functioning of the Board as well as the Committees, their composition, governance aspects, etc. The criteria applied in the evaluation process is explained in the Corporate Governance Report.

Nomination and Remuneration Policy:

The Company has in place a Nomination and Remuneration Policy, which is framed in accordance with the provisions of 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 detailed Nomination and Remuneration Policy is available on the website of the Company at www.bayer.in.

Whistle Blower Policy (Vigil Mechanism):

As a responsible and transparent corporate citizen, BCSL has adopted a Whistle Blower Policy, as part of its vigil mechanism to provide appropriate avenues to the employees, as well as any third party, to bring to the attention of the Management any issue that is perceived to be in violation of, or in conflict with, the Code of Conduct, values, principles and beliefs of the Company. Good Corporate Governance entails that the interest of the employees, shareholders and the society in general, is protected at all times. The well-established vigil mechanism at BCSL provides to all the employees the opportunity to report, without fear, their concerns about any unethical conduct, financial malpractices or any unhealthy practice that may be prevalent in the Company. The employees are encouraged to voice their concerns or issues by way

of whistle blowing, and the Company provides them with access to the Audit Committee. The Company has also provided a dedicated e-mail address – bayercompliance@expolink.co.uk – for reporting such concerns. The Internal Audit Team addresses the whistle blower complaints, and presents the status of such complaints at the Audit Committee meetings held on a quarterly basis.

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

Code of Conduct:

BCSL has established a Code of Business Conduct ("Code") which is applicable to the members of the Board and all employees of the Company. The Code lays down the standard of conduct expected to be followed by the Directors and employees in their business dealings, and on matters relating to integrity in the workplace, dealings with stakeholders, and in business practices. All the Board Members and the Senior Management employees have confirmed compliance with the Code.

Risk Management Policy:

A comprehensive Risk Management Policy, outlining the risk management framework of the Company, is in place, to provide guidance on identification and mitigation of the various risks that the Company may face in the conduct of its business.

The policy covers the following key aspects:

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

The details of the Risk Management Policy are given in the Corporate Governance Report.

Dividend Distribution Policy:

In accordance with the SEBI Listing Regulations, the Company has formulated its Dividend Distribution Policy based on the parameters laid down by SEBI. The same is enclosed in Annexure "G" to the Directors'



Report, and its details are also available on the Company's website at www.bayer.in.

Corporate Social Responsibility Policy:

A brief outline of the Corporate Social Responsibility ("CSR") Policy, and the initiatives undertaken by the Company on CSR activities during 2019-20, is set out in Annexure "A" to the Directors' Report. The CSR policy is uploaded on the website of the Company at www.bayer.in.

Internal Control Systems:

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

Internal Financial Controls:

In line with the regulations laid down in the Companies Act 2013, with respect to control and compliance requirements, the Company has established robust Internal Financial Controls across various processes prevalent in the organisation. These controls have been put in place at both, the entity and process levels, and are designed to ensure compliance to internal control requirements, as well as regulatory compliance. They also enable appropriate recording of financial and operational information. The Company has reviewed the effectiveness of its Internal Financial Controls by adopting a systematic approach, which enables it to effectively assess the design and the operating effectiveness of these controls.

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

The information as prescribed under the provisions of 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 Annexure "E" to the Directors' Report. However, as per the proviso to Rule 5, the Directors' Report and the Financial Statements of the Company for the financial year ended March 31, 2020 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 Registered Office of the Company.

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

The information as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to Conservation of Energy, Technology Absorption, Foreign exchange earnings and outgo related matters is enclosed as Annexure "B" to the Directors' Report.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013:

During the financial year ended March 31, 2020, the Company did not give any loan, guarantee or provide security in connection with any loan to any group company during the year under review.

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 during the year are in accordance with the Related Party Transaction Policy and are in the ordinary course of business & at arm's length.

Information on transactions entered 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 for the financial year ended March 31, 2020 are given under Annexure "C" to the Directors' Report.

Prevention of Sexual Harassment at Workplace:

Your Company has a policy on prevention of sexual harassment to ensure harassment-free workspace for the employees. Sexual harassment cases are dealt as per the prevention of sexual harassment policy. An Internal Committee (IC) has been set up by the Company to redress complaints received regarding sexual harassment. This policy is applicable to all its employees (permanent, contractual, temporary and trainees).

During the financial year 2019-20, a Web Based Training ("WBT") on Prevention of Sexual Harassment based on the local legislation of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 was extended to certain employees (including IC members) of the Company in a phased manner. Further, a global WBT on the subject of sexual harassment and how to report non-compliance was also extended to all employees of the Company.

The following is a summary of sexual harassment complaints received and disposed off during financial year 2019-20:

Particulars	Details
Number of complaints pending as at the beginning of the financial year	Nil
Number of complaints filed during the financial year	
Number of complaints disposed during the financial year	
Number of complaints pending as at the end of the financial year	

Extract of Annual Return:

The details forming part of the extract of the Annual Return of your Company in Form MGT-9 for the financial year ended March 31, 2020 as per the provisions of Section 92 of the Act, is enclosed as Annexure "D" to the Directors' Report.

Compliance with Secretarial Standards:

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India relating to the meetings of the Board and its committees as well as the general meetings (SS1 and SS2) respectively, which have mandatory application during the year under review.

Reporting of Frauds by Auditors:

During the year under review, neither the statutory auditors nor the secretarial auditors reported to the Audit Committee of the Board, under section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Report.

Management Discussion & Analysis Report:

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

Cost Audit:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of 'Insecticides' are required to be audited. The Directors have, on the recommendation of the Audit Committee, appointed M/s. D.C. Dave & Co. to audit the cost accounts of the Company pertaining to 'Insecticides' for the financial year ending March 31, 2021. As required under the provisions of the Act, the remuneration payable to the Cost Auditor is to be placed before the Members in the Annual General Meeting for ratification. Accordingly, a resolution for seeking members' ratification for the remuneration payable to M/s. D.C. Dave & Co. is included at Item No. 6 of the Notice convening the Annual General Meeting.

Statutory Auditor:

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), are the Statutory Auditors of the Company, pursuant to the provisions of Section 139 of the Companies Act, 2013, and as per their appointment at the 59th Annual General Meeting of the Company held on August 23, 2017, for a period of five years.



For the year ended March 31, 2020, the Company paid a consolidated sum of ₹ 12 Million to the Statutory Auditors and all their entities.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. BNP & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is enclosed as Annexure "F" to this Directors' Report. The Secretarial Audit Report does not contain any qualification,

reservation or adverse remark. The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India.

Acknowledgements:

The Board of Directors wishes to thank the employees of the Company for their exemplary dedication and valued contribution, as well as their unwavering support. The Directors would like to express their grateful appreciation for the co-operation and assistance extended by all the valued stakeholders of the Company, viz. customers, government authorities, financial institutions, banks, shareholders, suppliers and other business associates. The Company also acknowledges the consistent support and guidance of its promoters.

For and on behalf of the Board of Directors

Ahmedabad, May 22, 2020

Pankaj Patel
Chairman
(DIN: 00131852)

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 programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

With people at the heart of BCSL's societal engagement, the focus within the Company remains concertedly on efforts to enable sustainable improvement in the lives of its fellow citizens. The Company is particularly concerned about the betterment of life in the fields of education and science, health, nutrition, and social innovation. Led by this focus, the Company has, in India, identified Empowering Women, Fostering Education, Fostering Rural Development and Preventive Health & Sanitation as the four thematic areas of its Corporate Societal Engagement (CSE) intervention.

Driven by Bayer's core competencies in health care and agriculture, the Company has, striven to align itself to the evolving needs and expectations of the communities around its areas of operations. Breakthrough products providing solutions to address key present-day challenges, coupled with intensive focus on R&D activities aimed at preventing, alleviating and treating diseases, have led to BCSL's emergence as a market leader committed to innovation and societal development. It is this spirit of innovation that is at the core of the Company's Corporate Social Responsibility endeavours.

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

The strategic shift in the CSR strategy during the year, resulting from the Monsanto acquisition, has led to the incorporation of several new elements into the Company's approach in this regard. The approach is led by the new, more evolved CSR focus on Farmer Prosperity, Health & Wellness and Nurturance of the neighbourhood ecosystem.

The following programmes are currently under implementation, as part of the Company's CSR budget.

(i) Productivity enhancement support to small holder farmers through the introduction of modern technology

In our efforts to improve the livelihoods of small holder farmers, Bayer introduced hybrid rice technology to 1 lakh small holder farmers of Jharkhand, Chhattisgarh and Odisha by organising free distribution of ~300 metric tonnes of seeds and handholding trainings for them throughout the season. The hybrid variety offered a higher yield which improved the earnings of the farmers, resulting in them favouring the new variety. This intervention has enhanced productivity and added an amount of approximately ₹ 150 Million into the community.

(ii) Drought and alleviation of farmer distress

This programme seeks to provide sustainable solutions for drought-hit region through various interventions aimed at alleviating farmer distress. One such activity undertaken was flood relief in affected communities of Satara and Sangli districts of Maharashtra. In these regions, the Company, through Bayer Prayas Association, took up mosquito control measures to protect the population from vector-borne diseases, thus preventing a potential outbreak.

Concerned about frequent droughts resulting in farmer distress, a coalition of experts from private and public sectors, stakeholders and academia have come under an umbrella organisation: Drought Action Network ("DAN"). DAN is a state-of-the-art interdisciplinary research and knowledge centre for drought resilience, drought-proofing, as well as supply and demand side of water management practices. The evidence-based data collated through the research will help policy makers in designing strategy and long-term policies for drought mitigation. It will also enable sustainable and equitable development of the stressed farmers through: knowledge accumulation, knowledge creation and knowledge dissemination. DAN aims to become one of the biggest thinktanks in South Asia, under the leadership of Bayer CSR.



(iii) Program for Primary Prevention of Sexual Violence (PPPSV)

This is a collaborative initiative of King Edward Memorial Hospital Research Centre (KEMHRC), Pune Institute of Sexology and Sexual Medicine, Charité University Clinic of Berlin, and an Advisory Council of experts from India. The unique goal of the PPPSV is to develop and implement strategies for primary prevention of sexual violence in India, by focussing on potential offenders as well as potential victims. In 2016-17, a feasibility study for implementing public health and clinical treatment services, in the light of medico-legal conflicts, social acceptance and practical strategic challenges, was completed. In addition to various awareness generation programmes, a free and confidential treatment centre is operational at KEMHRC, where treatment is offered for people seeking therapeutic help with their sexual preference for children and/or early adolescents. This treatment option is restricted strictly to non-offenders.

2. The composition of the CSR Committee as on March 31, 2020:

Sr. No.	Name	Designation
1.	Mr. Duraiswami Narain (Vice Chairman & Managing Director and CEO)	Chairman
2.	Mr. Pankaj Patel (Non-Executive Independent Director)	Member
3.	Ms. Ketaki Bhagwati (Non-Executive Independent Director)	Member
4.	Mr. Rolf Hoffmann (Executive Director & CFO)	Member

3. Average Net Profit of the Company for last 3 financial years: ₹ 4,237 Million

4. Prescribed CSR Expenditure (2% of this amount as in item 3 above): ₹ 84.75 Million

5. Details of CSR spent during the year:

- Total amount spent during the financial year: ₹ 85.29 Million
- Amount unspent: Nil
- 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/ programmes 1. Local area/others 2. Specify the state and district where project / programme was undertaken	Amount Outlay (budget) project/ programme wise (₹ in Million)	Amount spent on the project/ programmes subheads: 1. Direct expenditure on project or programmes (DE) 2. Overheads (OH) (₹ in Million)	Cumulative expenditure spend up to the Reporting period (₹ in Million)	Amount spent: Direct/through implementation agency
1.	Productivity enhancement support to small holder farmers through the introduction of modern technology	CSR activity, under item (x) Rural Development Projects	Jharkhand, Chhattisgarh, Odisha	57.70	DE- 55.48 OH-2.22	57.70	Bayer Prayas Association

Sr. No.	CSR Project/ activity identified	Sector in which the project is covered	Projects/ programmes 1. Local area/others 2. Specify the state and district where project / programme was undertaken	Amount Outlay (budget) project/ programme wise (₹ in Million)	Amount spent on the project/ programmes subheads: 1. Direct expenditure on project or programmes (DE) 2. Overheads (OH) (₹ in Million)	Cumulative expenditure spend up to the Reporting period (₹ in Million)	Amount spent: Direct/through implementation agency
2.	Drought and alleviation of farmer distress	CSR activity, under item (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation. (ii) Promoting education, including special education and employment enhancing vocational skills especially amongst children, women, elderly and the differently abled and livelihood enhancement projects.	Pan India	18.21	DE- 17.51 OH- 0.70	18.21	Bayer Prayas Association
3.	Rural Development Programme	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially amongst children, women, elderly and the differently abled and livelihood enhancement projects. (x) Rural Development Projects	Madhya Pradesh and Rajasthan	5.82	DE- 5.60 OH- 0.22	5.82	Bayer Prayas Association
4.	Programme for Primary Prevention of Sexual Violence	CSR activity, as under (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Maharashtra	2.29	DE- 2.20 OH- 0.09	75	KEM Hospital & Research Centre, Pune. Bayer Prayas Association Scientific partner: Charité Berlin



Sr. No.	CSR Project/ activity identified	Sector in which the project is covered	Projects/ programmes 1. Local area/others 2. Specify the state and district where project / programme was undertaken	Amount Outlay (budget) project/ programme wise (₹ in Million)	Amount spent on the project/ programmes subheads: 1. Direct expenditure on project or programmes (DE) 2. Overheads (OH) (₹ in Million)	Cumulative expenditure spend up to the Reporting period (₹ in Million)	Amount spent: Direct/through implementation agency
5.	Bayer Fellowship Project	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially amongst children, women, elderly and the differently abled and livelihood enhancement projects.	Tamil Nadu, Telangana, Karnataka, Uttarakhand, Punjab, Assam, West Bengal and Gujarat	1.27	DE-1.22 OH-0.05	38.69	Assam Agricultural University, Tamil Nadu Agricultural University, University of Agricultural Sciences, Bidhan Chandra Krishi Viswavidyalaya, West Bengal (BCKV), Anand Agricultural University, Acharya N.G.Ranga Agricultural University, Punjab Agricultural University, Govind Ballabh Pant University of Agriculture and Technology

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 implementation and monitoring of the CSR Policy are in compliance with CSR objectives and Policy of the Company.

For and on behalf of the CSR Committee

Duraiswami Narain

Chairman - CSR Committee and
Managing Director & CEO
(DIN: 03310642)

Rolf Hoffmann

Member - CSR Committee and
Executive Director & CFO
(DIN: 08460583)

Mumbai, May 22, 2020

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, 2020.****I. Conservation of Energy****(a) Energy conservation measures at plants located across India:**

- Installed automatic valve on chilled water supply lines of SC formulation line-3 and 4 to avoid unwanted cooling of vessels while not in operation and excess cooling of mass
- Installed variable frequency drive for chilled water supply to cater chilled water demand at constant pressure
- Installed heat recovery system for drum heating bath
- Installed LED lighting in Administration building
- At Shamirpet site, replaced the belt conveyors for conveying the wet ear from receiving area to dryer with less inclination angle to avoid slippage, also to upgrade the design with trough type. Due to this modification, motor HP was reduced from 15 HP to 5 HP which resulted in energy savings

(b) Capital Investments on Energy conservation equipment:

- Capital Investment for chilled water supply valves modification : ₹ 0.21 Million
- Modification of variable frequency drive : ₹ 0.31 Million
- Heat recovery system : ₹ 1.1 Million
- LED lighting fixture : ₹ 0.075 Million

II. Technology Absorption

Efforts made towards technology absorption and the benefits derived are as under:

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

Partnering with the Indian farmers, BCSL has been consistently in boosting their productivity and earning capacity by taking technological innovations to their doorstep.

As a leader in Innovation and Excellence, the Company continues to provide novel, innovative and effective crop protection products and solutions, greatly benefiting the Indian farming community by enabling it to keep pace with the dynamically transforming scenario, thus helping them in enhancing productivity. As a part of its ongoing research and development activities, BCSL 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 promising compounds in the future. Further, new molecules and mixtures are also being evaluated for use in a variety of agricultural and horticultural crops, covering a wide spectrum of pest and disease segments, to assess the suitability of products for marketing business.

Crop Protection:

During the year under review, the Company conducted 854 field trials in 21 crops, including major field crops and horticultural crops, for testing of more than 50 products. These products are early chemicals, along with biologics, plant growth regulator and nutrient complex, which will help in effective management of insects, diseases and weeds, and in securing higher yields in the coming years. These experimental trials will help the farmers manage different emerging pests and diseases that are the major cause of yield loss for them.

BCSL has also collaborated with more than 45 agricultural research universities and institutions for generating data of more than 275 registration trials. The registration trial data will help the Company secure more product registrations in the years ahead. The Company has also worked on different new application technologies for safe and sustainable use of pesticides, which will help improve applicator safety and efficiency of the existing products.

BCSL successfully secured key registrations of the product Buonos 430 SC (Tebuconazole 430 SC), a high performance, broad spectrum, system



fungicide formulation. The product ensures sustainable and long-standing management of yellow rust and powdery mildew diseases in wheat, and leafspot disease in cabbage, with improved efficacy and higher yield.

The Company has launched an innovative product named Momiji (Pyroxasulfone 85 WG), for management of the major problematic weed *Phalaris minor* in wheat, in collaboration with another company, for helping the Indian farmer secure significantly improved yield.

Environmental Science:

During the year under review, the Company ensured further adoption of a recently-launched product – ‘Aqua K-Othrine 2% EW’ – for the effective management of mosquito vectors. Aqua K-Othrine revolutionises space spraying (also commonly referred to as fogging) to control adult mosquitoes which transmit/spread vector-borne diseases like dengue, chikungunya, etc. This environment-friendly product is the first product in India recommended for space spray by dilution with water, and eliminates the use of diesel for fogging, thereby providing tremendous value for residential societies and municipalities.

The Company was also successful in obtaining approvals for extending the use of existing products like Luna Experience 400 SC against diseases in Onion & Rice, Fame 480 SC against insect pests in Gherkin, Cardamom and Maize, Movento Energy 480 SC in Mango, Lesenta 80 WG against insect pests in Groundnut, and a herbicide – Sunrise 15 WG – for weed management in Sugarcane crop. Label extension approval was also obtained for bed bug control with Imidacloprid 21% w/w + Beta Cyfluthrin 10.5% w/w SC.

The Company has 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.

Your Company has also submitted registration applications for two innovative products Reatis 480 FS for seed treatment in Rice and Corn and Alion 500 SC for weed management in Tea and Oil palm.

20 new applications for label extensions of existing key products were also submitted for approval on

various crops like tomato, cotton, tea, mango, rice, groundnut, sugarcane, brinjal, black gram, chilli, okra, citrus, onion, cumin, grape, red gram & bengal gram.

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.

3. Expenditure on R&D (₹ in Million) :

(a)	Capital	181
(b)	Recurring	543
(c)	Total	724
Total R&D Expenses are 2% of the Revenue from Operation		

III. Foreign Exchange Earnings and Outgo

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

Particulars	(₹ in Million)
Value of Imports on C.I.F. Basis	1,443
Expenditure in Foreign Currency	795
Earnings in Foreign Exchange	
Export of Goods calculated on FOB Basis	724
Recoveries from Group Companies	194

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 2019-20.

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:

(I)	
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.

(I) contd...	
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

(II)	
Name of the Related Party and nature of relationship	Bayer AG is the ultimate holding company of BCSL.
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

For and on behalf of the
Board of Directors

Pankaj Patel
Chairman

Ahmedabad, May 22, 2020

(DIN: 00131852)

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020**

[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 Consultants Private Limited 6, 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	76

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	8.43	2(46)
2.	Bayer CropScience AG Monheim, Germany	NA	Holding	11.91	2(46)
3.	Bayer SAS Lyon, France	NA	Holding	14.73	2(46)
4.	Bayer Vapi Private Limited Plot No. 306/3, II Phase, GIDC, Vapi - 396 195	U99999GJ1990PTC049322	Holding	17.89	2(46)
5.	Monsanto Company St. Louis, USA	NA	Holding	3.44	2(46)
6.	Monsanto Investments India Private Limited Bayer House, Hiranandani Estate, Thane - 400 607.	U65191MH2014PTC254886	Holding	15.04	2(46)

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity):**(i) Category-wise Shareholding:**

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% 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 Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	8,039,736	0	8,039,736	23.42	14,797,818	0	14,797,818	32.93	9.51
(d)	Financial Institutions / Banks	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) (1)	8,039,736	0	8,039,736	23.42	14,797,818	0	14,797,818	32.93	9.51
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	15,544,712	0	15,544,712	45.28	17,305,181	0	17,305,181	38.51	-6.77
(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)	15,544,712	0	15,544,712	45.28	17,305,181	0	17,305,181	38.51	-6.77
	Total Shareholding of Promoter and Promoter Group (A)	23,584,448	0	23,584,448	68.69	32,102,999	0	32,102,999	71.43	2.74
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	3,902,421	140	3,902,561	11.37	4,409,854	533	4,410,387	9.81	-1.55
(b)	Financial Institutions / Banks	12,401	3,346	15,747	0.05	22,832	3,346	26,178	0.06	0.01
(c)	Central Government / State Government(s)	0	0	0	0.00	311	0	311	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	1,425,244	100	1,425,344	4.15	1,703,746	100	1,703,846	3.79	-0.36
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(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
(j)	Any Other (specify)									
(j)(i)	Foreign Portfolio Investors (Corporate)	1,242,587	500	1,243,087	3.62	973,912	500	974,412	2.17	-1.45
	Sub-Total (B) (1)	6,582,653	4,086	6,586,739	19.18	7,110,655	4,479	7,115,134	15.83	-3.35



Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
(a)	Bodies Corporate	1,044,632	2,217	1,046,849	3.05	1,132,379	2,284	1,134,663	2.52	-0.52
(b)	Individuals -									
i	Individual shareholders holding nominal share capital up to ₹ 1 lakh	2,195,058	251,894	2,446,952	7.13	2,942,941	274,396	3,217,337	7.16	0.03
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	392,100	27,160	419,260	1.22	194,992	27,160	222,152	0.49	-0.73
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	249,345	0	249,345	0.73	1,148,642	1,165	1,149,807	2.56	1.83
i	HUF	0	0	0	0.00	343,638	0	343,638	0.76	0.76
ii	Non-Resident Indian (NRI)	0	0	0	0.00	469,718	1,165	470,883	1.05	1.05
iii	LLP	5,333	0	5,333	0.02	4,915	0	4,915	0.01	0.00
iv	Trusts	824	0	824	0.00	2,365	0	2,365	0.01	0.00
v	Clearing Members	41,614	0	41,614	0.12	87,431	0	87,431	0.19	0.07
vi	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
vii	Foreign Nationals	0	0	0	0.00	33	0	33	0.00	0.00
viii	Alternate Investment Funds	109,494	0	109,494	0.32	113,570	0	113,570	0.25	-0.07
ix	NBFCs registered with RBI	95	0	95	0.00	26,410	0	26,410	0.06	0.06
x	Body Corp. - Non NBFC	6	0	6	0.00	156	0	156	0.00	0.00
xi	IEPF A/c	91,979	0	91,979	0.27	100,406	0	100,406	0.22	-0.04
	Sub-total (B) (2)	3,881,135	281,271	4,162,406	12.12	5,418,954	305,005	5,723,959	12.74	0.61
	Total Public Shareholding (B) = (B)(1)+(B)(2)	10,463,788	285,357	10,749,145	31.31	12,529,609	309,484	12,839,093	28.57	-2.74
	TOTAL (A)+(B)	34,048,236	285,357	34,333,593	100.00	44,632,608	309,484	44,942,092	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
	GRAND TOTAL (A)+(B)+(C)	34,048,236	285,357	34,333,593	100.00	44,632,608	309,484	44,942,092	100.00	0.00

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)			Shareholding at the end of the year (March 31, 2020)			% change in shareholding 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	5,354,030	15.59	0.00	5,354,030	11.91	0.00	-3.68
2.	Bayer AG	3,572,577	10.41	0.00	3,788,433	8.43	0.00	-1.98
3.	Bayer SAS	6,618,105	19.28	0.00	6,618,105	14.73	0.00	-4.55
4.	Bayer Vapi Private Limited	8,039,736	23.42	0.00	8,039,736	17.89	0.00	-5.53
5.	Monsanto Investments India Private Limited	0	0.00	0.00	6,758,082	15.04	0.00	15.04
6.	Monsanto Company	0	0.00	0.00	1,544,613	3.44	0.00	3.44
	Total	23,584,448	68.69	0.00	32,102,999	71.43	0.00	2.74

(iii) Change in Promoters' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year (April 01, 2019)		Cumulative Shareholding during the year (March 31, 2020)	
		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	5,354,030	15.59	--	--
	At the end of the year	--	--	5,354,030	11.91
2. Bayer AG					
	At the beginning of the year	3,572,577	10.41	--	--
	Increase during the year – allotment – November 22, 2019	215,856	0.48	3,788,433	8.43
	At the end of the year	--	--	3,788,433	8.43
3. Bayer SAS					
	At the beginning of the year	6,618,105	19.28	--	--
	At the end of the year	--	--	6,618,105	14.73
4. Bayer Vapi Private Limited					
	At the beginning of the year	8,039,736	23.42	--	--
	At the end of the year	--	--	8,039,736	17.89
5. Monsanto Investments India Private Limited					
	At the beginning of the year	--	--	--	--
	Increase during the year – allotment – November 22, 2019	6,758,082	15.04	6,758,082	15.04
	At the end of the year	--	--	6,758,082	15.04
6. Monsanto Company					
	At the beginning of the year	--	--	--	--
	Increase during the year – allotment – November 22, 2019	1,544,613	3.44	1,544,613	3.44
	At the end of the year	--	--	1,544,613	3.44

* Pursuant to the merger of Monsanto India Limited with the Company and subsequent allotment of shares as per the share swap ratio of 2:3, the issued & paid up capital of the Company increased to 44,942,092 equity shares as on the end of the F.Y.



(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 (April 01, 2019)		Shareholding at the end of the year (March 31, 2020)		Net Changes	% to Capital
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
1.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	2,501,289	7.29	2,702,432	6.01	201,143	0.45
2.	HDFC Life Insurance Company Limited	612,792	1.78	790,256	1.76	177,464	0.39
3.	Life Insurance Corporation Of India	549,228	1.60	612,792	1.36	63,564	0.14
4.	Indian Syntans Investments Private Limited	469,185	1.37	469,185	1.04	0	0.00
5.	L & T Mutual Fund Trustee Limited-L & T Mid Cap Fund	454,544	1.32	412,200	0.92	-42,344	-0.09
6.	Meenakshi Narayanan Investments (P) Limited	398,673	1.16	398,673	0.89	0	0.00
7.	Reliance Capital Trustee Co Limited-A/C Nippon India ETF Nifty Midcap 150	297,102	0.87	364,118	0.81	67,016	0.15
8.	Romesh Chandra Khanna	288,517	0.84	259,984	0.58	-28,533	-0.06
9.	Kotak Standard Multicap Fund	258,148	0.75	258,148	0.57	0	0.00
10.	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund	169,023	0.49	185,735	0.41	16,712	0.04

(v) Shareholding of Directors and Key Managerial Personnel as on March 31, 2020:

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) Mr. Pankaj Patel, Chairman				
(b) Mr. Sekhar Natarajan, Director	--	--	533	0.001
(c) Ms. Ketaki Bhagwati, Director	--	--	--	--
(d) Mr. Duraiswami Narain, (KMP) Vice Chairman & Managing Director and Chief Executive Officer	--	--	--	--
(e) Mr. Rolf Hoffmann (KMP) Executive Director and Chief Financial Officer	--	--	--	--
(f) Mr. Jens Hartmann, Director	--	--	--	--
(g) Dr. Thomas Hoffmann, Director	--	--	--	--
(h) Mr. Rajiv Wani (KMP) Head – Law, Patents & Compliance & Company Secretary *	--	--	--	--
(i) Mr. Nikunj Kumar Savaliya (KMP) Company Secretary & Compliance Officer [#]	--	--	--	--

*Resigned as Company Secretary with effect from December 31, 2019

[#]Appointed as Company Secretary with effect from January 01, 2020

V. Indebtedness

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

VI. Remuneration of Directors and Key Managerial Personnel ("KMP")

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Million)

Sr. No.	Particulars of Remuneration	Mr. Duraiswami Narain Vice Chairman & Managing Director and CEO	Mr. Ulrich Stefer Executive Director & CFO*	Mr. Rolf Hoffmann Executive Director & CFO#	Total Amount
1.	Gross salary				
(a)	Salary as per provisions contained under section 17(1) of the Income tax Act, 1961	117.93	9.78	40.28	167.99
(b)	Value of perquisites under section 17(2) of the Income tax Act, 1961	22.72	6.84	27.02	56.58
(c)	Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	140.65	16.62	67.30	224.57
	Ceiling as per the Act	₹ 610.10 Million (being 10% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)			

*Resigned with effect from June 30, 2019

#Appointed with effect from July 01, 2019

B. Remuneration to other Directors (₹ in Million)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
(1)	Independent Directors	Mr. Pankaj Patel	Ms. Ketaki Bhagwati	Mr. Sekhar Natarajan#	
	Fee for attending Board and committee meetings	0.39	0.43	0.22	1.04
	Commission for F.Y. 2019-20 ^{\$}	1.50	1.50	0.75	3.75
	Others, please specify	-	-	-	-
	Total (1)	1.89	1.93	0.97	4.79
(2)	Other Non-Executive Directors	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1.89	1.93	0.97	4.79
	Ceiling as per the Act	₹61.01 Million (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)	₹ 229.36 Million			
	Overall Ceiling as per the Act	₹ 671.12 Million (being 11% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)			

Appointed with effect from October 01, 2019.

\$ Commission for the year 2019-20 will be paid after the Annual General Meeting.

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Mr. Rajiv Wani Company Secretary & Compliance Officer (April 01, 2019 – December 31, 2019)	Mr. Nikunj Kumar Savaliya Company Secretary & Compliance Officer (January 01, 2020 – March 31, 2020)
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	10.93	0.95
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.45	0.04
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission	--	--
	- as % of profit	--	--
	- others, specify	--	--
5.	Others, please specify	--	--
	Total	11.38	0.99

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)

Ahmedabad, May 22, 2020

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 as on March 31, 2020:**

Sr. No.	Name of the Director/KMP	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees*	Percentage increase in remuneration
1.	Mr. Duraiswami Narain	Vice Chairman & Managing Director and Chief Executive Officer	110:1	10%
2.	Mr. Ulrich Stefer	Executive Director & Chief Financial Officer (till June 30, 2019)	13:1	4%
3.	Mr. Rolf Hoffmann	Executive Director & Chief Financial Officer (w.e.f. July 01, 2019)	53:1	**
4.	Mr. Rajiv Wani	Company Secretary (till December 31, 2019)	N.A.	8%
5.	Mr. Nikunj Kumar Savaliya	Company Secretary (w.e.f. January 01, 2020)	N.A.	9%

* Remuneration paid to Executive Director is calculated on the basis of actual amount paid during the period of active service

** Mr. Rolf Hoffmann was appointed with effect from July 01, 2019 during the course of last year and no Salary increase is applicable during the year.

- b. **The percentage increase in the median remuneration of employees in the financial year : 9%**
- c. **The number of permanent employees on the rolls of the Company : 1,230**
- d. **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 and Non-Managerial grade was 9%.
- e. **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.



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[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 - 400 607.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bayer CropScience Limited [CIN: L24210MH1958PLC011173] (hereinafter called the “Company”) for the audit period from April 1, 2019 to March 31, 2020, (‘the year’/ ‘audit period’/ ‘period under review’).

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company’s corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) our verification of the books, papers, minute books, soft copy of the various records sent over mail as provided by the company and other records maintained by the Company and furnished to us, forms/returns filed and compliance related action taken by the company during the financial year ended March 31, 2020 as well as before the issue of this report,
- (ii) Our observations shared during our visits to the corporate office of the Company,
- (iii) Compliance Certificates confirming Compliance with all laws applicable to the company given by Key Managerial Personnel/Senior Managerial Personnel of the company and taken on record by Audit Committee/Board of Directors, and
- (iv) Representations made, documents shown, and information provided by the company, its officers, agents, and authorised representatives during our conduct of Secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2020, the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this Report, along with our letter of even date annexed to this report as Annexure - A.

1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/clauses of:
 - i. The Companies Act, 2013 (“the Act”) and the Rules framed thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and
 - d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").
- vi. Secretarial Standards issued by The Institute of Company Secretaries of India ("Secretarial Standards").
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2020, but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :
- i. Complied with the applicable provisions/ clauses of the Act, Rules and SEBI Regulations mentioned under sub-paragraphs (ii), (iii) and (v) of paragraph 1.1 above.
 - ii. Complied with the applicable provisions/ clauses of:
 - a) The Act and rules mentioned under paragraph 1.1 (i); and
 - b) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board meetings and Committee meetings held during the review period, the Court convened meeting held on June 3, 2019, and the 61st Annual General Meeting ("AGM") held on July 24, 2019. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi)] with regard to the Board meeting and Committee meetings held through video conferencing during the review period were verified based on the minutes of the meeting provided by the Company.
- 1.3 We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/returns thereunder:
- i. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings;
 - ii. The following Regulations and Guidelines prescribed under the SEBI Act: -
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- 1.4 Based on the nature of business activities of the Company, the following Acts and Rules were specifically applicable to the Company, which has been duly complied with:
- the Insecticides Act, 1968 and the Insecticides Rules, 1971; and
 - the Seeds Act, 1966 and the Seeds Rules, 1968.



2. Board processes

We further report that

2.1 The Board of Directors of the Company as on March 31, 2020, comprised of:

- i. Two Executive Directors;
- ii. Two Non-Executive Non-Independent Directors; and
- iii. Three Non-Executive Independent Directors, including a Woman Independent Director.

2.2 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:

- i. Re-appointment of Mr. Peter Mueller (DIN: 03582162) as the Non-Executive Director retiring by rotation at the 61st AGM.
- ii. Appointment of Mr. Duraiswami Narain (DIN: 03310642) as the Executive Director of the Company with effect from October 23, 2018, which was regularised and approved by the members at the 61st AGM.
- iii. Appointment of Mr. Duraiswami Narain (DIN: 03310642) as the Managing Director and Chief Executive Officer of the Company with effect from December 1, 2018, which was regularised and approved by the members at the 61st AGM.
- iv. Appointment of Mr. Rolf Hoffmann (DIN: 08460583) as the Non-Executive Director of the Company with effect from June 1, 2019, which was regularised and approved by the members at the 61st AGM.
- v. Appointment of Mr. Rolf Hoffmann (DIN: 08460583) as the Whole-time Director and Chief Financial Officer of the Company with effect from July 1, 2019, which was regularised and approved by the members at the 61st AGM.
- vi. Appointment of Ms. Ketaki Bhagwati (DIN: 07367868) as the Non-Executive Independent Director of the Company

with effect from January 15, 2019, which was regularised and approved by the members at the 61st AGM.

- vii. Appointment of Mr. Jens Hartmann (DIN: 08338494) as the Non-Executive Director of the Company with effect from February 4, 2019, which was regularised and approved by the members at the 61st AGM.
- viii. Resignation of Mr. Peter Mueller (DIN: 03582162) as the Non-Executive Director of the Company with effect from August 31, 2019.
- ix. Resignation of Mr. Ulrich Stefer (DIN: 07447177) as the Executive Director of the Company with effect from May 31, 2019.
- x. Appointment of Mr. Sekhar Natarajan (DIN: 01031445) as an Additional Non-Executive Independent Director by the Board of Directors vide its Circular Resolution dated September 26, 2019, with effect from October 1, 2019 subject to approval by the members.
- xi. Appointment of Dr. Thomas Hoffmann (DIN: 06485949) as an Additional Non-Executive Director by the Board of Directors with effect from September 16, 2019, subject to approval by the members.

2.3 Adequate notice was given to all Directors of the Company to schedule the Board Meetings (including Committees), Agenda and detailed notes on Agenda were sent at least 7 (seven) days in advance, and where the same were given at shorter notice than seven days, more than one Independent Director was present at the Board Meeting as required under Section 173(3) of the Act and Secretarial Standard related to Board Meetings.

2.4 A system exists for Directors to seek and obtain further information and clarifications on the Agenda items before the meetings and for their meaningful participation at the Meetings.

2.5 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 Audit Period.

3. Compliance mechanism

There are reasonably adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, commensurate with the increasing statutory requirements and growth in operations.

13, 2019, for the scheme of amalgamation of Monsanto India Limited with Bayer CropScience Limited and their respective shareholders, under sections 230 to 232 of the Companies Act, 2013.

4. Specific event(s)/action(s)

During the year, the following specific event(s)/action(s) having a major bearing on the Company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards:

- i. The Mumbai Bench of National Company Law Tribunal conveyed its approval on September

Place: Mumbai
Date : May 22, 2020

FCS 1303 / CP No. 10440
UDIN: F001303B000268383

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 637/2019

B. Narasimhan
Partner

Annexure A to the Secretarial Audit Report

To,
The Members,
Bayer CropScience Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the company after March 31, 2020, but before the issue of this report.
4. We have considered compliance related actions taken by the company based on independent legal/professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the

compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 637/2019

B. Narasimhan
Partner

Place: Mumbai
Date : May 22, 2020
FCS 1303 / CP No. 10440
UDIN: F001303B000268383



Dividend Distribution Policy

Background and applicability

This policy is being adopted and published in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. SEBI via its notification dated July 8, 2016 introduced a new regulation 43A which prescribes that the top five hundred listed entities based on market capitalisation (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The Company currently has only one class of shares, i.e. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

Objective

The objective of this Policy is to ensure the right balance between the quantum of dividend paid and amount of profits retained in the business. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board follows a dynamic dividend policy, considering the immediate and long term needs of the business. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of dividend from time to time.

Considerations

The Company would, *inter alia*, consider the following financial parameters and/or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Current financial year's net profits in accordance with law and after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion
- Track record of dividends distributed by the Company

- Dividend pay-out ratios of companies in the same industry
- Liquidity position and future cash flows needs
- Fund requirements to finance the working capital needs of the business
- Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, etc.
- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company
- Providing for unforeseen events and contingencies with financial implications
- Macroeconomic and business conditions in general
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws

The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

In case the Board proposes not to distribute the profit, the reasons thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

Retained Earnings

Retained Earnings may be used for corporate actions in accordance with applicable law and for investments towards growth of the business.

Review & Amendment

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

The Dividend Distribution Policy is effective from March 03, 2017.

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

Cognizant of the importance of running the business in a legal, ethical and transparent manner, Bayer CropScience Limited ("BCSL"/ "the Company") has made good Corporate Governance a key pillar of its growth strategy. The strategic orientation of this approach is rooted in the enhancement of long-term shareholder value, while protecting the interests of other stakeholders. At BCSL, Corporate Governance practices go beyond the legal requirements, and are derived from the Company's vision and common values, which form the basis of the mutually respectful working relationship between the employees and the external partners.

The Board of Directors are committed to a responsible and transparent style of management and supervision, aimed at increasing the Company's value over the long term. The Company's corporate culture is built on its "LIFE" values, epitomising Leadership, Integrity, Flexibility and Efficiency, and guides the Company in its day-to-day work.

In its strategic journey, the Company is also led by its Purpose - "Science for a better life".

Guided by this Purpose in every facet of its business, BCSL is committed to operating sustainably, and addressing its social and ethical responsibilities as a responsible Corporate Citizen.

Corporate Governance at BCSL seeks to uphold the Company's core values with ethical business conduct, as well as a commitment to maximise value for all stakeholders through innovation-driven projects, aimed at promoting sustainable business activity. The Company is continuously striving towards improving people's quality of life, by helping to provide an adequate supply of high quality food and feed.

BCSL believes in the importance of building shareholder trust. It adheres to the highest levels of ethical business practices, as ingrained in the Bayer Code of Conduct and Corporate Compliance Policy, which lays down the guidelines for ethical conduct by the Directors, officers and employees.

Corporate Compliance Program

BCSL's Corporate Compliance framework is constructed around Bayer Group policies.

Bayer's 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 compliance and integrity protects Bayer's licence to operate worldwide, and therefore, Bayer places great importance on responsible corporate governance. Bayer acts responsibly towards its employees, patients, consumers, business partners, and the society in general. 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 also include the emerging topics of Data Privacy, Social Media and Money Laundering, and encompass the "Compliance Management System" that is designed to guide employees in their business-related actions and protect them from potential misconduct. The Policy has been revised to include an introduction to the obligation of employees to immediately report any violations of the Policy. It also includes the requirement to report any suspected violation of the Company assets (e.g., theft of Company assets) by external parties to Internal Audit, Corporate Security or Compliance teams. The revised Policy has also incorporated specific information regarding product stewardship and quality, as also specific information regarding the use of Company assets by Bayer employees.

Compliance functions are focussed on a proactive, risk-based and collaborative approach, aimed at early prevention. The Compliance Management System is 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 senior management works closely with local compliance specialists and legal experts in the respective countries and regions, to analyse the current situation in each relevant area of risk, thereby adapting the business processes accordingly, within the stipulated time, thus ensuring that employees and the business are reliably protected against breaches of compliance. Going forward, this initiative will further contribute to the integrity of the Company around the globe, in accordance with its LIFE values.

ICM for the Company focusses on several key risk areas, such as Antitrust, Anti-Corruption, Conflict of Interest, Data Privacy, Foreign Trade Law, and Fairness & Respect at Work. Employees affected by the risk areas are being guided and trained to follow the processes to prevent any potential compliance risk. The ICM programme has a lifecycle management, which is an ongoing assessment that revisits the business scenarios, compliance risks and processes which need to be adhered to, and also monitors the effectiveness of the processes.

BCSL 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, monitoring the processes, and providing training courses involving the Compliance Officer, the Company endeavors 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

BCSL is a professionally managed company, which functions under the overall supervision of the Board of Directors (“Board”). The Board operates with the goal of sustainably increasing the Company's enterprise value and achieving defined corporate objectives.

The Board of Directors, along with its Committees, play a fundamental role in upholding and nurturing the principles of good governance in the Company. The Board members have the requisite specific professional expertise, as well as management and leadership experience needed for the given task.

The Board operates within a well-defined framework, which enables it to discharge its responsibilities and duties of safeguarding the interests of the Company, thereby enhancing stakeholder value. The Board has identified certain core skills and competencies which are required in the context of the business, viz. understanding of governance, regulatory, fiduciary and ethical requirements, integrity, credibility, trustworthiness, strong interpersonal skills, and willingness to address issues proactively. The Board of Directors have demonstrated all the required core skills as well as competencies.

The BCSL Board composition is in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”). As on the date of the Report, the Board consists of total 7 (seven) Directors, of which two are Executive Directors, three are Non-Executive Independent Directors, including an Independent Woman Director, and two are Non-Executive Non-Independent Directors. None of the Directors of the Company are related to each other. The number of Directorships, Committee Memberships/Chairmanship of all Directors is within respective limits prescribed under the Companies Act, 2013 (“the Act”) and SEBI Listing Regulations. All the Directors have made the necessary disclosures regarding their Committee positions and Directorships.

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, 2020

Sr. No.	Name of Director	Category	Key Skills	No. of Directorship(s) held in other companies ¹	No. of Directorship(s) held in listed companies other than BCSL	No. of other Committee Memberships ²	
						Chairperson	Memberships
1.	Mr. Pankaj Patel, Chairman	Non-Executive Independent Director	Vision, Strategy, Innovation and Value Enhancer	3	<ul style="list-style-type: none"> Cadila Healthcare Limited Torrent Power Limited 	1	1
2.	Mr. Duraiswami Narain	Managing Director & CEO	Global Organisational Leadership, Business Strategy	-	-	-	-
3.	Mr. Rolf Hoffmann	Executive Director & CFO	Financial Accounting, Change Management	-	-	-	-
4.	Ms. Ketaki Bhagwati	Non-Executive Independent Director	Private Equity, Merger & Acquisition	2	<ul style="list-style-type: none"> Axis Bank Limited 	-	-
5.	Mr. Jens Hartmann	Non-Executive Non-Independent Director	Business Insight, Strategic Mindset	-	-	-	-
6.	Dr. Thomas Hoffmann	Non-Executive Non-Independent Director	Finance & Controlling, Intercultural Management	-	-	-	-
7.	Mr. Sekhar Natarajan	Non-Executive Independent Director	Finance, Strategy and Business Development	2	<ul style="list-style-type: none"> Ingersoll-Rand (India) Limited Accelya Solutions India Limited 	3	-

Notes:

- Directorships mentioned above includes alternate directorships, but exclude directorships in private companies, foreign companies and companies incorporated under Section 8 of the Act. The details mentioned above are for companies other than Bayer CropScience Limited.
- Committee details consist only of Audit and Stakeholders Relationship Committees in other listed companies.

Board Independence

BCSL's Corporate Governance framework is steered by the belief that Independent Directors play a vital role in bringing objectivity and transparency in the overall functioning of the Company, and in enhancing the decision-making process through valuable contributions. The BCSL definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The Company has received the annual confirmation and disclosures from all the Non-Executive Independent Directors. All Non-Executive Independent Directors comply with the requirements laid down by the SEBI Listing Regulations that are 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.

Certification from Company Secretary in Practice

Mr. B. Narasimhan, partner at BNP and Associates, Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board



of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as an Annexure to this section.

3. Board Procedure

As part of a well streamlined and transparent process, 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 the 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 supported with comprehensive background information to enable the Board to take well-informed decisions. The agenda papers, containing detailed notes on various agenda items and other information that 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.

The Company held five Board meetings during the financial year 2019-20 and the gap between two meetings did not exceed 120 days. The dates on which the Board meetings were held are May 27, 2019; July 23, 2019; September 16, 2019; November 12, 2019 and February 03, 2020.

Information given to the Board

In line with the Company's total commitment to good governance and transparency, the Board has complete access to all information within the Company, which includes, amongst others, the following:

- Quarterly and Annual business performance of the Company

- Minutes of meetings of Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any sale of material nature of investments, subsidiaries and assets, that 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 meetings of the Board and the Committee and advises the Board on the various compliances that need to be adhered to by the Company based on the different applicable regulations.

With the objective of bringing in more flexibility as well as ease of operation, the Company has in place an "E-board meeting" application, which is also aimed at reducing the paper consumption at the Board Meetings. This application enables the Board to access all the agenda papers through their I-Pads, using their unique log-in IDs and passwords. The application meets high standards of security and integrity, as required for storage and transmission of the Board / Committee Agenda.

Statutory compliance monitoring tool

The Company has in place a web-based statutory compliance monitoring tool, which has been implemented to ensure tracking of all the statutory

& legal compliances needed to be followed by the Company. The said tool is intended to provide the necessary assurance to the Board of Directors on the statutory compliances as ensured by the Company. The said tool covers all the tasks that are applicable as per the various statutes at the plant locations, registered and corporate offices and regional offices.

Attendance record of the Directors at Meetings of the Board, AGM and EGM :

The attendance of the Directors at the Board Meetings held during the financial year ended March 31, 2020, National Company Law Tribunal (NCLT) convened meeting held on June 03, 2019 to seek shareholders approval for the merger of Monsanto India Limited with Bayer CropScience Limited and the AGM held on July 24, 2019 is as under:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance		
			Board Meeting (including attendance by video conferencing)	NCLT convened meeting	Annual General Meeting
1.	Mr. Pankaj Patel	5	4	No	Yes
2.	Mr. Duraiswami Narain	5	5	Yes	Yes
3.	Mr. Ulrich Stefer [#]	1	1	N.A.*	N.A.*
4.	Mr. Jens Hartmann	5	5	No	Yes
5.	Ms. Ketaki Bhagwati	5	4	No	Yes
6.	Mr. Rolf Hoffmann [§]	4	3	No	Yes
7.	Mr. Peter Mueller [#]	2	2	No	No
8.	Dr. Thomas Hoffmann [§]	3	3	N.A.*	N.A.*
9.	Mr. Sekhar Natarajan [§]	2	2	N.A.*	N.A.*

*Were not a part of the Board of Directors as on the date of the NCLT meeting and AGM

[#] Mr. Ulrich Stefer resigned as Executive Director with effect from May 31, 2019 and as the Chief Financial Officer with effect from June 30, 2019 and Mr. Peter Mueller resigned with effect from August 31, 2019.

[§] Mr. Rolf Hoffmann appointed as an Additional Director with effect from June 01, 2019, Dr. Thomas Hoffmann appointed as an Additional Director with effect from September 16, 2019 and Mr. Sekhar Natarajan appointed as an Additional Director with effect from October 01, 2019.

Meeting of Independent Directors

During the year under review, the Non-Executive Independent Directors of the Company met on February 03, 2020, without the attendance of Executive and Non-Independent Directors and the members of the Management. During the said meeting, the following points were discussed:

- Performance of Non-Independent Directors and the Board as a whole
- Performance of the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors
- 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

All the Non-Executive Independent Directors, except Ms. Ketaki Bhagwati, were present at the meeting of Independent Directors. The Independent Directors expressed satisfaction at the governance process followed by the Company, the openness and transparency with which the Management discusses various subject matters as provided in the agenda, as well as the information provided to them on a timely basis.

Board evaluation

In accordance with the provisions of the Act and the SEBI Listing Regulations, the Company has adopted a comprehensive Performance Evaluation Policy ("the Policy"), which provides for evaluation of the Board, the Committee of the Board, and the Individual Directors, including the 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 and accountability, as well as their judgement in bringing in objectivity in the Board proceedings. The Policy also sets independence standards for the Independent Directors to follow and adhere to. It also provides the procedure for evaluation of the Independent Directors and the Board as a whole.

During the year, a Board Evaluation was conducted by the Company internally, and it included the evaluation of the Board as a whole, the Board Committees and the Directors, through a questionnaire having qualitative parameters. The evaluation process focussed on the various aspects of the functioning of the Board and the Committees, such as composition, experience and competencies, performance of specific duties and obligations, governance issues, quality and value of contributions etc. A separate exercise was carried out to evaluate the performance of the individual Directors based on criteria such as attendance, contribution and independent judgement.

Induction programme for new Independent Director(s) & ongoing Familiarisation Programme for all existing Directors

Alignment of Directors to the Company's strategic plans and actions is integral to its value accretive growth trajectory.

In line with the provisions of the SEBI Listing Regulations, the Company has launched a familiarisation programme for its Non-Executive Independent Directors. The programme aims to provide the Independent Directors with insights into the Company, to enable them to understand the Company's business in detail, and facilitates their active participation in 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, as well as the Board's expectations.

Mr. Sekhar Natarajan, who joined the Board in October 2019, was introduced to the senior managerial personnel of the Company. He was apprised of certain initiatives undertaken by the Company as well as the Internal Controls and Risk Management processes followed by the Company. The familiarisation programme gave a better insight to Mr. Natarajan on important aspects related to the Company.

Further, as an ongoing familiarisation process, the Board of Directors of the Company, on November 11, 2019, visited the Multi Breeding Station (MBS) and

Bengaluru office of legacy Monsanto. Post the merger of Monsanto India Limited with BCSL, it was an opportune time for the Board of the combined organisation to visit the facility at Bengaluru. The Board members visited the MBS situated at Chikkabalapur in Bengaluru, wherein a presentation was made on the site and crops. The Board also visited the field where the corn and chilli crops were showcased. The Board members appreciated the various facilities and congratulated the team, pointing out that the right product mix would add greater value to the customers and in turn, enhance value for the shareholders. They further noted that the integration will successfully take forward the Company's purpose of 'Science for a better life'.

The familiarisation programme framework for Independent Directors is uploaded on the Company's website under the Corporate Governance section.

4. Committees of the Board

The Company believes that the Committees of the Board play an important role in its overall governance structure. It also feels that these Committees function as a viable support system for the Board members in the discharge of their duties and responsibilities. The Company has all the Statutory Committees in place. The Committees have been constituted to deal with specific areas/activities concerning the Company. The Board Committees are set with clearly defined roles and goals, which are crucial for the smooth functioning of the Company. The Board is responsible for the actions of the Committees. The Chairpersons of the respective Committees keep the Board informed on the summary of the discussions held in various Committee Meetings. The minutes of the meetings of all the Committees are placed before the Board for review.

The Board has constituted the following Committees, which are mandatory.

Audit Committee

Financial transparency is critical to sustained good corporate practices. An important link between the Statutory and Internal Auditors as well as the Management and the Board, the Audit Committee provides necessary assistance to the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the Company's systems and processes for internal financial controls, and also for reviewing the Company's statutory and internal audit process.

The Company's Audit Committee, as on March 31, 2020, comprises of three Non-Executive Directors, of whom two are Non-Executive Independent Directors and one is a Non-Executive Non-Independent Director. The members of the Audit Committee have relevant experience in financial matters.

The Audit Committee met four times during the financial year ended March 31, 2020. The meetings were held on May 27, 2019; July 23, 2019; November 12, 2019; February 03, 2020. Necessary quorum was present at all the meetings. The attendance of the Committee members at the meetings for the financial year 2019-20 was as under.

Name of Member	Category	No. of Meetings during the tenure	No. of Meetings attended during 2019-20
Mr. Sekhar Natarajan, Chairman*	Non-Executive Independent Director	1	1
Ms. Ketaki Bhagwati, Member	Non-Executive Independent Director	4	3
Mr. Pankaj Patel, Member [#]	Non-Executive Independent Director	3	2
Mr. Peter Mueller, Member [#]	Non-Executive Non-Independent Director	2	2
Dr. Thomas Hoffmann, Member*	Non-Executive Non-Independent Director	2	2

*Dr. Thomas Hoffmann was inducted as a member of the Audit Committee on September 16, 2019 and Mr. Sekhar Natarajan on November 15, 2019.

[#] Mr. Peter Mueller resigned from the Board with effect from August 31, 2019 and Mr. Patel stepped down as a member of the Audit Committee with effect from November 15, 2019

The Managing Director and Chief Executive Officer, Chief Financial Officer, Statutory Auditor and Internal Auditor also attend the meetings of Audit Committee 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 the one hand, and the Board of Directors of the Company on the other.

Role of the Audit Committee:

The terms of reference of the Audit Committee are, inter alia, 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. Making recommendations for appointment, remuneration and terms of appointment of auditors of the Company;
3. According approval for 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 the 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) Modification(s) 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 utilised for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approving, or making any subsequent modification to, transactions of the Company with related parties;
9. Scrutinizing inter-corporate loans and investments;
10. Valuating undertakings or assets of the Company, where necessary;
11. Evaluating 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 the 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. Discussing with Internal Auditors any significant findings and follow-ups thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors in 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. Discussing 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. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the Whistle Blower mechanism;
19. Approving the 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 mentioned in the terms of reference of the Audit Committee.

Risk Management Committee

Knowing the importance of managing and pre-empting risks effectively for sustaining profitable business, the Company has constituted a Risk Management Committee, in line with the SEBI Listing Regulations, as it is covered in the top 500 listed companies in the country based on the market capitalisation for the immediately preceding financial year.

The Risk Management Committee, as on March 31, 2020, comprises of Mr. Duraiswami Narain, Vice Chairman & Managing Director and Chief Executive Officer as the Chairman, with Mr. Sekhar Natarajan, Non-Executive Independent Director and Mr. Amit Narkar, Country Group Head Internal Audit & Risk Management, South Asia, as members. The Risk Management Committee met once during the financial year 2019-20, on February 03, 2020.

The terms of reference of the Risk Management Committee are as follows:

- Reviewing the Risk Management Framework on an annual basis and approving changes, if any;
- Advising the Board of Directors on organisation's overall risk management procedures, existing risk assessment criteria, current risk exposures and risk strategy in place;
- Making recommendations to the Board of Directors as well as executive management on priority risk areas and appropriate action required;
- Supporting the executive management in the establishment of a culture which balances risks and opportunities facilitated by conscious risk decisions and a suitable "Tone from the Top";
- Update the Audit Committee/Board of Directors on the status of risk management initiative in the Company and changes to the overall risk exposure of the Company.

Stakeholders Relationship Committee

The Company has a duly constituted Stakeholders Relationship Committee, set up in pursuance of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations. Following are the terms of reference of the Stakeholders Relationship Committee:

- 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, general meetings, etc.;
- To review the measures taken for effective exercise of voting rights by shareholders;
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Stakeholders Relationship Committee as on March 31, 2020 comprises of Mr. Pankaj Patel, Non-Executive Independent Director as the Chairman, Mr. Duraiswami Narain, Vice Chairman & Managing Director and Chief Executive Officer and Mr. Rolf Hoffmann, Executive Director & Chief Financial Officer as members.

The Committee held four meetings during the financial year 2019-20. The meetings were held on May 27, 2019; July 23, 2019; November 12, 2019; February 03, 2020. The attendance of the Committee members 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 2019-20
1.	Mr. Pankaj Patel	4	3
2.	Mr. Duraiswami Narain	4	4
3.	Mr. Ulrich Stefer*	1	1
4.	Mr. Rolf Hoffmann#	3	3

*Mr. Ulrich Stefer resigned with effect from May 31, 2019

Mr. Rolf Hoffmann was inducted as a member of the Committee with effect from June 01, 2019

Complaints received and resolved by the Company during the financial year ended March 31, 2020 are given below:

Source of complaints	April 01, 2019 to March 31, 2020	
	Received	Resolved
Referred by SEBI SCORES	5	5
Referred by Stock Exchange/NSDL	--	--
Referred by Ministry of Corporate Affairs	--	--

Share Transfer Committee

The Company takes all due care to ensure that all rules and regulations are fully adhered to. In compliance with Regulation 40 of the SEBI Listing Regulations, and in order to expedite the process of share transfer, the power to approve share transfers has been delegated to authorised 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, 2020 is as under:

Sr. No.	Name of Member	Designation
1.	Mr. Duraiswami Narain Vice Chairman & Managing Director and CEO	Chairman
2.	Mr. Rolf Hoffmann Executive Director & CFO	Member
3.	Mr. Nikunj Kumar Savaliya Company Secretary & Compliance Officer	Member

Nomination and Remuneration Committee

As per Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has constituted a Nomination & Remuneration Committee. As on March 31, 2020, the Committee comprises of three Non-Executive Directors, of whom two are Non-Executive Independent Directors. The Committee has Ms. Ketaki Bhagwati, a Non-Executive Independent Director, as the Chairperson, along with Mr. Sekhar Natarajan, Non-Executive Independent Director and Dr. Thomas Hoffmann, Non-Executive Non-Independent Director as members.



The terms of reference of the Nomination & 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
- 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 extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors
- To consider, adopt and adhere to the Nomination and Remuneration Policy

The Committee met three times during the financial year ended March 31, 2020. The meetings were held on May 27, 2019; July 23, 2019 and February 03, 2020. 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 2019-20
1.	Ms. Ketaki Bhagwati	3	2
2.	Mr. Pankaj Patel [#]	2	1
3.	Mr. Peter Mueller [#]	2	2
4.	Mr. Sekhar Natarajan [*]	1	1
5.	Dr. Thomas Hoffmann [*]	1	1

[#] Mr. Pankaj Patel stepped down as a member of the Committee with effect from November 15, 2019 and Mr. Peter Mueller resigned from the Committee with effect from August 31, 2019.

^{*} Dr. Thomas Hoffmann was inducted as a member of the Committee with effect from September 16, 2019 and Mr. Sekhar Natarajan was inducted with effect from November 15, 2019.

Corporate Social Responsibility ("CSR") Committee

To drive its CSR agenda in letter and in spirit, the Company has constituted a Corporate Social Responsibility Committee, as required under Section 135 of the Act. The Committee, as on

March 31, 2020, comprises of Mr. Duraiswami Narain, Vice Chairman & Managing Director and Chief Executive Officer, as the Chairman, with Mr. Pankaj Patel, Non-Executive Independent Director, Ms. Ketaki Bhagwati, Non-Executive Independent Director and Mr. Rolf Hoffmann, Executive Director and Chief Financial Officer as members.

The CSR Committee has a wide and comprehensive list of terms of reference, as listed below:

- Formulating and recommending to the Board the structure of 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 the Corporate Social Responsibility Policy of the Company;
- Formulating policies and procedures based on the requirement of SEBI for Business Responsibility Reporting;
- Ensuring implementation of all the policies pertaining to Business Responsibility;
- Ensuring effective communication of all the policies to all relevant stakeholders;
- Reviewing and assessing the Business Responsibility performance annually;
- Reviewing the Business Responsibility initiatives and encouraging participation; and
- Reviewing the Business Responsibility Report and recommending it to the Board for approval.

During the financial year 2019-20, the Committee met twice on May 27, 2019 and February 03, 2020. The attendance at the meeting was as under:

Sr. No.	Name of Member	CSR Committee Meetings held in Member's tenure	No. of meetings attended during 2019-20
1.	Mr. Duraiswami Narain	2	2
2.	Mr. Pankaj Patel	2	1
3.	Ms. Ketaki Bhagwati [*]	1	--
4.	Mr. Rolf Hoffmann	1	1

^{*}Ms. Ketaki Bhagwati was inducted as a member of the Committee with effect from November 15, 2019.

5. Remuneration of Directors

Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors during the financial year ended March 31, 2020.

a) Non-Executive Independent Directors:

The details of the sitting fees and commission paid during the financial year ended March 31, 2020 are given in the table below:

(₹ in Million)				
Sr. No.	Name of Director	Sitting Fees	Commission	Total
1.	Mr. Pankaj Patel	0.39	1.50	1.89
2.	Mr. Sharad M. Kulkarni*	--	1.50	1.50
3.	Mr. Vimal Bhandari*	--	1.50	1.50
4.	Mr. A.K.R. Nedungadi#	--	0.13	0.13
5.	Ms. Ketaki Bhagwati*	0.43	0.31	0.74
6.	Mr. Sekhar Natarajan#	0.22	--	0.22

* Mr. Kulkarni & Mr. Bhandari were paid commission for the period April 2018-March 2019, Mr. Nedungadi was paid a commission for the period April 01, 2018 – April 30, 2018 and Ms. Bhagwati was paid a commission for the period January 15, 2019 – March 31, 2019.

Mr. Natarajan was appointed as an Independent Director with effect from October 01, 2019.

Note: Commission was paid for the period 2018-19 in the month of August 2019.

b) Executive Directors:

The details of the remuneration paid to the Executive Directors during the financial year ended March 31, 2020 is as under:

(₹ in Million)						
Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
1.	Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO	117.93	22.72	140.65	December 01, 2018 – November 30, 2023
2.	Mr. Ulrich Stefer	Executive Director & CFO*	9.78	6.84	16.62	April 01, 2016 – June 30, 2019
3.	Mr. Rolf Hoffmann	Executive Director & CFO#	40.28	27.02	67.30	July 01, 2019 – June 30, 2024

* Mr. Ulrich Stefer resigned with effect from June 30, 2019

Mr. Rolf Hoffman appointed with effect from July 01, 2019

c) Service contract, notice period and severance fees

Mr. Duraiswami Narain was appointed as the Vice Chairman & Managing Director of the Company with effect from December 01, 2018 by the Board of Directors. The employment contract with Mr. Narain is for a period of 5 years, terminable by 3 months' notice on either side.

Mr. Rolf Hoffmann was appointed as Whole-time Director of the Company with effect from July 01, 2019 by the Board of Directors. The employment contract with Mr. Hoffmann is for

a period of 5 years, terminable by 3 months' notice on either side.

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

6. Policies

Whistle Blower Policy

BCSL's commitment to high standards of Corporate Governance and stakeholder responsibility



are deeply ingrained in its business fabric. The Company strives to achieve its business goals with utmost respect for human values, and to serve the interests of Bayer with integrity. In terms of the Corporate Compliance Programme and the SEBI Listing Regulations, the Company has in place a well-structured 'Whistle Blower Policy', with the 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 behaviour, actual or suspected frauds, including possible breaches of Company's policies and standards, values or any laws within the country or elsewhere. This is a robust vigil mechanism that also provides for adequate safeguards against victimisation of persons who use such mechanism. It basically enables the employees to raise their concerns, which are looked into, and fully investigated and acted upon with utmost confidentiality.

Policy for Prevention of Sexual Harassment

In its quest for competitive excellence, BCSL has committed itself to lawful and ethical conduct and strict adherence to Bayer values. Integrity, honesty and respect for people are some of its core values, and the Company is committed to providing a safe & conducive work environment to its employees. The Company has formulated a 'Policy for Prevention of Sexual Harassment' ("Policy") at the workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules made thereunder. The Policy aims to provide protection to employees at the workplace, and prevent and redress complaints of sexual harassment, while dealing with matters connected or incidental thereto, with the ultimate objective of providing a safe working environment, where employees feel secure.

Code of Conduct for Directors

The Corporate Governance framework at BCSL extends across its hierarchical framework, right up to the Company's Directors and top Management. In compliance with the requirements of Regulation 17(5) of the 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 to this effect, from Mr. Duraiswami Narain, Vice Chairman & Managing Director and Chief Executive Officer, and Mr. Rolf Hoffmann, Executive Director & Chief Financial Officer, is attached with this Report. The policies as well as codes are posted on the website of the Company at www.bayer.in.

Risk Management

As an integral component of the overall governance process, Risk Management at BCSL comprises all of the organisational rules and actions, for early identification of risks in the course of doing business as well as effective management of such risks. It includes implementing systems to identify risks at an early stage, take necessary and timely measures to mitigate them, and report them to the appropriate authority.

The Company has laid down detailed procedures to inform the Audit Committee about risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that the Executive Management monitors and controls risks pertinent to their business operations.

The Country Group Head – Internal Audit & Risk Management, South Asia, is responsible for coordinating with the various heads 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 & Code of Fair Disclosures - For Prohibition of Insider Trading

To prevent insider trading activities by dealing in shares of the Company, BCSL has in place an important governance code - Code of Conduct and Code of Fair Disclosures - For Prohibition of Insider Trading ("Code"). The Code, which is in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and further amendments, prohibits the Directors, designated persons and any other insider from dealing 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, and during the trading window closure period. The Code has been revised in line with the amendments to the SEBI Prohibition of Insider Trading Regulations.

The Company also has in place a strong mechanism for monitoring the trading done by the designated employees, as well as generation of system-based disclosures in line with the Code. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the Code.

The objective of the Code is to protect the interest of the shareholders, to prevent the misuse of any unpublished price sensitive information, and to prevent any insider trading activity. The Code is available on the website of the Company at www.bayer.in.

Dividend Distribution Policy

As per Regulation 43A of the SEBI Listing Regulations, the top 500 listed entities based on market capitalisation are required to formulate a Dividend Distribution Policy. The Company's Dividend Distribution Policy is based on the parameters laid down by SEBI Listing Regulations, and the details of the same are available on the Company's website at www.bayer.in.

7. Compliance Officer

Mr. Nikunj Kumar Savaliya, Company Secretary is the Compliance Officer of the Company.

8. General Shareholder Information

Annual General Meeting

Date of AGM	: Friday, August 07, 2020
Time	: 11:00 a.m. IST
Venue	: The Company is conducting the AGM through VC/OAVM pursuant to the MCA circular dated May 05, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from July 29, 2020 to August 07, 2020 (both days inclusive).

Proposed Date of Dividend Payment

The final dividend of ₹ 25 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 62nd Annual General

Meeting will be paid at par within 30 days of the said date:

- to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares as on July 28, 2020.
- in respect of shares held in dematerialised form, to the beneficial owners of the shares as at the close of business hours on July 28, 2020 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Financial Year

The financial year 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, 2020
Second Quarter and Half Yearly results	On or before November 14, 2020
Third Quarter Results	On or before February 14, 2021
Fourth Quarter and Annual Results	On or before May 30, 2021

Corporate Identity Number (CIN):

L24210MH1958PLC011173

Registered Office:

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

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)
Annual Listing Fees	: The Company has paid the Annual Listing Fees



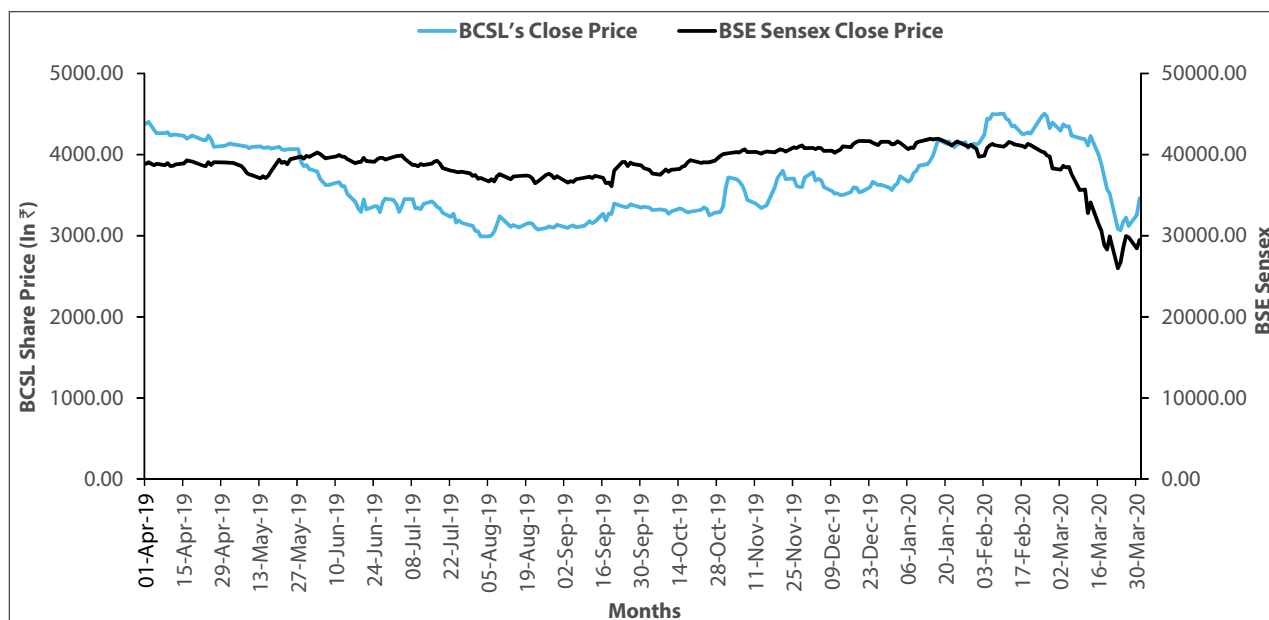
Stock Price Data

The monthly high and low price of the Company's shares on BSE Limited from April 01, 2019 to March 31, 2020 was as under:

Month	Share Price (In ₹)	
	High Price	Low Price
April 2019	4440.00	3980.05
May 2019	4150.50	3800.00
June 2019	3840.00	3206.60
July 2019	3480.00	3050.00
August 2019	3270.00	2952.00
September 2019	3490.00	3064.05
October 2019	3629.80	3226.00
November 2019	3866.00	3286.00
December 2019	3816.75	3480.00
January 2020	4220.70	3597.00
February 2020	4660.00	4035.55
March 2020	4540.00	2980.80

Stock Performance

Performance of Bayer CropScience Limited ("BCSL") Share Price vis-à-vis BSE Sensex from April 01, 2019 to March 31, 2020:



Registrar & Share Transfer Agent

TSR Darashaw Consultants Private Limited ("TSR") (formerly known as TSR Darashaw Limited) 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 TSR at its Registered Office situated at:

TSR DARASHAW CONSULTANTS PRIVATE LIMITED

(Unit - Bayer CropScience Limited)

6, 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

a) Branch Offices of TSR**1 Bangalore:**

503, Barton Centre (5th Floor)
84, Mahatma Gandhi Road,
Bengaluru - 560 001
Tel No.: 080 - 2532 0321
Fax No.: 080 - 2558 0019
e-mail: tsrdlbg@tsrdarashaw.com

2 Jamshedpur:

"E" Road, Northern Town,
Bistupur,
Jamshedpur - 831 001
Tel No.: 0657 - 242 6616
Fax No.: 0657 - 242 6937
E-mail: tsrdljsr@tsrdarashaw.com

3 Kolkata:

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

4 New Delhi:

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 TSR

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

Share Transfer System

The shares of the Company being in compulsory dematerialised form, are transferable through the depository system. 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 a weekly basis.

As per SEBI Press Release bearing no. 12/2019 dated March 27, 2019, except in case of transmission and transposition of securities, request for effecting transfer of securities held in physical form is disallowed with effect from April 01, 2019. However, transfer deeds lodged prior to April 01, 2019 and returned due to deficiency in the document may be re-lodged even after April 01, 2019 with the office of the Company's Registrar and Share Transfer Agents, TSR, Mumbai or at their branch offices or at the Registered Office of the Company.



Distribution of shareholding as on March 31, 2020

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1-500	57,516	2,176,566	97.53
501-1,000	888	594,996	1.51
1,001-2,000	282	390,439	0.48
2,001-3,000	85	211,023	0.14
3,001-4,000	33	116,276	0.06
4,001-5,000	25	112,056	0.04
5,001-10,000	54	380,952	0.09
10,001-20,000	30	457,120	0.05
20,001-99,999,999,999	58	40,502,664	0.10
Total	58,971	44,942,092	100.00

Shareholding Pattern as on March 31, 2020:

Category of Shareholder	Number of Shareholders	Number of Shares	Number of Shares in Dematerialised Form	Shareholding as a Percentage of Total Number of Shares
(A) Promoter and Promoter Group				
1. Indian Body Corporate	2	14,797,818	14,797,818	32.93
2. Foreign Body Corporate	4	17,305,181	17,305,181	38.51
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	6	32,102,999	32,102,999	71.43
(B) Public Shareholding				
1. Institutions				
(a) Mutual Funds/UTI	20	4,410,387	4,409,854	9.81
(b) Financial Institutions/Banks	12	26,178	22,832	0.06
(c) Insurance Companies	10	1,680,790	1,680,690	3.74
(d) Foreign Institutional Investors/Foreign Portfolio Investors - Corps	72	974,412	973,912	2.17
Sub-total (B)(1)	114	7,091,767	7,087,288	15.78
2. (a) Central Govt/State Govt	1	311	311	0.00
Sub-total (B) (2)	1	311	311	0.00
3. Non-Institutions				
(a) Bodies Corporate	836	1,134,663	1,132,379	2.52
(b) Individuals –				
Individual shareholders holding nominal share capital upto ₹ 2 lakhs	52,426	3,267,656	2,993,260	7.27
Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	4	171,833	144,673	0.38

Category of Shareholder		Number of Shareholders	Number of Shares	Number of Shares in Dematerialised Form	Shareholding as a Percentage of Total Number of Shares
3.	(c) Any other				
	HUF	1,131	343,638	343,638	0.76
	Non-Resident Indian (NRI)	2,324	470,883	469,718	1.05
	LLP	41	4,915	4,915	0.01
	Trust	12	2,365	2,365	0.01
	Clearing Members	146	87,431	87,431	0.19
	Alternate Investment Funds	9	113,570	113,570	0.25
	NBFCs registered with RBI	3	26,410	26,410	0.06
	Bodies Corp - Non-NBFC	2	156	156	0.00
	Foreign Nationals	1	33	33	0.00
	QIB-Insurance	2	23,056	23,056	0.05
	IEPF A/c	1	100,406	100,406	0.22
	Sub-total (B) (3)	56,938	5,747,015	5,442,010	12.79
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	57,053	12,839,093	12,529,609	28.57
	Total (A)+(B)	57,059*	44,942,092	44,632,608	100.00

* Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders.

List of Top 10 shareholders as on March 31, 2020:

Sr. No.	Name of Shareholders	Number of Shares	Percentage to Total Share Capital
1.	Bayer Vapi Private Limited	8,039,736	17.89
2.	Monsanto Investments India Private Limited	6,758,082	15.04
3.	Bayer SAS	6,618,105	14.73
4.	Bayer CropScience AG	5,354,030	11.91
5.	Bayer AG	3,788,433	8.43
6.	Aditya Birla Sun Life Trustee Private Limited (formerly Birla Sun Life Trustee Company Private Limited)	2,702,432	6.01
7.	Monsanto Company	1,544,613	3.44
8.	HDFC Life Insurance Company Limited	790,256	1.76
9.	Life Insurance Corporation of India	612,792	1.36
10.	Indian Syntans Investments Private Limited	469,185	1.04

Pledge of Equity Shares

None of the Equity Shares held by the Promoters and/or Promoter Group as on March 31, 2020 have been pledged or otherwise encumbered.

Dematerialisation of Shares and Liquidity

In line with 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 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/her choice. Many nationalised banks and private sector undertakings offer this facility. After opening the demat account, the member has to hand over the physical share certificates, along with the Demat Request Form, to his/her DP, who in turn will forward the documents to TSR, both physically and electronically. On receipt of the physical documents and electronic request routed through the Depository, TSR shall dematerialise the shares and give a credit into the member's demat account maintained with the DP.

As of March 31, 2020, a total of 44,632,608 shares constituting 99.31% 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

Sr. No.	Address
1.	Plot Nos. 66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.
2.	Survey No. 1, 4 & 5, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi, Silvassa - 396 240, Union Territory of Dadra & Nagar Haveli
3.	Survey No. 677-679, Village Lalgadi Malakpet, Shamirpet Mandal, Ranga Reddy District - 500078, Andhra Pradesh

List of Bankers

Sr. No.	Name of Bankers
1.	Axis Bank Limited
2.	Bank of America
3.	BNP Paribas
4.	Citibank N.A.
5.	Deutsche Bank
6.	HDFC Bank Limited
7.	The Hongkong and Shanghai Banking Corporation Limited
8.	Sumitomo Mitsui Banking Corporation
9.	State Bank of India

Address for Correspondence

Investors can correspond with:

- | | |
|--|--|
| <p>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</p> | <p>2 TSR at their following address:
TSR Darashaw Consultants Private Limited
(Unit - Bayer CropScience Limited)
6, 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</p> |
|--|--|

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

The Company has a specific Investor Grievance E-mail ID: ir_bcs@bayer.com

9. Other Disclosures

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

Year	Venue	Date	Time
2018-2019	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	July 24, 2019	11.00 a.m
2017-2018	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	August 21, 2018	11.00 a.m.
2016-2017	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	August 23, 2017	11.00 a.m.

Special Resolutions passed in the previous 3 Annual General Meetings

- Appointment of Mr. Duraiswami Narain as the Managing Director and Chief Executive Officer of the Company at the AGM held on July 24, 2019
- Appointment of Mr. Rolf Hoffmann as the Whole-time Director and Chief Financial Officer of the Company at the AGM held on July 24, 2019

Postal Ballot:

During the financial year 2019-20, the following resolution was passed through Postal Ballot/the National Company Law Tribunal (NCLT) convened meeting held on June 03, 2019:

Approval of the shareholders of the Company for the Scheme of Amalgamation of Monsanto India Limited (MIL) with Bayer CropScience Limited (BCSL) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The meeting of the equity shareholders of Bayer CropScience Limited was convened pursuant to an order dated April 22, 2019 passed by the NCLT, Bench at Mumbai. The NCLT appointed Mr. Navnitlal Bhatia, of M/s. N. L. Bhatia & Associates, Practicing Company Secretary as a Scrutinizer to scrutinise the e-voting process and ballot forms and to conduct the voting at the venue of the meeting in a fair and transparent manner.

The said resolution was passed by requisite majority. The voting results are given below:

Category of Shareholder	Total Shares polled	In Favour (Shares)	Against (Shares)	% in Favour of shares polled	% Against of shares polled
Promoter	23,584,448	23,584,448	Nil	100	Nil
Public Institutional Shareholders	5,916,142	5,916,142	Nil	100	Nil
Public Non-Institutional Shareholders	225,772	195,600	30,172	86.64	13.36
Total	29,726,362	29,696,190	30,172	--	--
Total % of shares polled in Favour and Against				99.90	0.10

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 reviewed to establish compliance with the requirements of Related Party Transactions under the Act and SEBI Listing Regulations.

The Company has not entered into any materially significant related party transaction 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 Act 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

The Company provides all the statutory information to its shareholders using multiple channels of communication, through dissemination of information on the Online portal of BSE Limited,

Press Releases, Annual Reports, Investor Presentations, and by placing relevant information on its Website.

The quarterly and annual results are disseminated to BSE Limited in a timely manner. The results are also published in leading English newspapers having nationwide circulation, as well as leading Marathi daily newspapers.

The Annual Report is also available on the website of the Company at www.bayer.in in a user-friendly and downloadable manner, along with all official news releases and Board approved policies.

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

Ahmedabad, May 22, 2020

(DIN: 00131852)

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 / TSR – for Physical shares; to DP – for dematerialised shares)
- Obtain valid documents relating to purchase/sale of shares
- Transfer shares prior to book closure / record date to be eligible for corporate benefits
- Deal only through SEBI registered intermediaries
- Give clear and unambiguous instructions to your broker / sub-broker / DP
- Keep copies of all your investment documentation
- Send share certificates, warrants, cheques, demand drafts, etc. through registered post or courier

Corporate Governance Compliance Certificate

To
The Members
Bayer CropScience Limited

We have examined the compliance of conditions of Corporate Governance by Bayer CropScience Limited ("the Company"), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of the conditions of Corporate Governance is a responsibility of the Management. Our 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 our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For **Nilesh A. Pradhan & Co., LLP**
Company Secretaries

Nilesh A. Pradhan
Partner

FCS No: 5445

COP No: 3659

UDIN: F005445B000267949

Place : Mumbai
Date : May 22, 2020



Certificate of Non-Disqualification of Directors

[Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bayer CropScience Limited [CIN: L24210MH1958PLC011173]** (hereinafter called the 'Company') having its Registered Office at Bayer House, Central Avenue, Hiranandani Estate, Thane West, Thane 400607 and also the information provided by the Company, its officers and the authorised representatives for the purpose of issuance of the Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended vide notification no. SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company*
1.	Mr. Pankaj Ramanbhai Patel	00131852	July 5, 2016
2.	Mr. Sekhar Natarajan	01031445	October 1, 2019
3.	Mr. Narain Duraiswami	03310642	October 23, 2018
4.	Dr. Thomas Hoffmann	06485949	September 16, 2019
5.	Ms. Ketaki Sanat Bhagwati	07367868	January 15, 2019
6.	Mr. Jens Hartmann	08338494	February 4, 2019
7.	Mr. Rolf Axel Hoffmann	08460583	June 1, 2019

*Date of appointment is taken from MCA.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 637/2019

B. Narasimhan
Partner

Place: Mumbai
Date : May 22, 2020

FCS 1303 / CP No. 10440
UDIN: F001303B000268460

Certification by the Chief Executive Officer and Chief Financial Officer of the Company

We, Duraiswami Narain, Vice Chairman & Managing Director and Chief Executive Officer and Rolf Hoffmann, 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, 2020 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 we 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

Duraiswami Narain

Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 03310642)

Rolf Hoffmann

Executive Director &
Chief Financial Officer
(DIN: 08460583)

Mumbai, May 22, 2020



Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24210MH1958PLC011173
2.	Name of the Company	Bayer CropScience Limited
3.	Registered Address	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607 Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 5063 Email: ir_bcsl@bayer.com
4.	Website	www.bayer.in
5.	E-mail ID	ir_bcsl@bayer.com
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code – 20211 – Manufacture of insecticides, rodenticides, fungicides and herbicides
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Dekalb, Nativo WG and RoundUp
9.	Total number of locations where business activity is undertaken by the Company	Number of International Locations (Provide details of major 5) - None Number of National Locations - 35 locations including Registered Office, Plants, Multi Breeding Stations and Regional offices
10.	Markets served by the Company	Markets served all across India

Section B: Financial Details of the Company

1.	Paid up capital (₹)	449,420,920
2.	Total Turnover (₹)	36,094 Million
3.	Total profit after taxes (₹)	4,745 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	1.80%
5.	List of activities in which expenditure in Section B (4) above has been incurred:	
	<ul style="list-style-type: none"> Productivity enhancement support to small holder farmers through the introduction of modern technology Prevention of drought and alleviating farmer distress Rural Development Program Program for Primary Prevention of Sexual Violence (PPPSV) Bayer Fellowship Project 	

Section C: Other Details**1. Does the Company have any Subsidiary Company/Companies?**

There are no subsidiary companies.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Not Applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]

30-60% of our 3rd party toll* manufacturers diligently contribute in our BR initiatives. We procure our raw material for the manufacturing process from the 3rd party toll manufacturers. We observe their involvement in the following initiatives:

- Upgrading their own performances like putting up Distributed Control System (DCS) in their plant.
- Providing trainings on usage of Personal Protective Equipment (PPE), safe operations, safe handling of substances, first aid, firefighting and safe walkways.
- Several village developmental projects like construction of roads, installation of energy efficient LED lights, construction of toilets and laying of sewage lines have also been taken up.

(*) The Toller bodies are sources of our raw material procurement.

Section D: Business Responsibility (BR) Information**1. Details of Director/Directors responsible for BR****a) Details of the Director/Directors responsible for implementation of the BR policy/policies as on March 31, 2020**

Name	DIN	Designation
Mr. Duraiswami Narain	03310642	Vice Chairman & Managing Director and CEO
Mr. Rolf Hoffmann	08460583	Executive Director & CFO
Mr. Pankaj Patel	00131852	Non-Executive Independent Director
Ms. Ketaki Bhagwati	07367868	Non-Executive Independent Director

b) Details of the BR Head

No.	Particulars	Details
1.	DIN Number (if applicable)	03310642
2.	Name	Mr. Duraiswami Narain
3.	Designation	Vice Chairman & Managing Director and CEO
4.	Telephone Number	+ 91 22 2531 1234
5.	E-mail ID	ir_bcsI@bayer.com



2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for..?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / International standards? If yes, specify? (50 words)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ Appropriate Board Director?	Y**	Y**	Y**	Y**	Y**	Y**	Y**	Y**	Y**
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent Audit/ evaluation of the working of this policy by an internal or external agency?	Y++	Y++	Y++	Y++	Y++	Y++	Y++	Y++	Y++

(*) The policies have been developed as per the Companies Act, 2013 ("the Act") and SEBI Listing Regulations and the global policies are in line with the global statutory requirements. They are also on the lines of the 'National Voluntary Guidelines on Social, Environment and Economic responsibilities of businesses' established by the Ministry of Corporate Affairs, Government of India in 2011.

(**) Few statutory policies viz. CSR and Whistle Blower Policy are approved by the Board and other internal policies are approved by Bayer AG globally and are implemented as per local laws and regulations.

(+) All our policies are available for employees to view on the Company's intranet. For external stakeholders wishing to view the policies, a request can be emailed to the Compliance Officer.

(++) We have various kinds of audits carried out like Internal Audit, Global Audit, Compliance Audit which are independent and cover specific policies.

b) If answer to Sr. No. 2 against any principle, is 'No', please explain why:

Not Applicable

Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of our Company is measured and evaluated annually by the CSR committee.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the Company's fourth Business Responsibility Report which is published annually in the Annual Report, viewed at www.bayer.in. Our parent company Bayer AG also publishes global sustainability report which includes India specific data and is available on www.bayer.com.

Section E: Principle-Wise Performance

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Scientific technological innovation in agricultural practice has been evolutionary throughout human history. With the experience of 150 years in the domain of life sciences, in the year 1896, Bayer Group's first company ventured and disseminated its seeds and roots into the Indian soil. Bayer AG globally acquired Monsanto Company US which ranks among the top companies in the market of genetically modified crops. As our Company evolves, our practices and values are engraved into our system even more, stamping our ethics, transparency and accountability. We are governed by our core values of Leadership, Integrity, Flexibility and Efficiency (LIFE) and ethical conduct. Our activities are monitored by several crucial Board & Internal Compliance committees with highest level of ethics, integrity and protecting the welfare of our stakeholders.

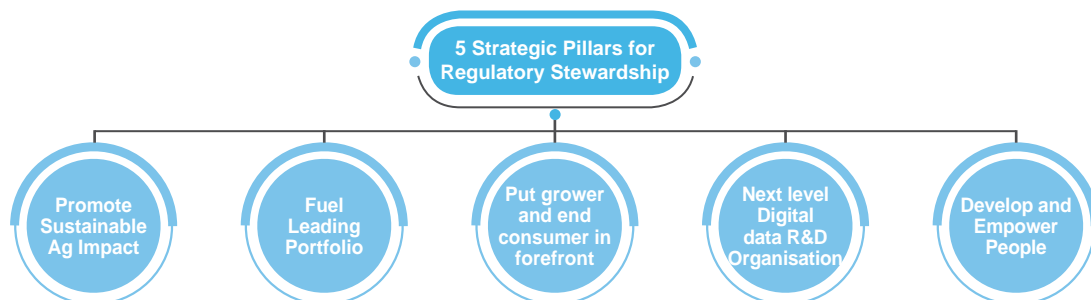
1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

We have adopted policies relating to ethics, bribery and corruption. Our Company follows unwavering and resolved ethical practices which extends from organisational level to all our third parties dealing with us. We are committed to conduct our operations beyond compliance and adhere to our ethical principles. Our Code of Business Conduct

During the reporting year, we have received 5 investor complaints, and all have been resolved at the end of the year.

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

We recognise the importance of living up to our responsibilities to farmers, consumers and the environment. We ensure to resolve complex hitches of our stakeholders without neglecting the responsibility of our novel and evolving products. For developing our new tackles, standards, and approaches to assess the safety, efficiency, quality, and performance of our products, our regulatory stewardship is based on:



is applicable to all our employees and all our suppliers also have been covered by the Supplier Code of Conduct.

To regulate and update our employees regularly, we conduct Corporate Compliance Training Programme to increase their standards of compliance and governance. This is also reinforced by our Integrated Compliance Management (ICM) which encompasses anti-trust, anti-corruption, conflict of interest, data privacy, foreign trade law, insider trading and fairness & respect at work.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We uphold and encourage trust of our stakeholders through transparent communication with the Company's position, deeds and performances. Under Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, Whistle Blower Policy has been set for employees where they can update and raise awareness against unethical practices within the organisation. We have also established a hotline and an email-id bayercompliance@expolink.co.uk for an effective, punctual and assuring redressal mechanism. To attend investors' concern, we also have a dedicated Stakeholders Relationship Committee chaired by Mr. Pankaj Patel, a Non-Executive Independent Director.



Our product management team has adopted a full-life cycle approach to address the environmental and social risks. It includes direct risks associated with manufacturing plants and indirect risks associated with the other stages of the products' life cycle including the upstream and downstream processes for all private and public entities participating in production and management.



1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

Considering social and environmental concerns, risks and opportunities, our facilities are designed to support conservation of energy, water and natural resources. Our deed towards protection of the environment is braced by abiding to standardised protocols to develop our products. Our product has diversified and are majorly categorised into:

- Wettable Powders (Melody Duo WP, Aliette WP)
- Water Dispersible Granules (Folicure WG, Profiler WG, Confidor WG)
- Suspension Concentrates (Movento Energy, Gaucho FS, K-Othrine SC)
- Oil Dispersion (Movento OD, Solomon OD)
- Water-based soluble Liquid (Glyphosate 41% SL, IPA salt of Glyphosate 54% SL)
- Hybrid seeds (Corn)

Today, as the world is evolving at such a great pace; social and environmental concerns, risks and opportunities are increasing. Presently, we approach and analyse social concerns of our customers through innovative features and measures across our product profile. Some of our unique initiatives are mentioned below:

Preventing unhealthy reuse of discarded and used packaged products:

To tackle the concern of unhealthy reuse of discarded bags and containers as a utility substance for day to day activities by local community individuals in rural and back urban locations which might harm health of the individual and environment, we reached out to Pollution Control Board for obtaining license on collecting used and empty containers and bags. We trained the farmers and placed out large bins between units of 10 to 15 farmers where they can discard the used containers and bags. These waste bags and containers are collected by our respective vendors and are incinerated in association with food chain partners.

CapSeal Packing Technology for counterfeiting of products:

There are several bodies with ill-intentions to profit off from a respected brand by commandeering and replicating Company products, branding materials, and product labels. To protect and secure the interests of our products, we are the first producer of crop protection products to enable farmers to clearly identify original products through CapSeal technology. The closure seal has optical security features and a QR code that users can scan with an interactive smartphone app to receive important information about the product's authenticity. CapSeal is currently featured on the packaging of selected Bayer crop protection products which has more possibility of counterfeiting that are filled in bottles

and sold in the Europe, Middle East, Africa and Latin America regions, as well as parts of Asia Pacific.

We have also developed an additional tab on Counterfeits in our CropScience website, where our customers are provided with information on how to identify counterfeit and illegal crop protection products or seeds and what risks they harbor. The website also provides tips to farmers on how to protect themselves against counterfeiting. We are working to incorporate several more products in the upcoming year.

Mono dose pack and Measuring cup with products:

To standardise the dosages for achieving consistent and best results, it is crucial for the farmer to supplement the accurate amount of product at the right time to prevent under or over dosage; thus, ensuring that the crops are not under protected or pesticide resistant. Hence, our products are packed in fixed mono dosage amounts of 2g, 5g and 10g packs for easier

utilisation of it and measuring cups are also provided with each pack of products.

Training:

As mentioned earlier, protecting the interest of the customer is one of the core activities for Bayer. During product promotion campaigns, training programmes are embedded for responsible and safe use of the products. The programmes mainly cover products safety management (for the user), its implementation (for the operator or user), its implementation (for consumer) and its final disposal (for the environment) and it outlines:

- Understanding the usage guidelines printed on the labels of products
- Advising on usage of appropriate personal protective equipment's (PPE's) while handling the products
- Collaborating with industry in demonstrating and putting up pilot to showcase the best management practices

2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product (Optional)

Products whose design has incorporated environmental/social concerns, risks and opportunities	Reduction in resource use (raw material, energy, water, any other) per unit of production achieved throughout the value chain with respect to the previous year	
	Energy (MWH)	Water (Million Cubic Meter)
WP Products (Melody duo WP, Aliette WP, K-Obiol WP)	0.11	NA
WG Products (Glamore WG, Jump WG, Lesanta WG, Profiler WG, Admire WG)	NA	1.0 x 10 ⁻⁷
SC Products (Movento Energy, Gaucho FS, K-Othrine SC, Premise SC, Monceren SC, Velum Prime SC, Evergol Extent, Emisto Prime, Raxil, Responsar, Regent Gold, Luna Experience, Infinito)	0.12	0.2 x 10 ⁻⁷
Round Up 41% SL	0.03	0.222
IPA Salt of glyphosate 54% SL	0.03	0.044
Tonnes of raw seed (Corn)	0.198	NA

We take steps to conserve water, wastewater generation and energy by adopting practices mentioned below:

- Use of Corn oil (20% replacement) and Sunflower oil (25% replacement) as alternatives for our reducing water consumption.
- Himatnagar and Silvassa plants are certified with zero liquid discharge.
- Installed 20 KLD capacity sewage treatment plant at Shamirpet site for in-house handling of sewage water and reusing the treated water for surface gardening.
- Installed 70 KW solar power generation plant at Shamirpet site.



3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Bayer procures services and materials from all over the world. We align our procurement and supplier management processes to Bayer LIFE values and commitment to ethical compliance. We expect our suppliers to observe these values and support them in doing so. Our procedures are regularly upgraded towards responsible sourcing of our raw materials which aims to minimise risks and create stable, long-term business relationships with our suppliers.

Our main direct procurement materials include surfactants, active ingredients, raw materials, intermediates, finished products and seeds. The procurement of materials functions through established procurement and supplier management processes. They serve to minimise procurement-specific risks such as supply bottlenecks or significant price fluctuations, safeguard the Company's competitiveness and ensure smooth production processes. Active supplier management and long-term contracts for our strategically material goods and services are important for smooth functioning of our business.

Our four-step management process to improve sustainability practices in the supply chain:



This process is governed by the Sustainability unit in Procurement. The process is implemented through cross-functional cooperation between the Procurement and the Health, Safety & Environment enabling functions.

4. What percentage of the inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our suppliers are expected to adhere with our Company's Supplier Code of Conduct. They are subjected to assessment or audits carried out by Bayer or a third-party agency. We ensure 100% responsible procurement by conducting audits on Quality, Health, Safety and Environment (QHSE) for various suppliers.

5. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, our Company has taken steps towards procuring and uplifting capacity and capability of local and small vendors. We have partnered with several local vendors and suppliers to:

- Raise the capacity of start-ups, livelihoods, etc.
- Reduce our environmental footprint
- Improve efficiency with respect to delivery hours and inventory measures

We actively procured goods from more than 90 MSME (Micro, Small and Medium Enterprise) vendors in the financial year 2019-20.

6. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

- Recycling and controlling water flow

Our operations are water intensive and it is a major constituent for all our manufacturing processes. Considering, global scenario of water scarcity, we have an aggressive water consumption monitoring system and recycling mechanisms. 95% of washed water is recycled by our mechanisms which are used during manufacturing of Suspension Concentrates, Wettable Granule products and seeds processing.

- Reducing Packaging Waste

- a) Recycle of Primary Packing Materials-Flexible Intermediate Bulk Container (FIBC)

Everything in the world has a pro and a con. Packaging improves safety, offers convenience and reduce theft; however, it also comes with several disadvantages. Packaging can be bulky, expensive and hazardous to environment. To prevent the environmental damage several approaches were adopted like strategic short-term storage, resulting in elimination of 3.6 MT of contaminated waste, thus assisting us directly in environmental conservation.

- b) Sourcing of Raw Materials into Bigger Packs

We have normalised our packing size of raw materials to bigger packs instead of small one. This has indeed reduced waste generation and decreased the production of contaminated waste. We have also changed sourcing of few

liquid raw materials from high-density polyethylene (HDPE) drums to tankers. This has increased reusability, storage and decreased contamination matters.

- c) Packing of Finished Goods into Big Packs

Several other initiatives have been adopted by our Company to reduce packaging waste.

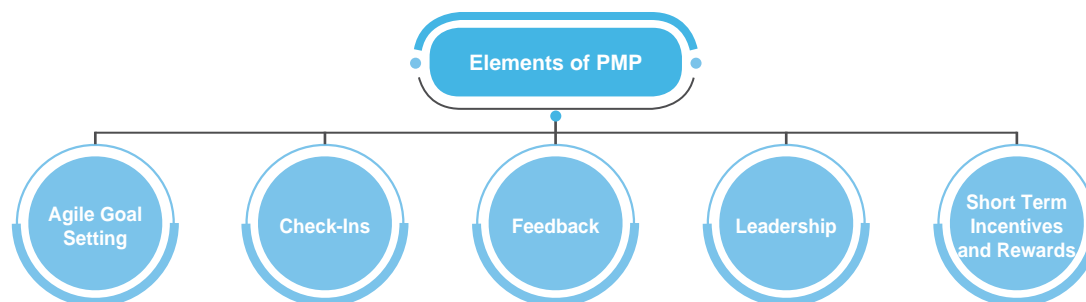
1. Increasing the packing quantity which has resulted in reduced exposure of the chemicals, reduced human intervention and it also improves handling. Our imports of 20kg packs have been increased to 180kg packs.

2. Modifying Roundup 5-litre bottle for finished products at Silvassa site, which has resulted in reduced 10% weight; expected to reduce HDPE usage by 15MT.

- Waste corn cobs are sent to biomass plant as fuel for power generation

Principle 3 (P3): Businesses should promote the wellbeing of all employees

Everything we do begins with our people. Employees are any company's most essential resource and asset. The Company not only grows by the leadership, but it also requires skill, dedication and commitment of the employees to serve the mission and vision of the Company. Our human capital works on the pillars of HR Business Partners, HR Services, and Expert Organisation which collaborate with our senior management on all employee matters and helps us cater to evolving business environments. We have a high-performance culture steered by our Performance Management Process (PMP) which aligns people, value and strategy to facilitate seamless execution.



Also, we have adopted an E-Onboarding tool which follows an easy and hassle-free process for completing all the onboarding procedures. The tool is programmed in a successive format which helps the specialists to track the status of new joinee documents in a better way. The tool is time-efficient, easy to access and user friendly.

1. Please indicate the total number of employees.

1,230

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

4,366

3. Please indicate the number of permanent women employees.

167

4. Please indicate the number of permanent employees with disability.

Nil

5. Do you have an employee association that is recognised by management?

Yes, we have Sabarkantha Jhila Mazdoor Sangh, an employee association that supports collective bargaining amongst our employees.

6. What percentage of your permanent employees are a member of this recognised employee association?

6.4% of our permanent employees are members of the association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending, as on the end of the financial year.

Bayer emphasizes on zero tolerances for sexual harassment. In order to enforce zero tolerance,

we have set up a comprehensive anti-sexual harassment policy in line with Government regulations and requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act of 2013. All employees regardless of the contract nature fall under the purview of the policy and subject to its guidelines. We have set up an Internal Committee (IC) to address grievances and complaints regarding sexual harassments. Furthermore, we have dedicated compliance hotline and have made all our policies available to all our employees for their perusal.

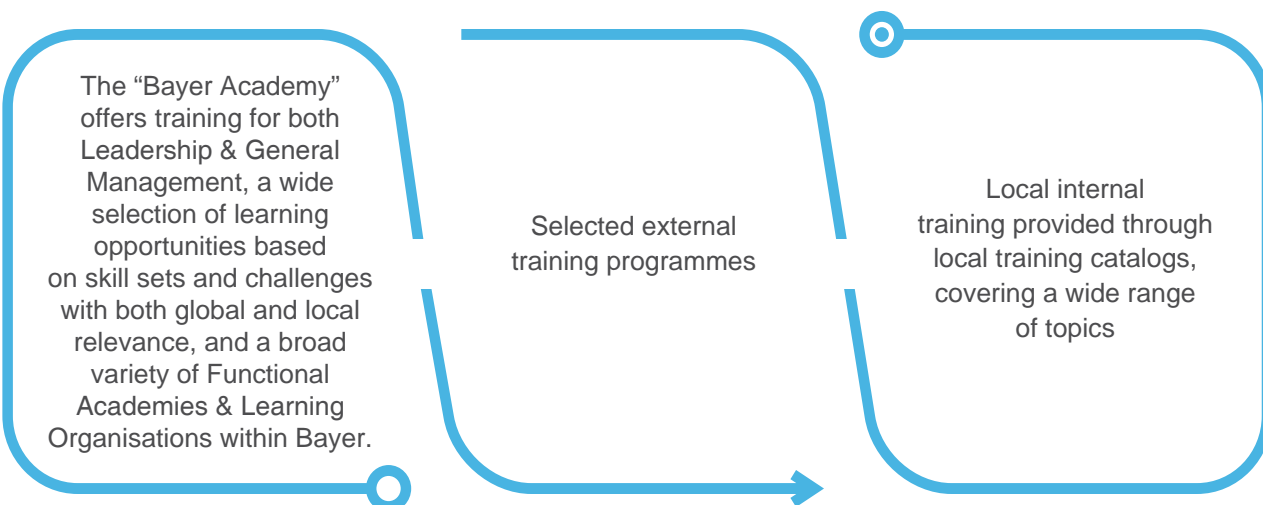
Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of this financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

At Bayer, we aim to help solve some of the most pressing challenges faced by mankind, and by doing this exceptionally well we strive to achieve and maintain leadership positions in our markets. As mentioned earlier, our employees and their knowledge & skills play an important role in our success. To enhance the skillset of our employees, we offer a broad portfolio of development and training opportunities that ensure real-life application.

Learning & Training is not a stand-alone solution; it is part of a holistic talent management approach, driven by the Check-Ins, Development Dialogue

discussions, PMP discussions and feedback tools like the 360° feedback. All our learning solutions are built upon the foundation of our LIFE Values, Bayer Competencies and foster the 4 Focus Behaviours – Customer Focus, Collaboration, Experimentation and Trust. At Bayer, training and development is clustered into:



Performance and awareness of our employees are upgraded by undergoing several skill upgradation and safety trainings.

Category	Skill-upgradation Training			Safety Training		
	Himatnagar	Silvassa	Shamirpet	Himatnagar	Silvassa	Shamirpet
Permanent Employees	61%	70%	70%	100%	100%	100%
Permanent Women Employees	10%	10%	20%	100%	100%	100%
Casual/Temporary/Contractual Employees	NA	20%	50%	100%	100%	100%

With evolving business practice, scenarios and on-ground risk & opportunities, we trained and adopted few safety initiatives at our plant sites.

Himatnagar Site:

- Conducted global level workshop on Machinery safety risk assessment
- Conducted Occupational Health & Safety Risk assessment (OH&SRA) training for all Managers at site as per revised global HSE Procedure

Silvassa Site:

- Installed aerial work platform to control and reduce the risk of working at height
- Upgraded material handling forklifts with several safety features like rear-view camera for driver, blue spotlight, biometric system, etc.

Shamirpet Site:

- Installation of jet pulse type dust extraction and collection system to reduce dust accumulation into atmosphere and personal exposure

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

At Bayer, we firmly believe that a stakeholder could be just about any person/organisation that could affect or can be affected by our operations. Being part of the society, it is crucial to have ongoing dialogues with our stakeholders. Our stakeholder engagement is a multi-pronged constructive process which assists us to understand and recognise trends and developments in the society which needs to be accounted to shape our business.



1. Has the Company mapped its internal and external stakeholders?

Yes, we have identified our internal and external stakeholders by our stakeholder engagement process which involves the following steps:

- Mapping our stakeholders to identify those that are significant to us
- Analysis of strengths and weaknesses which allows us to prioritise the stakeholders
- Engagement planning to help us develop targeted strategies for each group and
- The final engagement processes

We primarily differentiate our stakeholders into four groups with whom we engage in discussions on different issues in various dialogue formats on a regular basis.

Partners	Financial markets and Participants	Social interest groups	Regulators
Customers, Suppliers, Employees, Associations, Universities/ Schools	Investors, Banks, Rating agencies	General public, NGOs, Local communities, Competitors,	Lawmakers, Politicians, Authorities

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, we have acknowledged the underdeveloped, vulnerable and marginalised stakeholders. We conduct awareness camps, training sessions and safety meetings, to connect and address their concerns as well as get their feedback. We have identified them as:

- Women
- Children
- Handicapped/Specially abled people
- Farmers from marginalised background

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Principle 8 in this report briefs up the various activities and initiatives taken to address the concerns of our vulnerable and marginalised stakeholders identified above.

Principle 5 (P5): Businesses should respect and promote human rights.

Human rights are fundamental rights for everyone based on dignity, fairness, equality and respect. As human right is one of the prime pillar on which our values have been built, we are totally against discrimination based on caste, creed, religion, colour, gender, age, nationality and disability. We aim to create an environment and culture which eradicates all kinds of biased relations and harassment, allowing the employees to work at their maximum efficiency.

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?

Yes, all the employees and suppliers are covered in the policy. We believe that our values must reflect in the functioning of our partner businesses as well. In order to entrench our values, the Bayer Code of Conduct lists guidelines to safeguard human rights, and the Whistle Blower Policy provides a platform to report violations in said policies. Extending to our suppliers, our Supplier Code of Conduct lays down the expectations with regards to human rights from all our partners in the supply chain. In order to ensure compliance with the Child Labour (Prohibition and Regulation) Act, 1996, Bayer out rightly bans the use of child labour in any operation in our business and supply chain. Our LIFE values and Corporate Compliance Policy binds all our employees across geographies to adhere to fair, lawful conduct towards everyone in our organisation.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We abide to our policies and values at the highest level which makes our stakeholder to entrust our working procedures and results. For the reporting year, there were zero stakeholder complaints.

Principle 6 (P6): Business should respect, protect, and make efforts to restore the environment.

Protecting our environment is our highest priority for which our mode of function is designed to have

minimalistic impact on environment and develop product solutions that shall benefit the environment. This is accurately defined in our Bayer Global Sustainable Development Policy where we strongly abide to our framework and is supported by adopting chemical industry's responsible care initiative.

We collaborate with others to find better solutions to address food and environmental challenges

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others?

Our policy not only covers our Company but also extends to other third-party bodies. Our products are not only supplied to our customers, but also to our suppliers and contractors as they also play a major role in product development. Their involvement in developing environment-friendly practices and products to deliver sustainable outcome to customers is highly comprehended. This motivates us to support and secure the life and growth of the most unshielded participant of our system, especially farmers who face such uncertainties. We have been serving by training around 500 members across 9 external agencies on Environment, Health and Safety topics. The topics are elaborated below:

- General Safety, Health and Hygiene practices at site
- Safety rules and regulations
- Do's and Don'ts
- Safety work permits
- Chemical handling and machinery hazards and risks at site
- Material Safety Data Sheets (MSDS)
- Job Safety Analysis
- Emergency communication
- Use of PPEs
- Good Housekeeping
- Environmental protection
- Waste Management

We also conduct HSE audits based on the Bayer HSE Key Requirements. HSE Key Requirements encases important HSE aspects like leadership, management systems, incident and emergency management, environmental management, health and wellness, occupational safety management, and HSE management of suppliers and service providers.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?

Several initiatives are being practiced and few of them have been planned for future to address the worldwide environmental topics and climatic worries. Some of the initiatives conducted and planned are as follows:

- Implemented raw material unpacking at primary level to avoid contamination from shop floor due to packaging. This has reduced generation of waste sent for incineration and promoted recycling of packing materials like fiber board boxes and cartons
- Installation of hydraulic press to compact the solid hazardous waste which reduces transportation trips thus reducing GHG emissions
- Installation of Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) for treatment of domestic wastewater
- FELS - Fire Explosion leakage & Spillage Prevention Project & HACRA - Hazardous Area Classification and Risk Assessment
- ChemRADE Industrial Hygiene Program: Successfully completed as a pilot project for chemical exposure measurement at workplace
- Job safety Analysis has been successfully implemented
- Replacement of bag filters by installation of cartridge filter and HEPA Filter to reduce dust emissions
- Use of high efficiency motors to reduce resource consumption, and enhance safety during formulation of products
- Installation of solar power generation panels on roof of the plant and administration building to reduce electricity consumption at Himatnagar plant (Capacity – 35-40 KW)



- Implementation of battery-operated forklift, solar based streetlights and rainwater harvesting scheme to recharge the groundwater table at Silvassa plant
- Installed organic waste composter to convert organic waste into manure that is used within the fields at Shamirpet plant

Activities planned for the near future:

- To reduce energy consumption by setting up a heat recovery project at manufacturing location

3. Does the Company identify and assess potential environmental risks?

Yes, we have been identifying risks and working on resolving them. Our manufacturing locations – Himatnagar, Silvassa and Shamirpet are certified with Environment Management Systems - ISO 14001-2015. Management Systems like these help us identify and mitigate the environmental risks our organisation faces. Some of the risks identified are:

- Resource depletion
- Air pollution
- Solid waste
- Noise pollution
- Land contamination
- Hazardous waste generation
- Soil contamination
- Spillage

After identifying the specific activities that are responsible for these impacts, we develop action plans for their mitigation and look to minimise their effects.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

We currently do not have any projects related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.

To improve our business practice and transforming it towards more sustainable business, we have been researching and optimizing our processes whose efficiency can be improved

and environmental impact can be reduced. Some initiatives taken up are:

- Optimizing the jet milling operation as a result of which electricity consumption is reduced in the Wettable Powder product line
- Reduction in electricity consumption in plant and street lighting using LED lights
- Installation of high efficiency motors for increased output with lower energy consumption
- Use of pollution control devices
- Installed solar panels on 2 plant roofs which has a capacity to generate 112 KWH of energy
- Implemented rainwater-harvesting project to recharge borewell
- Installation of high efficiency motors for increased output with lower energy consumption.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, our air emissions and waste generated by the Company are well within permissible limit specified by the State Pollution Control Boards through Consolidated common Consent & Authorisation (CC&A) for financial year reported. We ensure all the legal requirements are met with respect to generation, packing, storage and disposal of hazardous and biomedical waste too.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

We comply with all the regulations issued by the Central Pollution Control Board and State Pollution Control Boards and continue to maintain a clean record with zero show cause notices for the fiscal year.

The awards received over the years reflect on our zeal and commitment to protect and preserve our environment and communities, these include:

Himatnagar Site:

- ISO 9001-2015, 14001-2015 recertification in 2017

- Best Warehousing Practices Award for the year 2016 from Indian Institute of Material Management
- Silver CSR Achievement Badge - 2014 & 2016 by EcoVadis

Silvassa Site:

- Health and Family Welfare Award 2019
- British Safety Council Award 2017
- Site is certified for ISO 9001, 14001, OHSAS 18001

Shamirpet Site:

- British Safety Council International Merit Award 2017
- Global Safety and Health Award 2011 and 2016
- Site is certified for ISO 9001, 14001, OHSAS 18001

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

We are members of the following major associations through which we actively participate for overall development of the industry landscape:

- The Federation of Indian Chambers of Commerce and Industry (FICCI)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- CII (Confederation of Indian Industries) - Committee Member
- Crop Life India (Agrochemicals)
- Public Affairs Forum of India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We are allied with several major associations to engage and raise our contributions for betterment

of present regulatory system, policies, business environment and shaping regulatory process for future technologies which shall contribute towards increasing food security for the nation.

Principle 8 (P8): Businesses should support inclusive growth and equitable development

Corporate sustainability and social responsibility are major social topics of our sustainable model. Our lifelong and comprehensive approach is aligned with our global objectives. Our approach is differentiated into three pedestals:



Our projects are designed keeping in mind the above milestones and implemented along with our partner NGO's and other on-ground agencies who have relevant skills and experience.

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, we do have various programmes aligned to the policy.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?

The programmes and the activities are governed and undertaken by our Board level CSR Committee who review the ongoing projects and approve new ideas. We do collaborate with various stakeholders for different projects depending on their ground presence, relevant experience and organisational strength. The projects are executed by:

1. In-house team
2. Bayer Prayas Association



3. Various NGO Partners

3. Have you done any impact assessment of your initiative?

Yes, we have been doing impact assessments of our projects. One study was conducted for our WASH project in Punjab where access to clean drinking water, healthcare facilities, best practices in agricultural and sanitation and hygiene were the parameters for assessment. We have few more impact assessments planned in the future.

4. What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken.

Sr. No.	Enlist the initiatives undertaken by the Company for Supporting Inclusive Development	Amount contributed directly in the initiative by the Company (₹ in Million)
1.	Productivity enhancement support to small holder farmers through the introduction of modern technology	57.7
2.	Prevention of drought and alleviation of farmer distress	18.21
3.	Rural Development Program	5.82
4.	Program for Primary Prevention of Sexual Violence (PPPSV)	2.29
5.	Bayer Fellowship Project	1.27

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, with all our community development initiatives, we train the communities on various aspects of the initiative, hand hold them for some time before handing over the project with limited supervision. Our models like WASH-Punjab, Early childhood education in Aurangabad and Mini Science Centers in Nanded have been positively acknowledged, well appreciated and adopted by the community.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner

We are a customer-centric Company which is regulated by sound accountability, governance structure and process of RACI (Responsible, Accountable, Consulted and Informed) in each of our commercial ventures. We aim to enhance our Company's earning power and create value for our stakeholders. We offer a broad portfolio of high-value seeds, improved plant traits, innovative chemical and biological crop protection products, digital solutions and extensive customer service for sustainable agriculture.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

As of March 31, 2020, a total of 66 consumer cases are pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

At Bayer, we display product information of highest mandated standards and transparency in line with the law of land for labelling of our products. It also includes Direction for Use (DFU) to enable our customers to utilise our products in ways that generate maximum value for their enterprises including safety standards.

The DFU contains information like:

- Symptoms of poisoning
- Precautions while handling
- First aid instructions in case of accident
- Instructions for storage
- Instructions for disposal
- Pictograms for the visual understanding of handling and using the products

We are globally harmonizing on the concept of Label for Safe use (L4SU) and including additional information vetted by the regulators to ensure Safe and responsible use of our innovations.

Bayer Advice

Farmers are essence of our business performance. We provide solutions through our experienced field officers and unparalleled support of trade network to help them

understand their aspiration in agricultural business. A toll-free helpline and multilingual call center support has been provided and displayed on all our products packaging; where they can contact for queries and technical assistance.

Bayer Safe Use Ambassador - a programme introduced to students undergoing RAW (Rural Agriculture Work Experience) in their seventh semester of their curriculum leading to graduation in agriculture at colleges of State

Agriculture Universities. This programme helped our customers to understand safe and responsible use including application technology while handling and using crop protection products. The reporting year being the third year for this program, 1,085 students from 7 institutions voluntarily participated and contacted 9,350 farmers at their homes in the villages and advised the families about responsible use. This farmer engagement at village level has become part of the curriculum of RAW at Agriculture colleges and State Agricultural Universities.

While the dedicated awareness programmes are conducted from time to time, a reminder to ask for safety equipment's viz. the PPE's (Personal Protective Equipments) is put in place at retail counters with high foot fall with a mannequin equipped with safety equipments.

Stakeholders engaged in Safe Use Trainings										
Dedicated Trainings				Embedded Trainings			Joint Trainings			Total
Bayer events that focus exclusively on safe use, Others include advisors, students etc., Bayer staff includes contractors and temporary personnel				Bayer events that cover safe use among other topics			Safe use trainings run by associations, authorities etc. with Bayer input			
Farmers	Dealers	Others	Bayer Staff	Farmers	Dealers	Others	Farmers	Dealers	Others	
8,200	580	2,100	290	408,000	1,070	3,600	98,000	830	1,340	524,010

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

To ensure transparent working methodology we have designed our policies & working culture towards ethical practices. We proudly declare that we don't have any cases pending against us for unfair trade practices, irresponsible advertising and anti-competitive behaviour, thereby taking our stakeholders into confidence and setting up benchmarks and encouraging healthy competition.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

An annual brand equity study is conducted for brands in crops such as rice, cotton and grapes using a scaled response involving customer

satisfaction using our products and services. This system of feedback helps us differentiate our product offering and improve upon them. We have also brought in a scheme called Bayer Labhsutra where the farmers test and compare the traditional and Bayer's farming technique. Depending on the results, the technique can be opted by the farmer for its improved harvest ratio. Continuous brand feedback studies have been carried out to assess our brand and the level of satisfaction with our customers and the results of the survey have been overwhelming. We are developing an online tracing and tracking of customer grievances on Trackwise platform to enable thorough probing and resolving issues through the collective inputs of experts in the relevant fields of activities and providing a convincing solution to customers. For 2019-20, we are proud to note that we have scored high for almost all our brands.

For and on behalf of the Board of Directors

Duraiswami Narain

Vice Chairman & Managing Director
and Chief Executive Officer
(DIN : 03310642)

Mumbai, May 22, 2020



Management Discussion and Analysis Report

Overview of Indian Agriculture

Indian agriculture has played a key role in the country's growth story. India is the second-largest agricultural land holder in the world, with 157.35 Million hectares under cultivation at present. The country exhibits all 15 major climatic conditions observed worldwide and has 20 different agro-climatic regions, enabling farmers to cultivate a large variety of crops. Agriculture and allied industries continue to be a source of livelihood for about 58% of India's population, making its growth imperative for the inclusive economic growth of the country.

Foodgrain production in India has had an upward graph over the past few years. It is among the world's top producers of crops such as wheat, rice, pulses, sugarcane, fruits, vegetables, and cotton. India has also emerged as a major agricultural exporter with ₹ 2,700 Billion of agri-exports in 2019-20¹.

As per the Economic Survey 2019-20, despite the increasing crop production and its share in the country's exports, the share of agriculture in total GVA has declined from 18.2% in 2014-15 to 16.5% in 2019-20². This has been driven by rising urbanisation and shrinking arable land, limited or degraded natural resources, unfavourable impact of climate change on rainfall, fragmented land holdings owing to the majority of farmers being smallholders, and lack of access to latest technologies and awareness on good agricultural practices.

Government Initiatives

Taking note of the challenges faced by the Indian farmers and recognizing the role of agriculture in the holistic economic growth of the country, the Government of India has announced several pro-farmer policies over the past few years. It has set an ambitious goal to double farmers' income by 2022 and has undertaken reformative initiatives such as:

- **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN):** The scheme provides cash benefits, transferred directly into a bank account of beneficiary farmer families. It has covered more than 81.2 Million families, with a total of ₹ 489.37 Billion released

- **Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY):** The Government launched a voluntary and contributory pension scheme to support eligible small and marginal farmers beyond the age of 60 with a minimum pension guarantee
- **Increasing Minimum Support Price (MSP):** The Government announced an increase in MSP for both Kharif and Rabi crops for 2019-20 and 2020-21 seasons to assure enhanced income for farmers
- **e-NAM Portal 'One Nation One Market':** The Government, in a bid to promote real-time price discovery, established a pan-India electronic trading portal, e-NAM. It networks the existing APMC-run (Agricultural Produce Market Committee) markets to create a unified national market for agricultural commodities and removes information asymmetry between buyers and sellers
- **Other initiatives:** The Government's other initiatives during 2019-20 included sanctioning of 25 Seed-Hub centers for increasing quality seeds availability, distributing soil health cards under Model Village Project, and machinery under Farm Mechanisation

These initiatives will significantly enhance farmers' income and encourage wider adoption of high-quality seeds, judicious crop protection applications, and effective fertilizer use. In the Union Budget for 2020-21, the Central Government increased the allocation for the agriculture ministry by 27%, earmarking ₹ 1,400 Billion in 2020-21, up from ₹ 1,100 Billion in 2019-20³. These schemes and the budgetary support will push the transformation of Indian agriculture and make it globally competitive.

Foodgrain Production in 2019-20

India witnessed a favorable monsoon in 2019, with annual rainfall registering 109% of average rainfall from 1961-2010. This resulted in most crops registering

1 <https://economictimes.indiatimes.com/news/economy/agriculture/economic-survey-suggests-to-boost-agri-exports/articleshow/73800027.cms?from=mdr>

2 <https://www.prsindia.org/report-summaries/economic-survey-2019-20>

3 <https://economictimes.indiatimes.com/news/economy/policy/govt-provides-30-per-cent-higher-budget-allocation-for-agriculture/articleshow/73875092.cms?from=mdr>

higher production in 2019 than a year before. According to the 2nd Advance Estimates for 2019-20⁴, total foodgrain production in India was estimated at record 291.95 million tonnes which is higher by 6.74 million tonnes than the production of foodgrain of 285.21 million tonnes achieved during 2018-19. However, the production during 2019-20 is higher by 26.20 million tonnes than the previous five years' (2013-14 to 2017-18) average production of foodgrain.

Industry Overview

During 2019-20, India registered the overall seasonal (June-September) rainfall of 109% of its long period average (LPA) with Northwest, Central, South Peninsula, and Northeast India recording 98%, 129%, 116%, and 88% of respective LPA. The country experienced uneven rainfall distribution during the year, with 54% of the total area receiving normal rainfall, 30% receiving excess to large excess, and the remaining 15% receiving deficient rainfall⁵. Monsoon was also delayed and extended during the year, prompting farmers to adjust their crop calendar.

Crop Protection

In 2018, the crop protection industry in India was valued at US\$ 4.1 Billion and is expected to grow at 8.3% compounded growth rate to reach US\$ 8.1 Billion by 2025⁶. India ranks 4th among the largest agrochemical producers in the world, but the agrochemical consumption per hectare in India is quite low compared to other big agricultural markets such as the United States, Brazil and Argentina. In 2018, India's per hectare pesticide usage stood at 0.6kg as compared to China's 17kg, Japan's 12.5kg, and the UK's 2.8kg.

The lower utilisation is due to factors such as lack of adequate irrigation, depleting groundwater, fragmentation in land holdings resulting in low economies of scale, traditional farming, lack of knowledge about good agricultural practices and the available modern technologies. This has resulted in India's lower crop yield per hectare as compared to the global averages. The Government of India, in a bid to bring the country's yield at par with the global averages, is pushing for higher utilisation of agrochemicals. It is providing higher MSPs and better credit facilities to meet this objective. Besides this, low product penetration, higher farm incomes, and

rising awareness about the benefits of agrochemicals would augur well for the crop protection industry, going ahead.

Consumption of crop protection products during the year was affected due to the irregular monsoon that in turn affected crop calendars, and higher raw material prices during the year. The coronavirus outbreak of December 2019 practically took over the world by March 2020, and the ensuing lockdown halted all regular business activities and exports, disrupted global agricultural and food supply chains, and logistics within the country. This further hindered agrochemicals offtake in the fourth quarter of 2019-20.

Seeds

The Indian seed market has experienced good growth in the past decade, owing to conducive policy reforms, government support, and active participation of both public and private sectors promoting higher use of hybrid seeds. The industry is likely to continue along a healthy growth trajectory, thanks to the following factors:

- Increasing penetration of high-quality hybrid seeds, available at competitive rates and adapted to suit varying agro-climatic conditions
- Capacity-building initiatives by major seed players, demonstrating the additional yield and income opportunities for smallholder farmers
- Advances in superior plant breeding technologies, farm mechanisation and digitisation
- Higher demand for good quality vegetables, fruits, and nutritional food products due to increased consumer awareness and higher disposable incomes
- Better purchasing capacity of farmers owing to the government's pro-farmer policies, increased subsidies and thrust on the use of high-yielding seed varieties
- Greater awareness among farmer communities about the benefits of using high-quality hybrid seeds

The Indian seed market, valued at US\$ 4.1 Billion⁷ in 2018, is estimated to become a US\$ 9.1 Billion industry by 2024, indicating a healthy compounded growth rate of 14.2%.

4 <https://pib.gov.in/newsite/PrintRelease.aspx?relid=199401>

5 https://mausam.imd.gov.in/imd_latest/contents/season_report.php

6 <http://ficci.in/spdocument/23002/Knowledge%20Paper%20Agrochemicals%202018.pdf>

7 <https://www.seedworld.in/pdf/SeedWorld2019-Report.pdf>



Environmental Science

The Environmental Science unit of Bayer CropScience Limited focusses on improving public health, and it currently operates in two business areas in India: Vector Control and Professional Pest Management (PPM), both of which showed a good growth trend in 2019-20. Vector-borne diseases such as dengue, malaria, Zika, and Chikungunya continued to affect communities across India, and there is an extensive need for products that can control the vector carriers.

The public health market in India is driven by the practice of larviciding, indoor residual sprays, and space-spraying (fogging). The Government and health authorities procure chemicals through tenders, which is a lengthy process that is slowly being modernised, with tender submissions moving online and the introduction of the Government e-Marketplace (GeM) initiative.

Globally, Bayer is a signatory to the ZERO-by-40 declaration to eliminate malaria from the planet by 2040, in partnership with the Innovative Vector Control Consortium and the Bill and Melinda Gates Foundation. The Company expects that public-private partnerships will be important also in the context of India's efforts to eliminate malaria and control dengue and other vector-borne diseases.

In the PPM segment, termite control, which is one of the fastest growing segments, saw an uptick with the slow increase in pre-construction activity. In the long term, the PPM business has good potential for growth in both commercial and residential pest control segments.

Company Overview

Bayer CropScience Limited is a key player in the Indian agriculture industry. The Company's operations include: Crop Protection, Seeds & Traits, Environmental Science and Digital Farming.

- **Crop Protection:** The Company's Crop Protection portfolio comprises a wide range of innovative chemical and biological pest management solutions. It also provides extensive customer service for modern and sustainable agriculture. Within this vertical, the Company focusses on Insecticides, Fungicides, Herbicides, and Seed Growth
- **Seeds & Traits:** Through traditional and advanced breeding techniques, as well as research in biotechnology, the Company develops seeds and traits that provide farmers with new solutions.

The Company's hybrid seeds make use of the natural genetic diversity within each crop family and can withstand environmental challenges like pests, disease, and drought while providing more choice for farmers. The Company's product portfolio consists of hybrid seeds for crops like rice, corn, cotton, oilseeds (mustard) and millet

- **Environmental Science:** The Environmental Science business focusses on non-agricultural applications and aims to safeguard public health by protecting the spaces where people live, work, and play. It operates in the segments of Professional Pest Management and Vector Control. PPM is a service rendered by pest control operators at household and commercial premises, with a range of solutions for general insect control, termiticides, rodenticides, and stored grain pests. Under Vector Control, the Company offers insecticide solutions for indoor residual spraying, space spraying (e.g. fogging), and larviciding for the purpose of limiting or eliminating vector-borne diseases
- **Digital Farming:** This comprises software tools that integrate data from farm equipment, satellites, field sensors, irrigation systems, drones, and other input sources, and then analyse that data to empower farmers to make better decisions through data science and predictive analytics. With detailed, real-time assessments of growing conditions and crop health, Bayer's digital tools such as FarmRise support a sustainable, abundant harvest

Transformative Initiatives for Indian Farmers

The Company has distinguished itself by leveraging its proven capabilities in innovation-driven solutions, sophisticated processes and technologies, world-class services, and superior business models. It continues to work closely with Indian farmers to help them surmount agricultural challenges. Several transformative initiatives have been undertaken by the Company to support Indian farmers. They include:

Food Chain Partnership

Food Chain Partnership is an innovative business model developed by Bayer to serve the needs of the food industry. The concept was introduced globally in 2005 and in India in 2007. Globally, there are 524 such partnerships across 44 countries in 76 different crops. Bayer's Food Chain Partnerships focus on collaboration between farmers, processors, traders, and retailers to meet consumer demand for sustainable production of healthy, high-quality and affordable food.

With its Food Chain Partnerships in India, BCSL provides farmers with innovative crop protection products, seeds and services, as well as advice on the optimal use of products and application technologies. It also helps farmers get certified and gain relevant knowledge and skills to successfully market their produce in local, regional and international markets.

Project beneficiaries

- 73 Food Chain Partnerships across 16 crops, benefiting 89,000 farmers in India
- 29 BayG.A.P. training programmes organised in 2019-20 for 1,031 Indian farmers, to help them learn good agricultural practices required for certification programmes

Better Life Farming Alliance

In April 2018, Bayer, the global development finance institution IFC, the irrigation technology firm Netafim, and the insurance company Swiss Re Corporate Solutions officially launched the 'Better Life Farming' (BLF) alliance, to provide holistic and innovative solutions for smallholder farmers in developing economies.

In India, the alliance works with additional local partners: Yara Fertilisers, DeHaat, AgriBazaar, and Big Basket. Bayer is providing seeds and crop protection inputs along with advisory on integrated crop management practices. IFC is imparting financial literacy and helping family farms run their operations as a commercial business and increase their income. Netafim is creating awareness about precision irrigation and other advanced farming practices that can reduce vulnerability to weather changes. Yara Fertilisers is educating farmers about balanced crop nutrition and maintaining soil health. DeHaat, AgriBazaar, and Big Basket are working as offtakers to ensure that smallholder farmers get the right price and market access for their produce.

In July 2018, the BLF alliance started working in India in the states of Uttar Pradesh and Jharkhand. These states were chosen as pilots after conducting a baseline study to identify regions where local crop yields were significantly lower compared to India's average national yield.

With the interventions of the BLF alliance, farmers in the pilot states have been able to double their crop yields and triple their farm incomes. The alliance plans to expand its presence in India to include Bihar, Chhattisgarh, Odisha, West Bengal, Maharashtra and Madhya Pradesh.

Agri-entrepreneurship through BLF Centers

In 2019-20, the Better Life Farming alliance introduced an agri-entrepreneurship model for smallholder farmers in the form of 'Better Life Farming centers'. At these centers, agri-entrepreneurs enable transfer of technology to other smallholders on seeds, crop protection, crop nutrition, drip irrigation, mulching etc. They also deliver services such as market linkages, access to inputs and crop advisory. Each center covers a group of 500 farmers from five to six nearby villages.

At present, 78 of these BLF centers are operational in India. By 2025, the alliance aims to set up 5,000 BLF centers and serve 2.5 Million farmers across India. In states like Jharkhand, the BLF alliance has adopted a gender-smart approach by promoting women agri-entrepreneurs to serve women smallholder farmers.

Capacity Building for Smallholder Rice Farmers

Rice farmers in the eastern belt of India largely practice subsistence farming and suffer from drastically low yields. Affordability and lack of knowledge hinders them from cultivating hybrid seeds. In the Kharif season of 2019, the Company undertook a three-week capacity-building initiative in the states of Jharkhand, Chhattisgarh, and Odisha, which are an integral part of India's rice-growing belt.

The initiative introduced smallholder rice farmers to advanced agricultural technologies in the areas of seeds, crop protection, crop nutrition, soil management, drip irrigation, post-harvest management, and financial literacy. Since seed is the first step in any crop cycle and is a critical enabler for farmers to improve their crop productivity, BCSL distributed 2kg packs of hybrid rice seeds (free of cost) per smallholder farmer in Jharkhand. This was aimed at enabling them to experience the yield advantage from cultivating hybrid seeds. In Chhattisgarh and Odisha, rice smallholder farmers received free packs of 6kg each. The initiative was implemented by Bayer Prayas Association, a Section 8 Company under the provisions of the Companies Act, 2013 and the non-profit arm of Bayer in India that undertakes Corporate Societal Engagement activities.

Project beneficiaries

- 16 local NGOs partnered with the Company for the capacity-building exercise
- ~300 metric tonnes of hybrid rice seeds distributed to 100,000+ smallholders
- 1,700+ villages covered across 3 states



Besides seed distribution, the smallholder rice farmers were provided with routine agronomic advisory and support to cultivate hybrid rice in subsequent seasons. They also received demonstrations on how hybrid rice cultivation can help conserve water and provide in-built disease tolerance. A total of 10,000 fields were selected and maintained for carrying out product differentiation activities and showcasing the benefits of cultivating hybrid rice. The Company plans to ramp up capacity building for smallholder farmers and help them increase their crop yields and farm incomes.

Product Stewardship

Product Stewardship has always been the cornerstone of BCSL's business operations. It has played an integral role in facilitating trade, maximizing product potential, promoting environmental sustainability, and minimizing risks to human and animal health. The Company conducts safety awareness and training programmes to enhance farmers' knowledge of authentic seeds and crop protection products. The trainings also improve knowledge on safe and optimal use of agrochemical products and Personal Protective Equipment (PPE) while spraying pesticides.

In 2019-20, the Company covered more than 500,000 farmers, farm workers, agriculture students, agri-input dealers, and agri-retailers under its product safety training programmes. All agri-input stores stocking BCSL products were also equipped with a prominent mannequin display of full-body PPE gear at the retail counter, reminding farmers about the need for operator safety while using crop protection products.

Bayer Safe Use Ambassador

To educate students of agriculture on the safe use of agrochemicals, the Company conducts the 'Bayer Safe Use Ambassador' programme. For this, it collaborates with State Agricultural Universities that offer courses in RAW (Rural Agriculture Work Experience). The programme is meant to benefit students in the seventh semester of their graduation degree in Agriculture. The students on-boarded are then encouraged to transfer their knowledge into practical use by farmers on the field. The collaboration has helped BCSL customers to understand safe and responsible use, including application technology, while handling crop protection products.

2019 marked the third consecutive year of the Bayer Safe Use Ambassador program, with the participation of 1,085 students from 7 institutions. The students then contacted 9,350 farmers at their village homes and informed them and their families about responsible use. This farmer engagement at the village level has become part of the RAW curriculum taught at Agriculture colleges of State Agricultural Universities.

Financial and Operational Performance

Financial Performance

In 2019-20, BCSL registered Revenue from Operations of ₹ 36,094 Million, compared to ₹ 31,673 Million in the previous year. Profit Before Exceptional Items and Tax stood at ₹ 7,133 Million, compared to ₹ 4,800 Million in the previous year. The results for the financial year ended March 31, 2019, include results of erstwhile Monsanto India Limited from June 7, 2018 (the date on which Monsanto Company, USA, was acquired by Bayer AG), and are therefore not comparable.

Integration of Monsanto India Limited with Bayer CropScience Limited

On September 13, 2019, the National Company Law Tribunal approved the merger of Monsanto India Limited into Bayer CropScience Limited. After the merger, Monsanto products are now a part of BCSL's product portfolio and continue to be marketed under their earlier brand names.

The integration brings together two highly complementary businesses, creating an innovation engine for Indian agriculture. Indian farmers can benefit from BCSL's innovative crop protection products and Monsanto's expertise in seeds and traits and digital farming applications. It has also brought together a vast talent pool of experienced employees from both organisations who are working closely with farmers to enhance crop yields, increase farm incomes, and drive sustainable agriculture.

The Company's long-term goal is to unlock the growth potential of Indian agriculture as a global producer and exporter of food, feed, and fibre. Besides business operations, the Company also aims to strengthen its Corporate Societal Engagement activities in India and is committed to deepening its dialogue with society and key stakeholders.

Ratio Analysis

Ratio	Formula	April 2019 - March 2020	April 2018 - March 2019	Deviation
Debtors Turnover Ratio (in days)	$[(\text{Trade Receivables} \times \text{No. of Days}) / \text{Revenue from Operations}]$	73	81	-10%
Inventories Turnover Ratio (in days)	$[(\text{Inventories} \times \text{No. of days}) / \text{COGS}]$	185	254	-27%*
Interest Coverage Ratio	$[\text{EBIT} / \text{Finance Cost}]$	53	47	12%
Current Ratio	$[\text{Current Assets} / \text{Current Liabilities}]$	2.65	2.34	13%
Debt Equity Ratio	$[\text{Debt} / \text{Shareholders Equity}]$	0%	0%	0%
Operating Profit Margin Ratio	$[\text{EBIT} / \text{Revenue from Operations}]$	20%	15%	30%*
Net Profit Margin Ratio	$[\text{Profit Before Tax} / \text{Revenue from Operations}]$	20%	15%	30%*
Return on Net Worth	$[\text{Profit for the year} / \text{Net Worth}]$	18%	15%	23%*

*The major reason for the above deviations is on account of the fact that the statement of profit and loss for the year ended March 31, 2020 include profit of erstwhile Monsanto India Limited (MIL) for the year whereas the statement of profit and loss for the year ended March 31, 2019, include results of erstwhile Monsanto India Limited from June 7, 2018, (the date on which Monsanto Company, USA was acquired by Bayer AG) and are therefore not comparable.

Operational Performance

Crop Protection: Operationally, we executed against our commitment to place products closer to market need, focussing on liquidation to manage channel inventory and better correlate sell-in to sell-out. This helped both to more tightly manage the situation when monsoon rains were delayed by not placing too many products in channel and subsequently having to take returns; therewith allowing us to more proactively participate in the upswing of demand witnessed during extended Kharif season and good Rabi.

Subsequently, we were able to both benefit in the market upswing while carrying significantly less overhang inventory than in previous years, resulting in significantly reduced sales returns and better quality channel inventories. A strong focus on farmer profitability and advice on cropping systems led to more stronger farmer relations with Bayer being perceived as adding significant value. Further increased focus on Value Chain Partnerships have helped farmers to market their crops better. A new organisational setup reflecting our expanded crop footprint as a consequence of the integration supported farmer proximity significantly.

In 2019-20, the Company successfully launched one new product in Crop Protection. The new addition, Momiji, is a selective, pre-emergence herbicide for weed management in wheat. Momiji belongs to a new class of chemistry with a different mode of action, has outstanding residual activity, providing season-long weed control and can even work on resistant Phalaris (grass).

Seeds & Traits: Our seeds & traits business benefited out of a stronger sales force successfully placing more Dekalb corn seeds already in the first joint months of operating as one company. This, together with generally better weather conditions during Rabi, led to successful placements and significantly improved sell-out, leading to low levels of returns.

In 2019-20, the Company successfully launched four new products in hybrid seeds.

- **Arize AZ 6741:** The Company's first extra-long slender (ELS), fine grain Arize hybrid in short duration segment catering to fine segment markets of western Uttar Pradesh and Haryana
- **ArizeAZ 6411:** A mid-early duration hybrid suitable for mid-uplands in the rain-fed geographies of Jharkhand, Chhattisgarh, Madhya Pradesh, and Odisha
- **Proagro PA 9180:** A dual-purpose millet hybrid suitable for the Kharif season which matures in 78 days and has the potential to give high grain yield and excellent fodder. It is also tolerant to downy mildew, rust and blast crop diseases. As a non-lodging hybrid, it has compact ear heads and its green quality and good commercial appeal make it suitable for farmers in Rajasthan, Haryana, Uttar Pradesh, and Madhya Pradesh
- **Proagro PA 9285:** Another millet hybrid seed with higher yields and excellent fodder. It has good resistance against downy mildew and is tolerant



to blast disease and lodging. It is greyish green in colour and has bold grains. Its high compact heads provide the perfect farming experience to millet farmers in Maharashtra

Environmental Science: In 2019-20, the ES unit maintained its position as the market leader in the areas of Vector Control and PPM. The ES business increased sales by 11.9% in comparison with the previous year and recorded the highest revenue for the ES business in 13 years. All segments showed strong growth due to clear operational focus on individual business areas. The Company successfully registered a label extension for Temprid to treat bedbugs in addition to cockroaches.

ES continued to sponsor major symposia and seminars to promote general awareness, product knowledge, safety measures, and share best practices in PPM and vector-borne disease management. In June 2019, the ES business hosted the 6th Vector Control Expert Meeting at Delhi. This was the first time an event like this was organised in India, bringing together 60 experts from 30 organisations across 14 countries, including several from South Asia. In August 2019, the Company also announced a partnership with the service listing website UrbanClap (now Urban Company) to supply PPM products as they started a new pest control service offering to residential customers.

Opportunities and Outlook

India's agricultural yield stands far lower as compared to global averages. The annual availability of food grains per capita in 2018 stood at 180.3kg, marginally higher than 169.8kg in 2015. The yield per hectare needs to increase significantly, considering the rising population and declining arable land in India. Apart from the unfavorable impact of extreme weather events, the lower yield is a result of the low penetration of high-yielding hybrid seeds and inefficient use of agrochemicals. This under-penetration of the market presents a significant opportunity for the Company's Crop Protection and Hybrid Seeds business.

Innovation in seeds and crop protection can go a long way in addressing the productivity problems affecting Indian agriculture. It will also help farmers get good commodity prices, encouraging them to spend on qualitative inputs for achieving higher yields. BCSL with its product offerings, distribution reach and strong network of more than 4,500 field officers is well-positioned to support Indian farmers.

Even though India ranks 5th in the global seed market, the country's adoption of high-quality hybrid seeds continues to be extremely low at 6%. Hybrid seeds can adapt to low rainfall and poor soil conditions, and still result in significantly higher farm yield. The government's efforts to promote higher use of high-quality seeds and raise farmers' income will bode well for the industry's growth.

Strengthening supply and logistics infrastructure

The absence of a proper storage and processing infrastructure has prevented Indian farmers from getting the best prices for their produce. There is an urgent need to establish efficient farm-to-fork supply chains through public-private partnerships. Apart from that, deploying data analytics to forecast global production trends accurately will enable farmers to hedge their risk by diversifying crop production. These measures would ensure steady and sufficient supply of diverse crops and would protect both consumers and farmers from price fluctuations.

Increasing focus on water conservation

India's water consumption per unit of crop yield stands drastically higher at 2 to 4 times compared to other emerging nations such as China and Brazil. The Government of India, in a bid to improve water consumption efficiency, is promoting higher adoption of better irrigation technologies such as sprinkler and drip and other micro-irrigation techniques.

While several modern agricultural technologies already exist and there are many innovations being researched, BCSL is working on capacity building for smallholder farmers on existing technologies. A good example of an existing technology that can significantly contribute to water conservation is hybrid seeds. But first, smallholder farmers need access to hybrid seeds. Under traditional farming, a kilo of rice requires 3,000 to 5,000 litres of water. In comparison, short duration rice hybrids can provide high yields using less water. Hybrid seeds also come with pest, disease and drought tolerance.

To save water, crop cultivation should be decided based on local ecological situations. For example, rice farming in India is more suited to states that are rain-fed and have better water availability, compared to states that depend heavily on irrigation and end up depleting groundwater.

Another way to improve the efficiency of water usage is practising crop rotation with water-efficient crops such as corn, millet, pulses, fruits and vegetables. Here, state government-led incentive schemes along with training and technical support can provide a push towards crop diversification.

Risks and Concerns

The Company has developed a comprehensive framework of robust mechanisms and processes to identify risks that may negatively impact its operations and profitability. It endeavors to identify new and emerging threats and formulates mitigating measures to curtail them within set timeframes. It has well-placed risk monitoring systems for swift response to safeguard itself from the permanent loss of capital and ensure sustenance of operational performance.

Impact of COVID-19

With the COVID-19 situation, the external business environment remains uncertain in the short term. Being in an essential services industry that supports agriculture, farmers and food production, it is the Company's priority to ensure food security. Bayer CropScience Limited will continue to support Indian farmers through access to seeds and crop protection inputs, product innovation and crop advisory. In 2019-20, the Company forged several partnerships along the agricultural value chain to expand the reach of its agri-solutions and promote sustainable farming that supports high crop yields and farm incomes. Going forward, the Company will continue to focus on digitalization, new business models, and ecosystem-based collaborations, to make Indian agriculture globally competitive.

On the Environmental Sciences front, the Company expects a sizeable impact on this business due to COVID-19. During the extended lockdown announced in India starting on March 24, most pest control operators and distributors were closed for business. Those that continued to operate during the lockdown

switched primarily to meeting demand for disinfection services. Supply chain disruptions affected production and delivery. Regulatory delays also affected anticipated new product approvals.

Post-lockdown, the Company expects to see a significant drop in pest control revenue for specific segments. Pre-construction anti-termite treatment requirements may go down due to work stoppage at construction sites during the lockdown and a shortened construction season before the monsoons. Reduced demand is also foreseen from the hospitality segment, which may seek to trim expenses due to the economic impact of COVID-19. Vector control services will continue to see demand by municipalities both during and after the lockdown, thus mitigating risks for the Company's Public Health business.

Internal Control Systems

The Company has appropriate internal control systems for business processes with regards to its operations, financial reporting and compliance with applicable laws and regulations. The Audit Committee approves the internal audit plan and internal audits are conducted at regular intervals across various locations and processes in line with the approved plan. Audit observations and follow-up actions are discussed by the Internal Audit team with the management of the Company as well as the Audit Committee.

Cautionary Statement

The statements in the Management Discussion & Analysis, 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.

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

(DIN: 00131852)

Ahmedabad, May 22, 2020



Independent Auditor's Report

To The Members of Bayer CropScience Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bayer CropScience Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Revenue Recognition – Rebates/ Discounts and Returns.	Principal audit procedures performed:
	<p>A description of key accounting policies for revenue recognition, rebates/ discounts and returns is disclosed in Note 1(d) Significant accounting policies of the financial statements.</p> <p>Management is required to make certain judgements in respect of revenue recognition and level of expected rebates/ discounts and returns which are deducted in arriving at revenue. These estimates are material to the financial statement and require significant judgement.</p> <p>To determine these estimates, Management is required to consider historical experience, specific contractual terms and future expectation of revenue. Management judgement is also significantly impacted by volatility in the market, weather conditions and action of third parties. Hence the estimation of refund liabilities is complex, subjective and susceptible to material misstatement if judgement is inaccurate.</p> <p>The Management has determined refund liabilities of ₹ 2,621 Million as at March 31, 2020 (Refer Note 21 to the financial statement).</p>	<p>We obtained an understanding of the policies applied to estimate rebates/ discount and returns, and the Company's process for making estimates in these areas and performed the following procedures:</p> <p>We tested the design and operating effectiveness of key controls related to rebates/ discounts and returns. We obtained an understanding of key contractual arrangements with customers, for rebates/ discounts and returns.</p> <p>We considered the accuracy of management's estimates in previous years by comparing historical accrued liabilities to the actual settlements.</p> <p>We assessed the accuracy of the refund liabilities by recalculating the amount based on historical actual returns, adjusted for volatility in the market and weather condition.</p> <p>We considered the adequacy of the Company's revenue recognition accounting policies, including the recognition and measurement of deductions to gross sales relating to rebates/ discounts and returns and related disclosures.</p>

Independent Auditor's Report (contd.)

To The Members of Bayer CropScience Limited

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Litigation related to Direct tax matters.</p> <p>The Company has significant outstanding income tax litigation. As of March 31, 2020, contingent liabilities pertaining to Income tax are ₹ 6,477 Million (Refer Note 34 to the financial statements)</p> <p>Management applies significant judgment in estimating the likelihood of the future outcome in each case based on its own past assessments, judicial precedents and opinions of experts/ legal counsels when considering whether and how much to provide or in determining the required disclosure for the potential exposure.</p> <p>Due to inherent complexity and magnitude of potential exposures these matters are susceptible to material misstatement if judgement is inaccurate.</p>	<p>Principal audit procedures performed:</p> <p>We evaluated the design and tested the operating effectiveness of internal controls related to the assessment of the likely outcome of income tax litigation, and the provision made, if any.</p> <p>We discussed significant open matters and developments with the Company's direct tax team.</p> <p>We involved our internal tax experts to understand and evaluate the status of direct tax matters, review legal precedence and external expert opinions, if any, obtained by the management, to evaluate whether the direct tax position is appropriate after taking into account recent developments, if any.</p> <p>We verified the appropriateness of the accounting policies and disclosures related to Contingent liabilities pertaining to Income tax.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Corporate Governance Report and Management Discussion & Analysis Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements

that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Independent Auditor's Report (contd.)

To The Members of Bayer CropScience Limited

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2019 included in the financial statements, have been restated to give effect to the Scheme of Amalgamation ("the Scheme") of Monsanto India Limited ('MIL') with the Company, as explained in Note 43 to the financial statements.

The financial information of erstwhile MIL included in the restated comparative financial information have been audited by the other auditors.

Independent Auditor's Report (contd.)

To The Members of Bayer CropScience Limited

The adjustments made to the previously issued financial information to give effect to the Scheme have been audited by us.

Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sampada S Narvankar

Partner

Date: May 22, 2020 (Membership No. 102911)

Place: Mumbai UDIN No: 20102911AAAAAZ1121



Report on Internal Financial Controls Over Financial Reporting

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Bayer CropScience Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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”. 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 control 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.

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

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

Report on Internal Financial Controls Over Financial Reporting**Annexure "A" To The Independent Auditor's Report (contd.)**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, to the best of our information and according to the explanations given to us, 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, 2020, based on the criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sampada S Narvankar

Partner

Date: May 22, 2020 (Membership No. 102911)
Place: Mumbai UDIN No: 20102911AAAAZ1121



Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2020)

i In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a program of verification of fixed assets to cover all the items in a phased manner 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 program, certain fixed assets were physically verified by the Management during the year. According to

the information and explanations given to us, no material discrepancies were noticed on such verification.

- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except as stated below:

Particulars	No of Assets	As at March 31, 2020		Remarks
		Gross Block (₹ in Million)	Net Block (₹ in Million)	
Freehold Land	15	130	130	The title deeds are in the name of Monsanto India Limited, erstwhile company that was merged with the Company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law tribunal
Freehold Buildings	1	16	2	

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Right of Use asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except as stated below:

Particulars	No of Assets	As at March 31, 2020		Remarks
		Gross Block (₹ in Million)	Net Block (₹ in Million)	
Leasehold Land	19	9	6	The title deeds are in the name of Monsanto India Limited, erstwhile company that was merged with the Company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law tribunal
Leasehold Buildings	8	7	2	

Annexure “B” To The Independent Auditor’s Report (contd.)

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2020)

- 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, this has been substantially confirmed by them during the year. 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 186 of the Act in respect of making investments. The Company has not granted any loans or provided guarantees and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence, reporting under clause (v) of the said Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is generally regular in depositing undisputed statutory dues in respect of Tax Deducted at Source, Professional tax though there have been slight delays in few cases, and is regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Labour Welfare Fund, Customs Duty, Excise Duty, Value Added Tax, Sales Tax, Service Tax, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Professional Tax, Labour Welfare Fund, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and service tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Entry Tax, Customs Duty, Value Added Tax and Goods and service tax which have not been deposited as on March 31, 2020 on account of disputes are given below:



Annexure “B” To The Independent Auditor’s Report (contd.)

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2020)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ In Million)
Income Tax Act, 1961 ¹	Income Tax Dues	Appellate Authority – up to Appellate Tribunal level	Assessment Years 2002-03, 2003-04, 2007-08 to 2017-18	1,675
		Supreme Court	Assessment Years 1999-2000, 2001-02, 2003-04 to 2008-09	2,729
The Central Sales Tax Act, 1956 and Local Sales Tax Acts ²	Sales Tax and Value Added Tax liability	Appellate Authority – up to Commissioner’s level	Financial Years 1977-1978, 1979-1980 to 1981-1982, 1983-1984 to 1984-1985, 1998-1999 to 2016-2017	396
		Sales Tax Appellate Tribunal	Financial Years 1989-1990 to 1990-1991, 1995-1996 to 1996-1997, 2009-2010	3
Central Excise Act, 1944	Excise Duty liability	Supreme Court	Financial Years 2000-2001 to 2002-2003	10
The Finance Act, 1994	Service Tax Liability	Custom, Excise and Service Tax Appellate Tribunal	Financial Years 2005-06, 2006-07, 2009-10 to 2017-18	271
The Custom Act, 1962	Custom Duty	Appellate Authority – up to Commissioner’s level	Financial Years 2002-2003	8
The Entry Tax Act, 1976	Entry Tax	Appellate Authority – up to Commissioner’s level	Financial year 2015-16	1
The Central Goods and Service Tax Act, 2017 ³	Goods and Service Tax	Appellate Authority – up to Commissioner’s level	Financial Year 2018-19	-*

* Denotes figures below ₹ Million.

1. Net of ₹ 1,875 Million paid; 2. Net of ₹63 Million paid; 3. Net of ₹ 0.5 Million paid.

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|--|--|
| <p>viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.</p> <p>ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence</p> | <p>reporting under clause (ix) of the said Order is not applicable.</p> <p>x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>xi. In our opinion and according to the information and explanations given to us, the Company has paid/</p> |
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Annexure "B" To The Independent Auditor's Report (contd.)

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2020)

- provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the said Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of said Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sampada S Narvankar

Partner

Date: May 22, 2020 (Membership No. 102911)

Place: Mumbai UDIN No: 20102911AAAAAZ1121



Balance Sheet as at March 31, 2020

	Notes	As at 31.03.2020	As at 31.03.2019
₹ in Millions			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	4,363	4,067
Capital Work-in-Progress		36	72
Investment Properties	3	305	309
Intangible Assets	4	17	26
Intangible Assets under Development		523	400
Financial Assets			
- Other Financial Assets	5	202	187
Income Tax Asset (Net)	6	2,245	2,106
Deferred Tax Assets (Net)	7	270	89
Other Assets	8	252	438
Total Non-Current Assets		8,213	7,694
Current Assets			
Inventories	9	9,635	11,570
Financial Assets			
- Investments	10	408	-
- Trade Receivables	11	7,180	6,986
- Cash and Cash Equivalents	12	10,669	5,782
- Bank Balances other than Cash and Cash Equivalents	13	41	38
- Other Financial Assets	5	91	468
Other Assets	8	2,120	2,911
Total Current Assets		30,144	27,755
Assets Held-for-Sale	14	-	43
Total Assets		38,357	35,492
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	449	343
Share Pending Issuance		-	106
Other Equity	16	25,276	21,945
Total Equity		25,725	22,394
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Other Financial Liabilities	17	138	1
Provisions	18	1,100	1,218
Total Non-Current Liabilities		1,238	1,219
Current Liabilities			
Financial Liabilities			
- Borrowings	19	15	-
- Trade Payables	20		
Total outstanding dues of micro enterprises and small enterprises		38	16
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,711	6,426
- Other Financial Liabilities	17	981	680
Other Liabilities	21	4,793	3,987
Provisions	18	744	687
Current Tax Liabilities (Net)	22	112	83
Total Current Liabilities		11,394	11,879
Total Liabilities		12,632	13,098
Total Equity and Liabilities		38,357	35,492
The accompanying Notes are an integral part of these financial statements.	1 - 46		

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Sampada S Narvankar

Partner

Place: Mumbai

Date: May 22, 2020

For and on behalf of the Board

Pankaj Patel

Chairman

DIN 00131852

Place: Ahmedabad

Date: May 22, 2020

Duraismami Narain

Vice Chairman &
Managing Director and CEO

DIN 03310642

Place: Mumbai

Date: May 22, 2020

Rolf Hoffmann

Executive Director
& CFO

DIN 08460583

Place: Mumbai

Date: May 22, 2020

Nikunj Kumar Savaliya

Company Secretary &
Compliance Officer

Place: Vadodara

Date: May 22, 2020

Statement of Profit and Loss for the year ended March 31, 2020

		₹ in Millions	
	Notes	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Revenue from Operations	23	36,094	31,673
Other Income	24	660	531
Total Income		36,754	32,204
Expenses			
Cost of Materials Consumed	25	17,514	16,239
Purchases of Stock-in-Trade		993	1,059
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	591	(684)
Employee Benefits Expense	27	3,616	3,642
Finance Costs	28	138	104
Depreciation and Amortisation Expense	29	653	438
Other Expenses	30	6,116	6,606
Total Expenses		29,621	27,404
Profit Before Exceptional Items and Tax		7,133	4,800
Less: Exceptional Items [Refer Note 46]			
- Employee separation expenses		992	-
- Amalgamation related expenses		310	-
		1,302	-
Profit Before Tax		5,831	4,800
Tax Expense/ (Credit)	31		
- Current Tax		1,248	1,503
- Deferred Tax		(162)	(74)
		1,086	1,429
Profit for the year		4,745	3,371
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Remeasurement of Defined Benefit Obligation		(201)	(244)
- Tax on remeasurement of Defined Benefit Obligation		19	93
Total Other Comprehensive Income		(182)	(151)
Total Comprehensive Income for the year		4,563	3,220
Earnings Per Share - Basic and Diluted	42	₹ 105.58	₹ 78.46
[Face Value per Equity Share ₹ 10/-]			
The accompanying Notes are an integral part of these financial statements.	1 - 46		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP** For and on behalf of the Board

Chartered Accountants

Sampada S Narvankar
Partner**Pankaj Patel**
Chairman

DIN 00131852

Place: Ahmedabad
Date: May 22, 2020**Duraiswami Narain**
Vice Chairman &
Managing Director and CEO
DIN 03310642Place: Mumbai
Date: May 22, 2020**Rolf Hoffmann**
Executive Director
& CFO
DIN 08460583Place: Mumbai
Date: May 22, 2020**Nikunj Kumar Savaliya**
Company Secretary &
Compliance OfficerPlace: Vadodara
Date: May 22, 2020



Statement of Changes in Equity for the year ended March 31, 2020

		₹ in Millions					
A	Equity Share Capital	Notes	As at 31.03.2020		As at 31.03.2019		
	Balance as at the beginning of the year	15	343		343		
	Changes during the year	15(c)	106		-		
	Balance as at the end of the year		449		343		
B	Other Equity	16					
			Reserves and Surplus				
			Retained Earnings	General Reserve	Capital Redemption Reserve	Securities Premium	Total Other Equity
	Balance as at 01.04.2018		13,521	3,868	52	-	17,441
	Additions pursuant to Scheme of Amalgamation	43	3,999	1,280	-	1,394	6,673
	Adjustments pursuant to Scheme of Amalgamation	43	-	(3,845)	-	-	(3,845)
	Profit for the year		3,371	-	-	-	3,371
	Other Comprehensive Income for the year		(151)	-	-	-	(151)
	Total Comprehensive Income for the year		7,219	(2,565)	-	1,394	6,048
	Transfer to General Reserve		(299)	299	-	-	-
	Transactions with owners in their capacity as owners						
	Dividend declared	39(b)(i)	(1,275)	-	-	-	(1,275)
	Dividend Distribution Tax on Dividend		(269)	-	-	-	(269)
	Balance as at 31.03.2019		18,897	1,602	52	1,394	21,945
	Profit for the year		4,745	-	-	-	4,745
	Other Comprehensive Income for the year		(182)	-	-	-	(182)
	Total Comprehensive Income for the year		4,563	-	-	-	4,563
	Transfer to General Reserve		(330)	330	-	-	-
	Transactions with owners in their capacity as owners						-
	Dividend declared	39(b)(i)	(1,016)	-	-	-	(1,016)
	Dividend Distribution Tax on Dividend		(216)	-	-	-	(216)
	Balance as at 31.03.2020		21,898	1,932	52	1,394	25,276
	The accompanying Notes are an integral part of these financial statements.	1 - 46					

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sampada S Narvankar
Partner

Place: Mumbai
Date: May 22, 2020

For and on behalf of the Board

Pankaj Patel
Chairman

DIN 00131852

Place: Ahmedabad
Date: May 22, 2020

Duraiswami Narain
Vice Chairman &
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DIN 03310642

Place: Mumbai
Date: May 22, 2020

Rolf Hoffmann
Executive Director
& CFO
DIN 08460583

Place: Mumbai
Date: May 22, 2020

Nikunj Kumar Savaliya
Company Secretary &
Compliance Officer

Place: Vadodara
Date: May 22, 2020

Statement of Cash Flow for the year ended March 31, 2020

	₹ in Millions	
	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
A. Cash Flow from Operating Activities:		
Profit Before Tax	5,831	4,800
Adjustments for:		
Exceptional items	1,302	-
Depreciation and Amortisation Expense	653	438
Finance Cost	138	104
Interest income	(192)	(136)
Dividend Income from Investments measured at Fair Value through Profit or Loss	(108)	(147)
Rent income on Investment properties	(91)	(67)
Provisions No Longer Required Written Back	-	(46)
Penal Interest on Overdue Trade Receivables	(53)	(8)
(Profit)/ Loss on tangible assets Sold/ Discarded (Net)	(79)	20
Loss on intangible assets Sold/ Discarded (Net)	12	61
Profit on Sale of Investments	(6)	-
Bad debts	7	5
Provision for Expected Credit Loss on Trade Receivables (Net)	32	58
Inventory write off/ write down	291	340
Unrealised (gain)/ loss on investments measured at Fair Value through Profit or Loss	(1)	-
Reversal of Expected Credit Loss on Deposits	-	(1)
Loss on initial recognition of equity instruments Fair Valued through Other Comprehensive Income	-	48
Unrealised foreign exchange (gain)/ loss (Net)	1	4
	1,906	673
Operating profit before Working Capital changes	7,737	5,473
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	(205)	1,717
(Increase)/ Decrease in Financial Assets	380	20
(Increase)/ Decrease in Other Assets	968	(326)
(Increase)/ Decrease in Inventories	1644	(2,887)
Increase/ (Decrease) in Trade Payables	(1,691)	2,503
Increase/ (Decrease) in Financial Liabilities	16	(73)
Increase/ (Decrease) in Provisions and Other Liabilities	(831)	(52)
Net change in Working Capital	281	902
Cash generated from Operations	8,018	6,375
Taxes paid	(1,359)	(2,047)
Net cash from Operating Activities (A)	6,659	4,328
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(413)	(602)
Proceeds from sale of Tangible/ Intangible Assets	134	57
Acquisition of equity shares of erstwhile Monsanto India Limited	-	(3,960)
(Purchase of)/ Proceeds from sale of Investments	(400)	-
Interest received	201	139
Rent received on Investment Properties	81	72
Dividend received on Current Investments	108	147
Net cash used in Investing Activities (B)	(289)	(4,147)



Statement of Cash Flow for the year ended March 31, 2020 (contd.)

	₹ in Millions	
	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
C. Cash flows from Financing Activities:		
Proceeds from Short Term Borrowings	490	23,899
Repayment of Short Term Borrowings	(475)	(23,899)
Repayment of Lease Liabilities	(243)	-
Interest paid	(24)	(53)
Dividend paid	(1,015)	(1,261)
Dividend Distribution Tax paid	(216)	(269)
Net cash used in Financing Activities (C)	(1,483)	(1,583)
D. Net increase/ (decrease) in Cash and Cash Equivalents (A + B + C)	4,887	(1,402)
E. Cash and Cash Equivalents at the beginning of the year	5,782	4,166
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	3,018
Total Cash and Cash Equivalents at the beginning of the year	5,782	7,184
F. Cash and Cash Equivalents at the end of the year (D+E)	10,669	5,782

	₹ in Millions	
	As at 31.03.2020	As at 31.03.2019
Cash and Cash Equivalents comprise :		
Balances with Banks	7,874	3,228
Short-term Highly Liquid Investments	2,795	2,554
	10,669	5,782

Notes:

- 1) The above Statement of Cash Flow has been prepared under the "Indirect Method" set out in Ind AS 7 - Statement of Cash Flows.
- 2) Short-term Highly Liquid Investments comprise of Investment in Mutual Funds which are highly liquid and have an insignificant risk of change in value.

The accompanying Notes 1 - 46 are an integral part of these financial statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sampada S Narvankar
Partner

Place: Mumbai
Date: May 22, 2020

For and on behalf of the Board

Pankaj Patel
Chairman

DIN 00131852

Place: Ahmedabad
Date: May 22, 2020

Duraiswami Narain
Vice Chairman &
Managing Director and CEO
DIN 03310642

Place: Mumbai
Date: May 22, 2020

Rolf Hoffmann
Executive Director
& CFO
DIN 08460583

Place: Mumbai
Date: May 22, 2020

Nikunj Kumar Savaliya
Company Secretary &
Compliance Officer

Place: Vadodara
Date: May 22, 2020

Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ Millions, unless otherwise stated)

Company Profile

Bayer CropScience Limited ("the Company") is a Company incorporated under the Companies Act, 1956 and having its registered office at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607, India. The Company is engaged in 'Agri Care' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicide and various other agrochemical products and corn seeds. The Company is also involved in sale and distribution of hybrid seeds. Out of the total paid-up share capital of the Company, 71.43% is held by its promoters. The ultimate parent company is Bayer AG, Germany. The Company is listed on the Bombay Stock Exchange, Mumbai. The Company has its own manufacturing site for agrochemical production at Himatnagar and Silvassa and drying and processing stations at Hyderabad and breeding stations at Bengaluru and Udaipur.

1 Significant Accounting Policies

(a) Basis of Preparation

Compliance with Ind AS

The financial statements of the Company are based on the principle of historical cost except for certain financial assets and liabilities and defined benefit plan that are measured at fair value, and are drawn up to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The accounting policies are applied consistently to all the years presented in the financial statements.

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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Million as per the requirement of Schedule III, unless otherwise stated.

(b) Use of Estimates and Judgments

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.

Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment, Investment Properties and Intangible Assets and the recognition of provisions, including those for litigation, employee benefits, refund liabilities and assessment of impact of global health pandemic of COVID-19.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

(c) Foreign Currency Transactions

The financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

(d) Revenue Recognition

Revenue is recognised in accordance with Ind AS 115 - Revenue from Contracts with Customers.

- (i) Revenue from the sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is



Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(d) Revenue Recognition (contd.)

recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer's location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of a right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer.

Revenue is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates, discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development. Sales are reduced on the date of sale or on the date when the amount can be reasonably estimated. A refund liability and a right to recover the returned goods is recognised for the goods expected to be returned.

The Company operates loyalty programs where direct/ indirect customers accumulate points for purchases made which entitles them to free or discounted goods, other than Company's goods. The promise to provide additional points to customers is therefore a separate performance obligation. The transaction price is allocated to the goods and the points on a relative standalone selling price basis. A contract liability for the award points is recognised at the time of sale. Revenue is recognised as sales when obligation is fulfilled based on the points redeemed.

The Company evaluates sales and distribution arrangement with supplier whether it is acting as a principal or an agent of the supplier, considering whether it controls the specified goods before it is transferred to customer and based on factors such as primary responsibility for providing goods to customer, inventory risk and pricing latitude. Where the supplier retains control over the specified goods and the Company performs the function of selling and distribution for a margin within a range by acting as an agent, it recognises only the margin (i.e. sales less material cost) as its revenue from such transactions.

- (ii) 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 and in the accounting period in which the services are rendered.
- (iii) Royalty income is recognised on an accrual basis in accordance and as per terms of agreement.

(e) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

(f) Income Tax

Income taxes comprise the taxes levied on taxable income along with changes in deferred tax assets and liabilities that are recognised in the Statement of Profit and Loss. The income taxes recognised are reflected at the amounts likely to be payable under the statutory regulations in force, or substantively enacted in relation to future periods, at the end of the reporting period.

In compliance with Ind AS 12 - Income Taxes, deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet prepared according to Ind AS and their tax bases.

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(f) Income Tax (contd.)**

Deferred tax assets relating to deductible temporary differences, tax credits or tax loss carryforwards are recognised where it is sufficiently probable that taxable income will be available in the future to enable them to be used. Deferred tax liabilities are recognised on temporary differences taxable in the future.

The probability that deferred tax assets resulting from temporary differences or loss carryforwards can be used in the future, is the subject of forecasts by the Company regarding its future earnings situation and other parameters.

Deferred taxes are calculated at the rates which, on the basis of the statutory regulations in force, or substantively enacted in relation to future periods, as of the closing date, are expected to apply at the time of realisation. Deferred tax assets and deferred tax liabilities are offset if they relate to income taxes levied by the same taxation authority and the Company has a legal right to settle on a net basis. Material effects of changes in tax rates or tax law on deferred tax assets and liabilities are generally accounted for in the period in which the changes are enacted. Such effects are recognised in the Statement of Profit and Loss except where they relate to deferred taxes that were recognised outside the Statement of Profit and Loss, in which case they, too, are recognised in Other Comprehensive Income or directly in Equity.

Deferred and current taxes are recognised in the Statement of Profit and Loss unless they relate to items recognised outside the Statement of Profit and Loss in Other Comprehensive Income or directly in Equity, in which case they, too, are recognised in Other Comprehensive Income or directly in Equity respectively.

(g) Leases

The Company has applied Ind AS 116 - Leases which is effective on or after April 1, 2019. The following is the significant accounting policy related to Lease under Ind AS 116.

Lease contracts in which the Company is the lessee mainly pertain to offices, residential premises, warehouses, vehicles, and plant and machinery. Lease contracts are negotiated individually and

each contain different arrangements on extension, termination or purchase options except in case of vehicle leases. Offices, residential premises and warehouses leases generally contain clauses that prohibit subleasing except with the consent of the lessor.

As a lessee:

As per Ind AS 116, the Company assesses whether a contract contains a lease at inception of the contract. The Company recognises a right-of-use asset and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee except for short-term leases and leases of low value assets. Contracts may contain both lease and non-lease components. The Company has elected practical expedient of not to separate lease and non-lease components and instead account for these as a single lease component in respect lease contracts for certain Buildings and Plant and Machinery.

Lease liabilities are initially measured at present value of future lease payments discounted at the Company's incremental borrowing rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use asset is measured at cost, which is the sum of initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date. The right-of-use asset is depreciated on a straight line basis from the commencement date over the shorter of lease term or useful life of right-of-use asset except certain Plant and Machinery which is depreciated using production unit method. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts



Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(g) Leases (contd.)

may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease payments associated with short-term leases and leases of low value assets are recognised as an Rent expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

When the lease liability is remeasured due to change in contract terms, a corresponding change is made to the carrying amount of right-of-use asset, or is recorded in the profit and loss account if the carrying amount of right-of-use asset is reduced to zero.

Additional information on application of Ind AS 116 and use of practical expedients on first time adoption is provided in Note 44.

For Leases policy as per Ind AS 17, note 2(g) – Significant accounting policies – Leases in the annual report of the Company for the year ended March 31, 2019 can be referred.

As a lessor:

In respect of assets given on operating lease, the lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

There is no change in accounting as a lessor due to adoption of Ind AS 116 Leases.

(h) Cash and Cash Equivalents

Cash and Cash Equivalents comprise balances with banks including demand deposits and other short term highly liquid investments that are subject to an insignificant risk of change in value, are easily convertible into a known amount of cash and have a maturity of three months or less from the date of acquisition or investment.

(i) Inventories

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods

held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses necessary to make the sale.

(j) Investment and Financial Assets

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVPL), transaction costs that are attributable to the acquisition of the financial asset.

Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVPL. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments

There are three measurement categories into which the Company classifies its debt instruments:

At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in Other Income using the effective interest rate method.

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(j) Investment and Financial Assets (contd.)****Fair Value through Other Comprehensive Income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The movements in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in Other Income using the effective interest rate method.

Fair Value through Profit or Loss (FVPL)

Assets shall be measured at FVPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in Other Income.

Equity instruments

Investment in Equity Instruments are classified as FVPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investment in equity instruments which are not held for trading.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The Company applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. The Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of

impairment loss on trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

Financial assets are derecognised when contractual rights to receive cash flows from the financial assets expire or the financial assets are transferred together with all material risks and benefits.

(k) Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks which are not designated as hedges. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised immediately in the Statement of Profit and Loss.

(l) Property, Plant and Equipment

Freehold land is carried at historical cost. Property, plant and equipment is carried at the cost of acquisition or construction and depreciated over its estimated useful life. An impairment loss is recognised in addition if an asset's recoverable amount falls below its carrying amount.

If the construction phase of property, plant and equipment extends over a substantial period of time, the interest incurred on borrowed capital up to the date of completion is capitalised as part of the cost of acquisition or construction in accordance with Ind AS 23 - Borrowing Cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the asset recognition criteria as per Ind AS 16 - Property, Plant and Equipment.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***(l) Property, Plant and Equipment (contd.)**

Significant asset components with different useful lives are accounted for and depreciated separately.

If there are indications that an individual item of property, plant and equipment may be impaired, the recoverable amount is compared to the carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If the recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference. If the reasons for a previously recognised impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The Company, based on internal Management assessment, depreciates property, plant and equipment under straight-line method over following estimated useful lives which are similar to the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of dryers included in plant and equipments. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets Class	Useful lives in years
Buildings (including Roads)	10 to 60
Plant and Equipment#	7 to 15
Furniture and Fixtures	10
Vehicles	8
Office Equipment (including Electrical Installation)	5 to 10
Computers	3 to 6

Based on the technical evaluation, the useful life of the dryers is considered as 20 years as that best represents the period over which the asset is expected to be used.

Depreciation on assets costing ₹ 5,000/- or less is provided at the rate of 100% in the year of acquisition.

The Company has elected to measure all its property, plant and equipment, at their previous GAAP carrying value which has been considered as deemed cost at date of transition i.e. April 1, 2015.

(m) Investment Properties

Investment properties comprise land and buildings not being used for operational or administrative purposes. It is measured using the cost model.

The Company, based on technical assessment made by management expert, depreciates Investment properties under straight-line method over estimated useful lives which are similar to the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

The Company has elected to measure all its investment properties at their previous GAAP carrying value which has been considered as deemed cost at date of transition i.e. April 1, 2015.

(n) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance such as technical knowhow, software or marketing rights. It is capitalised if the future economic benefits attributable to the asset will probably flow to the Company and the cost of acquisition or generation of the asset can be reliably measured. It is amortised from the point at which the asset is available for use.

Intangible assets are recognised at the cost of acquisition or generation less accumulated amortisation and impairment loss, if any. Those with determinable useful life are amortised on a straight line basis over a period of up to three years

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(n) Intangible Assets (contd.)**

for software and ten years for marketing rights. Determination of the expected useful lives of such assets and the amortisation patterns is based on estimates of the period for which they will generate cash flows. An impairment test is performed if there is an indication of possible impairment.

Any impairment losses are recognised in the Statement of Profit and Loss. If the reasons for a previously recognised impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not exceed the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised for the asset in prior years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The Company has elected to measure all its intangible assets at their previous GAAP carrying value which has been considered as deemed cost at the date of transition i.e. April 1, 2015.

(o) Non-Current Assets Held-For-Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss on the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(p) Financial Liabilities

Financial liabilities are initially recognised at fair value if the Company has a contractual obligation to transfer cash or other financial assets to another party. Borrowings and payables are recognised net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled, or has expired.

(q) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for present legal or constructive obligations arising from past events that will probably give rise to a future outflow of resources, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured in accordance with Ind AS 37 - Provisions, Contingent Liabilities and Commitments. Where the cash outflow to settle an obligation is expected to occur after one year, the provision is recognised at the present value of the expected cash outflow. The increase in the provision due to passage of time is considered as Finance Cost. Claims for reimbursements from third parties are separately reflected in other receivables considering they are realisable.

If the projected obligation declines as a result of a change in the estimate, the provision is reversed by the corresponding amount and the resulting income recognised in the expenses in which the original charge was recognised.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.



Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(r) Provision for Employment Benefits

The Company provides post-employment benefits under defined contribution, defined benefit plans, other employee benefits and termination benefits.

The Company has Defined Contribution plans namely Provident Fund and Superannuation Fund which are administered through Government 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. Under Superannuation Fund, applicable to certain employees, 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 LIC. 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 recognised as Employee Benefits Expense in the Statement of Profit and Loss for the year in which they are due.

The Company has a Defined Benefit plan namely Gratuity covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme which is administered by LIC, Aditya Birla Sun Life Insurance Company Limited and Kotak Life Insurance Limited respectively. The present value of provisions for defined benefit plans and the resulting expense are calculated in accordance with Ind AS 19 - Employee Benefits by the Projected Unit Credit Method. The future benefit obligations are valued by an independent actuary at the year-end and spread over the entire employment period on the basis of specific assumptions regarding beneficiary structure and the economic environment. This includes the determination of the discount rate, salary escalation, mortality rate etc. which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the interest rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximating the terms of the related defined benefit obligation.

The fair value of plan assets is deducted from the present value of the defined benefit obligation to determine the net defined benefit obligation.

The effect of re-measurement of the net defined benefit obligation is reflected in the Statement of Comprehensive Income as Other Comprehensive Income. This consists of actuarial gains and losses and the return on plan assets, less the respective amounts included in net interest. Deferred taxes relating to the effects of re-measurements are also recognised in Other Comprehensive Income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost under 'Employee Benefits Expense'.

For Other employee benefits, the effect of re-measurements arising due to experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss as 'Employee Benefits Expense' in the year in which they arise.

The net interest on net obligation for defined benefits and other employee benefits is recognised in the Statement of Profit and Loss as 'Finance Cost' in the year in which it arises.

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(s) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

2 Property, Plant and Equipment [Refer Note 35(a)]

Assets	Cost/Deemed Cost					Depreciation / Amortisation					Net Book Value
	As at 01.04.2019	Additions pursuant to amalgamation [Refer note 43]	Additions	Deletions	As at 31.03.2020	As at 01.04.2019	Additions pursuant to amalgamation [Refer note 43]	For the year	On deletions	As at 31.03.2020	As at 31.03.2020
a) Owned Assets:											
Freehold Land	309 (180)	- (120)	- (9)	- (-)*	309 (309)	- (-)	- (-)	- (-)	- (-)	- (-)	309 (309)
Buildings **	2,227 (1,815)	- (369)	51 (45)	- (2)	2,278 (2,227)	229 (134)	- (48)	64 (47)	- (-)	293 (229)	1,985 (1,998)
Plant and Equipment **	1,352 (497)	- (657)	127 (203)	8 (5)	1,471 (1,352)	405 (156)	- (136)	145 (114)	5 (1)	545 (405)	926 (947)
Furniture and Fixtures	210 (180)	- (34)	47 (3)	-* (7)	257 (210)	94 (60)	- (8)	24 (31)	-* (5)	118 (94)	139 (116)
Vehicles	668 (629)	- (88)	15 (80)	55 (129)	628 (668)	189 (157)	- (8)	82 (90)	34 (66)	237 (189)	391 (479)
Office Equipment (including Computers)	605 (444)	- (98)	74 (85)	15 (22)	664 (605)	388 (239)	- (44)	105 (123)	15 (18)	478 (388)	186 (217)
Owned Assets Total (a)	5,371 (3,745)	- (1,366)	314 (425)	78 (165)	5,607 (5,371)	1,305 (746)	- (244)	420 (405)	54 (90)	1,671 (1,305)	3,936 (4,066)
b) Right of Use Assets: [Refer Note 44]											
Land	10 (1)	- (-)	- (-)	- (-)	10 (1)	- (-)*	- (-)	3 (-)*	- (-)	3 (-)*	7 (1)
Buildings	206 (-)	- (-)	159 (-)	2 (-)	363 (-)	- (-)	- (-)	147 (-)	2 (-)	145 (-)	218 (-)
Plant and Equipment	231 (-)	- (-)	- (-)	- (-)	231 (-)	- (-)	- (-)	49 (-)	- (-)	49 (-)	182 (-)
Vehicles	32 (-)	- (-)	- (-)	- (-)	32 (-)	- (-)	- (-)	12 (-)	- (-)	12 (-)	20 (-)
Office Equipment (including Computers)	1 (-)	- (-)	- (-)	- (-)	1 (-)	- (-)	- (-)	1 (-)	- (-)	1 (-)	- (-)
Right of Use Assets Total (b)	480 (1)	- (-)	159 (-)	2 (-)	637 (1)	- (-)	- (-)	212 (-)	2 (-)	210 (-)	427 (1)
Total (a+b)	5,851 (3,746)	- (1,366)	473 (425)	80 (165)	6,244 (5,372)	1,305 (746)	- (244)	632 (405)	56 (90)	1,881 (1,305)	4,363 (4,067)

a) Deemed cost of leasehold improvements as on April 1, 2015 is Nil i.e. fully depreciated over a period of time and hence the same has not been presented in the above table.

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

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

** Additions to Buildings, Plant and Equipment represent amount of expenditure incurred in the course of its construction.



Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

3 Investment Property

Assets	Cost/Deemed Cost					Depreciation / Amortisation					Net Book Value	
	As at 01.04.2019	Additions pursuant to amalgamation [Refer note 43]	Additions	Deletions	As at 31.03.2020	As at 01.04.2019	Additions pursuant to amalgamation [Refer note 43]	For the year	On deletions	As at 31.03.2020	As at 31.03.2020	
Land	44 (34)	- (10)	- (-)	- (-)	44 (44)	- (-)	- (-)	- (-)	- (-)	- (-)	44 (44)	
Buildings	286 (283)	- (-)	- (3)	- (-)	286 (286)	21 (15)	- (-)	4 (6)	- (-)	25 (21)	261 (265)	
Total	330 (317)	- (10)	- (3)	- (-)	330 (330)	21 (15)	- (-)	4 (6)	- (-)	25 (21)	305 (309)	

- a) Figures shown in brackets are in respect of previous year.
- b) The Company had given Land and portion of a Building on lease under cancellable lease arrangement. Investment properties are distinguished from owner-occupied property based on area covered under lease arrangements. Refer Note 35 for disclosure of contractual obligations to purchase, construct or develop investment properties and for its repairs, maintenance or enhancements respectively.
- c) Amount recognised in Statement of Profit and Loss for investment properties:

Particulars	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Rental Income [Refer Note 24]	44	33
Direct operating expenses from property that generated rental income (including Depreciation)	32	23
Direct operating expenses from property that did not generate rental income	-	10

d) Fair value

	As at 31.03.2020	As at 31.03.2019
Investment properties	583	610

Estimation of fair value:

The fair value of Land and Building under Investment Properties has been determined by an external independent property valuer having recognised professional qualifications. In one case valuation has been performed based on government rates available on the online portal. The current prices in an active market for similar properties has been used to determine fair value of investment properties. The fair value measurement investment properties has been categorised as Level 3 based on the inputs in the valuation.

4 Intangible Assets [Refer Note 35(a)]

Assets	Cost/Deemed Cost					Amortisation					Net Book Value	
	As at 01.04.2019	Additions pursuant to amalgamation [Refer note 43]	Additions	Deletions	As at 31.03.2020	As at 01.04.2019	Additions pursuant to amalgamation [Refer note 43]	For the year	On deletions	As at 31.03.2020	As at 31.03.2020	
Computer Software	99 (87)	- (7)	4 (6)	10 (1)	93 (99)	79 (51)	- (2)	16 (26)	10 (-)*	85 (79)	8 (20)	
Marketing Rights	7 (6)	- (-)	4 (1)	- (-)	11 (7)	1 (-)*	- (-)	1 (1)	- (-)	2 (1)	9 (6)	
Total	106 (93)	- (7)	8 (7)	10 (1)	104 (106)	80 (51)	-* (2)	17 (27)	10 (-)*	87 (80)	17 (26)	

- a) Deemed cost of Goodwill and Technical Knowhow as on April 1, 2015 is Nil i.e. fully amortised over a period of time and hence the same has not been presented in the above table.
- b) Figures shown in brackets are in respect of previous year.

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

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

5 Other Financial Assets

	As at 31.03.2020 Non-Current	As at 31.03.2019 Non-Current	As at 31.03.2020 Current	As at 31.03.2019 Current
(Unsecured, Considered good unless otherwise stated)				
Security Deposits				
- Considered Good	202	186	33	45
- Considered Doubtful	2	2	-	-
	204	188	33	45
Less: Provision for Expected Credit Loss [Refer Note 38(a)(i)]	2	2	-	-
	202	186	33	45
Foreign-exchange Forward Contracts	-	-	-	-*
Accrued Interest Receivable	-	-	18	5
Advance recoverable in cash	-	-	-	67
Other Receivables [includes due from a Private Company in which a Director is a Director Nil (Previous Year 2)]	-*	1	40	351
	202	187	91	468

* Amount is below rounding of norms adopted by Company

6 Income Tax Asset (Net)

	As at 31.03.2020 Non-Current	As at 31.03.2019 Non-Current
Advance payment of Income Tax [Net of Provision for Taxation 14,659 (Previous Year 14,737)]	2,239	2,100
Fringe Benefit Tax [Net of Provision for Taxation 125 (Previous Year 125)]	6	6
	2,245	2,106

7 Deferred Tax Assets/ (Liabilities) (Net)

	Provision for Expected Credit Loss on Trade Receivables, Advances and Security deposits	Liabilities allowed on payment basis	Provision for Defined Benefit Obligations	Disallowances u/s. 40(a)(i) and 40(a)(ia) of the Income Tax Act, 1961	Indexation of Freehold land	Other Expenditure allowable on Merger	Employee Separation Expenses	Others	Depreciation and Amortisation of Assets	Lease Liabilities Component	Total
Balance as on 1.04.2018	80	82	68	37	15	-	-	4	(390)	-	(104)
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	1	21	-	-	-	-	-	-	4	-	26
(Charged)/ credited during the year											
To Statement of Profit and Loss	18	114	(89)	(3)	-	16	-	40	(22)	-	74
To Other Comprehensive Income	-	(2)	95	-	-	-	-	-	-	-	93
Balance as on 31.03.2019	99	215	74	34	15	16	-	44	(408)	-	89
(Charged)/ credited during the year											
To Statement of Profit and Loss	(21)	(104)	(19)	15	2	56	192	(43)	120	(36)	162
To Other Comprehensive Income	-	-	19	-	-	-	-	-	-	-	19
Balance as on 31.03.2020	78	111	74	49	17	72	192	1	(288)	(36)	270



Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

8 Other Assets

	As at 31.03.2020 Non-Current	As at 31.03.2019 Non-Current	As at 31.03.2020 Current	As at 31.03.2019 Current
(Unsecured, Considered good unless otherwise stated)				
Capital Advances	8	17	-	-
Other Advances:				
- Advance to Vendors	-	-	237	229
- Advance payment towards gratuity fund [Refer 18(a)(B)(1)]	-	131	-	-
- Prepaid Expenses	4	10	56	61
- Advance to Employees	21	23	4	5
- Export Benefit Receivable	-	-	166	217
- Balance with Government Authorities				
- Considered Good	219	257	1,190	1,935
- Considered Doubtful	-	-	79	92
	219	257	1269	2027
Less : Provision for Doubtful Advances	-	-	79	92
	219	257	1,190	1935
Right of Return Asset	-	-	467	464
	252	438	2,120	2,911

9 Inventories

	As at 31.03.2020	As at 31.03.2019
(Lower of Cost and Net Realisable Value)		
Raw Materials [includes in transit 1,555 (Previous Year 2,180)]	4,479	5,810
Packing Materials [includes in transit 6 (Previous Year 6)]	303	320
Work-in-progress [includes in transit 34 (Previous Year Nil)]	1,905	1,847
Finished Goods [includes in transit 144 (Previous Year 117)]	2,552	3,152
Stock-in-Trade [includes in transit 105 (Previous Year 163)]	368	417
Stores and Spares	28	24
	9,635	11,570

10 Investments

	As at 31.03.2020	As at 31.03.2019
At Fair value through profit or loss (Unquoted*)		
Investments in Mutual Funds		
14,696,486 (Previous Year Nil) Units of ₹ 13.86 in Invesco India Arbitrage Fund - Direct Plan - Dividend	204	-
19,458,124 (Previous Year Nil) Units of ₹ 10.49 in Tata Arbitrage Fund – Direct Plan – Dividend	204	-
	408	-
Aggregate value of Unquoted Investment	408	-

*As Mutual Funds investments are not listed on stock exchange, they are considered as unquoted investments.

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

11 Trade Receivables [Refer Note 41]

	As at 31.03.2020 Non-Current	As at 31.03.2019 Non-Current	As at 31.03.2020 Current	As at 31.03.2019 Current
Secured, considered good	-	-	100	60
Unsecured, considered good [includes due from a Private Company in which a Director is a Director Nil (Previous Year 12)] [Refer Note (a) and (b) below]	-	-	7,080	6,926
Unsecured, considered doubtful	290	258	55	55
	290	258	7,235	7,041
Less : Provision for Expected Credit Loss [Refer Note 38(a)(i)]	290	258	55	55
	-	-	7,180	6,986

(a) The Company is distributor of Bayer BioScience Private Limited (BBPL) operating in the territory of India and Nepal for distribution of seeds. As the Company is a limited risk distributor in this commercial arrangement, BBPL recognises the risk of overdue receivables to its account. As of March 31, 2020, the Company has certain overdue outstanding receivables towards distribution of seeds to third parties aggregating 5 (Previous Year 4). The Company has recovered this amount from BBPL towards recoupment of loss arising out of the third party overdue for which recovery is less probable. Accordingly, the amount recovered from BBPL is included in "Other Financial Liabilities" in Note 17. As and when the Company recovers any amount against such overdue, or any part thereof, from the respective customers, the Company is required to pay to BBPL such amounts so recovered.

(b) There are no customers with receivables exceeding 5% of total trade receivables

12 Cash and Cash Equivalents

	As at 31.03.2020	As at 31.03.2019
Balances with Banks		
- In Current Accounts	281	649
- in Fixed Deposits (less than 3 months maturity)	7,593	2,579
Short-term highly liquid investments at fair value [Refer Note (a) below]	2,795	2,554
	10,669	5,782

**(a) Investment in Liquid Mutual Funds
Unquoted***

	As at 31.03.2020	As at 31.03.2019
1,140,217 (Previous Year Nil) Units of ₹ 1,080 in Aditya Birla Sun Life Mutual Fund Overnight Direct Plan Growth Fund	1,231	-
Nil (Previous Year 7,838,316) units of ₹ 100 in Birla Sun Life Cash Plus Direct Plan Fund	-	786
533,010 (Previous Year Nil) units of ₹ 1,069 in DSP Overnight Direct Plan Growth Fund	570	-
Nil (Previous Year 7,536,328) units of ₹ 100 in ICICI Prudential Liquid Direct Plan Fund	-	754
Nil (Previous Year 163,698) units of ₹ 1,223 in Kotak Liquid Direct Plan Dividend Option Fund	-	200
239,483 (Previous Year Nil) units of ₹ 107 in Nippon India Overnight Direct Plan Growth Fund	26	-
Nil (Previous Year 532,272) units of ₹ 1,529 in Reliance Liquid Direct Plan Fund	-	814
354,141 (Previous Year Nil) units of ₹ 2,734 in UTI Overnight Direct Plan Growth Fund	968	-
	2,795	2,554

*As Mutual Funds investments are not listed on stock exchange, it is considered as unquoted investments.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***13 Bank Balances other than Cash and Cash Equivalents**

	As at 31.03.2020	As at 31.03.2019
Earmarked balances with banks in unpaid dividend accounts	35	34
Balances held as margin money against guarantees	6	4
Earmarked balances with banks	-*	-*
	41	38

Amount is below the rounding off norm adopted by the Company.*14 Assets Held for Sale**

	As at 31.03.2020	As at 31.03.2019
Land	-	2
Plant & Machinery	-	5
Buildings	-	36
	-	43

15 Equity Share Capital

	As at 31.03.2020	As at 31.03.2019
Authorised		
66,300,000 (Previous Year 46,300,000) Equity Shares of ₹ 10/- each	663	463
Issued, Subscribed and Paid-up Capital:		
44,942,092 (Previous Year 34,333,593) Equity Shares of ₹ 10/- each, fully paid-up	449	343

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) Movement of Issued, Subscribed and Paid-up Equity Share Capital:

	As at 31.03.2020 Number of Shares	As at 31.03.2019 Number of Shares	As at 31.03.2020 Amount	As at 31.03.2019 Amount
Balance as at the beginning of the year	34,333,593	34,333,593	343	343
Add: Shares issued pursuant to amalgamation [Refer Note (c) below and Note 43]	10,608,499	-	106	-
Balance as at the end of the year	44,942,092	34,333,593	449	343

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***15 Equity Share Capital (contd.)**

- c) The Scheme of Amalgamation ('the Scheme') of Monsanto India Limited (MIL) with Bayer CropScience Limited ('BCSL') was approved by Hon'ble National Company Law Tribunal vide its order dated September 13, 2019 ('the NCLT Order'). The certified copy of the NCLT Order was filed with Registrar of Companies on September 16, 2019. Consequently the Scheme become operative from September 16, 2019 ('Effective Date') and effective from April 1, 2019 ('Appointed Date').

In consideration of the amalgamation, the Company issued and allotted 2 (two) equity shares of ₹ 10/- credited as fully paid up shares, for every 3 (three) equity shares of ₹ 10/- in Monsanto India Limited (MIL), to those whose name are recorded in the register of members on September 30, 2019 ('Record date') on receipt of listing approval from BSE.

- d) **Shares bought back during 5 years immediately preceding the Balance Sheet:**

	As at 31.03.2020 Number of Shares	As at 31.03.2019 Number of Shares
Aggregate number of Equity Shares bought back	2,285,408	2,285,408

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

	As at 31.03.2020 Number of Shares	As at 31.03.2019 Number of Shares
Ultimate Holding Company:		
Bayer AG, Germany	3,788,433	3,572,577
Subsidiaries of Ultimate Holding Company:		
Bayer Vapi Private Limited, India	8,039,736	8,039,736
Bayer S.A.S., France	6,618,105	6,618,105
Bayer CropScience AG, Germany	5,354,030	5,354,030
Monsanto Investments India Private Limited, India	6,758,082	-
Monsanto Company, USA	1,544,613	-

- f) **Shareholders holding more than 5% of the aggregate Equity Shares of the Company:**

	As at 31.03.2020 Number of Shares	As at 31.03.2019 Number of Shares
Bayer AG, Germany	3,788,433	3,572,577
Bayer Vapi Private Limited, India	8,039,736	8,039,736
Bayer S.A.S., France	6,618,105	6,618,105
Bayer CropScience AG, Germany	5,354,030	5,354,030
Monsanto Investments India Private Limited, India	6,758,082	-
Aditya Birla Sun Life Trustee Private Limited, India	2,702,432	2,501,289

- g) **Shares reserved for issue under commitment:**

In Monsanto India Limited (MIL/ Transferor Company), there has been a dispute with regards to the transfer of 100 shares, held by a shareholder. In view of the pending dispute, bonus entitlement relating to this 100 shares has been kept in abeyance by the Transferor Company. Pursuant to the amalgamation of MIL with the Company effective from September 16, 2019, the Company shall continue to keep such entitlements in abeyance.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***16 Other Equity**

	As at 31.03.2020	As at 31.03.2019
Reserves and Surplus		
Capital Redemption Reserve [Refer Note (i) below]	52	52
General Reserve [Refer Note (ii) below]	1,932	1,602
Retained Earnings [Refer Note (iii) below]	21,898	18,897
Securities Premium [Refer Note (iv) below]	1,394	1,394
	25,276	21,945

Other Equity

	As at 31.03.2020	As at 31.03.2019
(i) Capital Redemption Reserve [Refer Note (a) below]		
Balance as at the beginning of the year	52	52
Changes during the year	-	-
Balance as at the end of the year	52	52

- (a) It represents transfer from Retained Earnings on buy-back of equity shares by the Company as per the provision of section 69(1) of the Companies Act, 2013.

	As at 31.03.2020	As at 31.03.2019
(ii) General Reserve [Refer Note (a) below]		
Balance as at the beginning of the year	1,602	3,868
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	1,280
Add: Transfer from Retained Earnings	330	299
Less: Adjustments pursuant to Scheme of Amalgamation [Refer Note 43]	-	3,845
Balance as at the end of the year	1,932	1,602

- (a) It represents transfer from Retained Earnings.

	As at 31.03.2020	As at 31.03.2019
(iii) Retained Earnings [Refer Note (a) below]		
Balance as at the beginning of the year	18,897	13,521
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	3,999
Profit for the year	4,745	3,371
Items of Other Comprehensive Income recognised directly in Retained Earnings		
Remeasurement of defined benefit obligation [Refer Note 18(a)(B)(2)(ii)]	(201)	(244)
Tax on remeasurement of defined benefit obligation [Refer Note 7]	19	93
Appropriations		
Dividend [Refer Note 39(b)(i)]	(1,016)	(1,275)
Dividend Distribution Tax on Dividend	(216)	(269)
Transfer to General Reserve	(330)	(299)
Balance at the end of the year	21,898	18,897

- (a) It represents profit earned net of appropriations.

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16 Other Equity (contd.)

	As at 31.03.2020	As at 31.03.2019
(iv) Securities Premium [Refer Note (a) below]		
Balance as at the beginning of the period	1,394	-
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	1,394
Balance at the end of the year	1,394	1,394

(a) It represents premium on issue of shares.

17 Other Financial Liabilities

	As at 31.03.2020 Non-Current	As at 31.03.2019 Non-Current	As at 31.03.2020 Current	As at 31.03.2019 Current
Payable for Capital Purchases [Refer Note 20(a)]	-	1	29	41
Unpaid Dividends [Refer Note (a) below]	-	-	35	34
Deposits from customers	-	-	259	243
Lease liabilities [Refer Note 44]	138	-	297	-
Other liabilities [Refer Note 11(a)]	-	-	361	362
	138	1	981	680

(a) There are no amounts as at year-end which are due for payment to Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

18 Provisions

	As at 31.03.2020 Non-Current	As at 31.03.2019 Non-Current	As at 31.03.2020 Current	As at 31.03.2019 Current
Provision for Employee Benefits:				
- Gratuity [Refer Note (a)(B) below]	147	226	91	65
- Compensated Absences [Refer Note (b) below]	309	429	50	63
- Others [Refer Note (c) below]	280	180	603	559
Other Provisions [Refer Note (d) & (e) below]:				
- Direct Tax Matters [Net of Advance Tax of 150 (Previous Year 150)]	8	8	-	-
- Indirect Tax Matters	17	57	-	-
- Commercial and Other Matters [Net of Payment 5 (Previous Year 5)]	339	318	-	-
	1,100	1,218	744	687

a) Employee Benefit Obligation

Disclosure as required under Ind AS 19 - Employee Benefits:

A. Defined contribution plan:

The Company's defined contribution plans are Superannuation, Employees' State Insurance Scheme and Provident Fund administered by Government authorities/ trustees since the Company has no further obligation beyond making the contributions.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***18 Provisions (contd.)**

The expenses recognised during the year towards defined contribution plans are as detailed below:

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Employer's contribution to Provident Fund	133	112
Employer's contribution to Superannuation Fund	29	36
Total (included in Note 27 - 'Employee Benefits Expense')	162	148

B. Defined benefit obligation:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Company policy multiplied for the number of years of service.

The plan asset for the funded gratuity plan is invested in insurer managed fund administered by Life Insurance Corporation of India ('LIC'), Kotak Life Insurance Limited (Kotak) and Aditya Birla Sun Life Insurance Company Limited (Aditya Birla) independently. 85% of the plan asset is invested in debt securities and 15% of the plan asset is invested in equity instruments.

Provisions were established for defined benefit obligations pertaining to gratuity. The net obligation was accounted as follows:

1. Net defined benefit obligation as reflected in Balance Sheet:

	As at 31.03.2020	As at 31.03.2019
Present value of defined benefit obligation	1,127	1,122
Fair value of plan assets	889	1,012
Effect of Asset Ceiling	-	(50)
Net defined benefit obligation [Refer Note (a) below]	238	160

(a) Reflected in Balance Sheet as:

	As at 31.03.2020	As at 31.03.2019
Provision for Gratuity [Refer Note 18]	238	291
Advance payment towards gratuity fund [Refer Note 8]	-	(131)
	238	160

2. The expenses for defined benefit plan for gratuity comprise the following components:**i) Expenses Recognised in the Statement of Profit and Loss**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Current service cost (included in Note 27 - 'Employee Benefits Expense')	69	56
Net interest cost (included in Note 28 - 'Finance Costs')	12	6
Total	81	62

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

18 Provisions (contd.)**ii) Expenses recognised in the Other Comprehensive Income (OCI) [Refer Note 16(iii)]**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Actuarial (Gain) / losses on obligation	199	204
Return on Plan Assets, excluding interest income	52	(10)
Change in Asset Ceiling	(50)	50
Total	201	244

3. The net defined obligation developed as follows:**i) Change in the present value of defined benefit obligation**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening present value of defined benefit obligation	1,122	656
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	213
Current service cost (included in Note 27 - 'Employee Benefits Expense')	69	56
Interest cost (included in Note 28 - 'Finance Costs')	88	59
Transfer of employees (Net)	35	(4)
Benefit paid Directly by the Employer	(8)	-
Benefit paid from the fund	(378)	(62)
Actuarial (gains)/ losses due to:		
- change in demographic assumptions	(3)	(10)
- change in financial assumptions	(65)	(15)
- experience adjustment	267	229
Closing present value of defined benefit obligation	1,127	1,122

ii) Change in the fair value of plan assets

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening fair value of plan assets	1,012	462
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	323
Interest income (included in Note 28 - 'Finance Costs')	76	53
Contributions by the employer	231	226
Benefit paid from the fund	(378)	(62)
Expected return on plan assets (excluding interest income)	(52)	10
Closing fair value of plan assets	889	1,012

**Notes to the financial statements for the year ended March 31, 2020 (contd.)**

(All amounts in ₹ Millions, unless otherwise stated)

18 Provisions (contd.)**iii) Change in net defined benefit obligation**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening net defined benefit obligation	110	194
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	(110)
Current service cost (included in Note 27 - 'Employee Benefits Expense')	69	56
Interest cost (net) (included in Note 28 - 'Finance Costs')	12	6
Transfer of employees (Net)	35	(4)
Contributions by the employer	(231)	(226)
Benefit paid Directly by the Employer	(8)	-
Actuarial (gains)/ losses due to:		
- change in demographic assumptions	(3)	(10)
- change in financial assumptions	(65)	(15)
- experience adjustment	267	229
Expected return on plan assets (excluding interest income)	52	(10)
Closing net defined obligation/ Deficit of funded plan	238	110

4. Risk exposure:

The risks from defined benefit plans arise partly from the defined benefit obligations and partly from the investment in plan assets. The risks lie in the possibility that higher direct gratuity payments will have to be made to the beneficiaries and/ or that additional contributions will have to be made to plan assets in order to meet current and future defined benefit obligations.

i) Demographic risk

The gratuity plan provides a lump sum payment to vested employees at the time of retirement, death, incapacitation or termination of employment. Change in attrition rate or mortality assumption as compared to actual rate may result in change in benefit obligations, benefit expense and/or payments than previously anticipated.

ii) Investment risk

If the actual return on plan assets was below the return anticipated on the basis of the discount rate, the net defined benefit obligation would increase, assuming there were no changes in other parameters. This could happen as a result of a drop in return by LIC, Kotak or Aditya Birla.

iii) Interest rate risk

A decrease in prevailing market yield on Debt securities may increase the defined benefit obligation. This effect would be at least partially offset by the ensuing increase in the market values of the debt instruments held.

5. Measurement parameters and their sensitivities**i) The following parameters were used to measure the obligation**

	As at 31.03.2020	As at 31.03.2019 BCSL	As at 31.03.2019 Erstwhile MIL
Discount rate (per annum)	6.82%	7.54%	7.40%
Expected rate of return on plan assets (per annum)	6.82%	7.54%	7.40%
Attrition rate (per annum)	6 - 15%	5 - 15%	8-14%
Salary escalation rate (per annum)	6.00% p.a. for the next 1 year, Starting from the 2nd year 8.00% p.a. for the next 2 years, and starting from the 4th year 6.00% p.a. thereafter	10% for next 1 year and 8% thereafter	Upto year 2021 : 0.00% Year 2022 onwards : 10.00%

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***18 Provisions Equity (contd.)**

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

- ii) The following parameter sensitivities were computed by an independent actuary which results in increase/ (decrease) in defined benefit obligation:

	As at 31.03.2020	As at 31.03.2019
Delta effect of +0.5% change in discount rate	(36)	(37)
Delta effect of -0.5% change in discount rate	38	40
Delta effect of +0.5% change in salary escalation	38	39
Delta effect of -0.5% change in salary escalation	(36)	(35)
Delta effect of +0.5% change in attrition rate	1	(2)
Delta effect of -0.5% change in attrition rate	(1)	3

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied while calculating the defined benefit obligation recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

6. Defined benefit obligation and employer's contribution

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
i) Expected employer's contribution for the next year	91	65

	As at 31.03.2020	As at 31.03.2019
ii) The weighted average duration of the defined benefit obligation (years)	8	8

- iii) Projected Benefits payable in future years from the date of reporting:

	As at 31.03.2020	As at 31.03.2019
1st Following Year	110	107
2nd Following Year	86	74
3rd Following Year	122	113
4th Following Year	119	138
5th Following Year	119	136
Sum of 6th to 10th Following Year	821	828

**Notes to the financial statements for the year ended March 31, 2020 (contd.)**

(All amounts in ₹ Millions, unless otherwise stated)

18 Provisions (contd.)

- (b) 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.
- (c) Provisions for other employee benefits mainly include those recorded for performance based bonus, variable payments and long-service awards.

(d) Movement in Other Provisions

	Direct Tax Matters	Indirect Tax Matters	Commercial and Other Matters
Balance as at the beginning of the year	8	57	318
	14	57	305
Add: Additional provision (net)	-	2	21
	-	-	13
Less: Provision utilised	-	35	-
	-	-	-
Less: Provision adjusted	-	7	-
	6	-	-
Balance as at the end of the year	8	17	339
	8	57	318

Unbold figures are in respect of previous year.

- (e) Other Provisions represent provision for 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 matters 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 and hence expected utilisation is considered as more than 1 year.

During the year, 21 (Previous Year 13) is recognised under the head Finance Costs [Included in Note 28] as an additional provision towards Commercial and Other Matters.

19 Borrowings

	As at 31.03.2020 Current	As at 31.03.2019 Current
Unsecured:		
8.90% p.a. Working Capital Loan from Bank repayable on demand	15	-
	15	-

20 Trade Payable

	As at 31.03.2020 Current	As at 31.03.2019 Current
Total outstanding dues of micro enterprises and small enterprises [Refer Note (a) below]	38	16
Total outstanding dues of creditors other than micro Enterprises and small enterprises [Refer Notes 41]	4,711	6,426
	4,749	6,442

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***20 Trade Payable (contd.)**

- a. 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 31.03.2020	As at 31.03.2019
(I) (i) Principal amount due and remaining unpaid to any supplier at the end of accounting year [includes payables for Capital Purchases Nil (Previous Year Nil)]	1	6
(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	125	30
(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 0.03 (Previous Year 0.02)

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

21 Other Liabilities

	As at 31.03.2020 Current	As at 31.03.2019 Current
Refund Liabilities		
- Anticipated Sales Returns	946	925
- Discounts payable to Customers	1,675	1,306
	2,621	2,231
Contract Liabilities [Refer Note 23(d)]		
- Advance from Customers	798	916
- Customer Loyalty Programmes	725	379
- Incentive Schemes	321	243
	1,844	1,538
Advance from Customers	-	4
Payable towards Statutory Liabilities	212	134
Payable to Employees	116	80
	4,793	3,987

22 Current Tax Liabilities (net)

	As at 31.03.2020	As at 31.03.2019
Provision for Income Tax	112	83
[Net of Advance Tax 6,257 (Previous Year 4,959)]	112	83

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***23 Revenue from operations**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Sale of Goods [Refer Notes below]	35,190	30,724
Other Operating Revenue:		
Recoveries from Group Companies and Third Parties	800	832
Scrap Sales	71	79
Royalty Income	24	28
Tolling income	9	10
	36,094	31,673

- (a) It includes sales in accordance with a sales and distribution arrangement, net of material cost 4,545 (Previous Year 4,398).
- (b) Disaggregation of revenue recognised from contracts with customers by geographical area is disclosed in Segment Reporting [Refer Note 40].
- (c) Reconciliation of revenue recognised with the Contracted Price is as follows:

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Contracted Price [Refer Note (a) above]	40,490	34,005
Add/ (Less): Adjustments for :		
- Discounts	(4,052)	(2,507)
- Anticipated Sales Return	(936)	(918)
- CLP and Incentive Schemes (Net)	(312)	144
Sale of Goods	35,190	30,724

- (d) The change in Contract Liabilities [Refer Note 21] are as follows:

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Contract Liabilities - Opening	1,538	1,132
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	322
Add: Additions during the year, excluding amounts recognised as revenue during the year	1,829	1,170
Less: Revenue recognised in the current year which was included in Contract Liabilities	1,523	1,086
Contract Liabilities - Closing	1,844	1,538

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***24 Other Income**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Interest Income from Financial Assets at Amortised Cost	162	136
Interest on Tax Refund	30	-
Dividend Income from Investments measured at Fair Value through Profit or Loss	108	147
Export Incentives	50	81
Reversal of Provision for Expected Credit Loss on Deposits [Refer Note 38(a)(i)]	-	1
Rent Income [Refer Note 3(c) and Note 35(b)]	91	67
Provisions No Longer Required Written Back	-	46
Penal Interest on Overdue Trade Receivables	53	8
Foreign Exchange Fluctuations (Net)	-	9
Miscellaneous	80	35
	574	530
Other Gains		
Profit on Tangible Assets sold/ discarded (Net) [Refer Note 14(a)]	79	-
Profit on sale of Investments measured at Fair Value through Profit or Loss	6	-
Fair value gain on Investment measured through Profit or Loss	1	1
	86	1
	660	531

25 Cost of Material Consumed

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Raw Materials:		
Opening Stock	5,810	3,892
Add: Purchases	14,178	15,916
	19,988	19,808
Less: Closing stock	4,479	5,810
Cost of Raw Materials consumed [Refer Note (a) below]	15,509	13,998
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	172
Packing Materials consumed [Refer Note (a) below]	882	844
Seed Grower Payments and Production Cost	1,123	1,225
	17,514	16,239

(a) It includes 25 (Previous Year 11) on account of write off/ down in carrying values of Raw Materials and Packing Materials.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)**

(All amounts in ₹ Millions, unless otherwise stated)

26 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening Stock:		
- Finished Goods	3,152	2,768
- Work-in-progress	1,847	244
- Stock-in-Trade	417	328
	5,416	3,340
Additions pursuant to Scheme of Amalgamation [Refer Note 43]		
- Finished Goods	-	497
- Work-in-progress	-	895
	-	1,392
Closing stock:		
- Finished Goods	2,552	3,152
- Work-in-progress	1,905	1,847
- Stock-in-Trade	368	417
	4,825	5,416
Decrease/ (Increase) in Inventories [Refer Note (a) below]	591	(684)

(a) It includes 266 (Previous Year 329) on account of write off/ write down in carrying values of Inventories.

27 Employee Benefits Expense [Refer Note 32]

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Salaries and Wages	3,225	3,284
Contribution to Provident and Other Funds [Refer Note 18(a)(A)]	162	148
Gratuity [Refer Note 18(a)(B)(2)(i)]	69	56
Staff Welfare Expenses	160	154
	3,616	3,642

28 Finance costs

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Interest on Lease Liabilities [Refer Note 44]	41	-
Interest Others [Refer Note 18(a)(B)(2)(i) and 18(e)]	97	104
	138	104

29 Depreciation and Amortisation Expense

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
- on Property, Plant and Equipment [Refer Note 2]	420	405
- on Right of Use Assets [Refer Note 2]	212	-
- on Investment Properties [Refer Note 3]	4	6
- on Intangible Assets [Refer Note 4]	17	27
	653	438

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***30 Other Expenses [Refer Note 32]**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Consumption of Stores and Spare Parts	24	26
Power and Fuel	140	114
Rent [Refer Note 35(b) and 44]	119	237
Repairs and Maintenance:		
- Plant and Equipment	45	34
- Buildings	39	44
- Others	83	87
	167	165
Insurance	34	31
Rates and Taxes	79	170
Job Work Charges	553	673
Freight Outward and Clearing Charges	822	836
Vehicle expenses and hire charges	69	69
Travelling and Conveyance	432	446
Loss on Disposal of Property, Plant and Equipment (Net)	-	20
Loss on Intangible Assets written off (Net)	12	61
Loss on initial recognition of equity instruments Fair Value through Other Comprehensive Income	-	48
Legal and Professional Fees	998	921
Royalty	146	85
Advertisement, Publicity and Sales Promotion	1,982	2,125
Communication	73	73
Donations [Refer Note 32]	82	138
Bad Debts	7	5
Less: Utilisation of Provision for Expected Credit Loss on Trade Receivable [Refer Note 38(a)(i)]	(7)	(3)
	-	2
Provision for Expected Credit Loss on Trade Receivable [Refer Note 38(a)(i)]	39	61
Foreign Exchange Fluctuations (Net)	11	-
Manpower & Labour Charges	127	97
Miscellaneous [Refer Note (a) below and Note 41(iv)]	207	208
	6,116	6,606

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***30 Other Expenses [Refer Note 32] (contd.)****(a) Payments to Auditor (Included in Miscellaneous expenses):**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
(i) As Statutory Auditor:		
- for statutory audit	6	4
- for limited review	3	2
- for tax audit	1	-*
- for certification	-*	1
(ii) In Other Capacities :		
- audit of group reporting package	2	1
- others	-*	-
	12	8
(i) As Previous Auditor (Payment to Auditor of erstwhile Monsanto India Limited):		
- for statutory audit	-	2
- for limited review	-*	-*
- for tax audit		
(ii) In Other Capacities :		
- others	1	-
(iii) Reimbursement of out-of-pocket expenses	-*	-*
	1	2

Amount is below the rounding off norm adopted by the Company.*31 Tax Expense**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
(a) Current Tax Expenses		
Current Tax on Profits for the year	1,264	1,488
Adjustments for current tax of prior periods	(16)	15
Total Current Tax Expense	1,248	1,503
(b) Deferred Tax Expense		
(Increase)/ Decrease in deferred tax assets	(78)	(97)
Increase/ (Decrease) in deferred tax liabilities	(84)	23
Total Deferred Tax Expense	(162)	(74)
Tax Expense	1,086	1,429

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

31 Tax Expense (contd.)

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Profit Before Tax	5,831	4,800
Tax	1,468	1,677
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Agriculture Income	(387)	(282)
Dividend Income	(27)	(52)
Corporate social responsibility expenditure	21	40
Weighted deduction on research and development expenditure	-	(6)
Adjustment on completion of assessment for earlier years	(16)	15
Change in Tax rate #	(9)	-
Capital gain on sale of land	9	-
Other Items	27	20
Loss on initial recognition of equity instruments Fair Value through Other Comprehensive Income	-	17
Tax Expense	1,086	1,429

The change in tax rate from 34.944% to 25.168% is based on the enacted tax rate by Union Budget 2019.

32 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)

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
a) Gross amount required to be spent by the company during the year	85	119
b) Amount spent during the year on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Donations	82	114
- Employee Benefits Expense	1	1
- Other Expenses	2	4
	85	119

33 Research and Development Expenses

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Research and Development Revenue Expenses (Net of recoveries)	543	577

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***34 Contingent Liabilities****A) Claims against the Company not acknowledged as debts towards:**

	As at 31.03.2020	As at 31.03.2019
- Direct Tax Matters [Refer Note (a) below]	6,477	5,900
- Indirect Tax Matters [Refer Note (b) below]	754	780
- Litigation/ claims filed by customer/ vendor/ third party [Refer Note (c) below]	63	49
- Litigation/ demands raised by other Statutory Authorities [Refer Note (d) below]	25	36

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

- (a) The contingent liability for direct tax matters mainly include issues in dispute relating to exemption of agriculture income. The Company has been consistently maintaining the position that such income is not taxable. This contention has been upheld by the Hon'ble Bombay High Court for the assessment years 1993-94 to 2001-02 and assessment years 2003-04 to 2008-09.

The income tax authorities have filed special leave petitions (SLP) before the Hon'ble Supreme Court against Hon'ble Bombay High Court's order for aforesaid assessment years. The said SLPs have been admitted. Further, during the financial year 2019-20, SLP's for 7 assessment years have been dismissed due to low tax effect and accordingly SLP's for the balance 8 assessment years viz.; 1999-00, 2001-02, 2003-04 to 2008-09 are listed for final hearing before the Hon'ble Supreme Court.

Also similar issue is in dispute before the Hon'ble Income Tax Appellate Tribunal for the assessment years 2002-03, 2009-10 to 2015-16 and before Hon'ble Commissioner of Income Tax (Appeals) for assessment years 2016-17 and 2017-18 respectively.

- (b) The disputed demands for indirect tax matters are mainly due to non-issuance of statutory forms, product classification, incorrect turnover and disallowance of input credit.
- (c) It mainly includes demand for crop failure.
- (d) It mainly includes demand raised towards provident fund.

- B) The Company has received a notice from the Hon'ble Civil Court, Thiruvananthapuram intimating that a suit has been filed against the Company along with 15 other manufacturing companies of Endosulfan, making them jointly and severally liable, for an amount of 1,617 for recovery of amount paid by the State of Kerala to victims of Endosulfan as compensation. The Company is of the view that there is no link between use of Endosulfan and the health problems of the victims and hence it is not liable to the repay the damages/ compensation.

35 Commitments**(a) Capital Commitments**

	As at 31.03.2020	As at 31.03.2019
Property, Plant and Equipment	22	39
Intangible Assets	32	29
	54	68

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***35 Commitments (contd.)****(b) Non-cancellable operating leases**

The Company has taken certain residential flats and offices under non-cancellable operating leases. Some of the arrangements include escalation clause to cover inflation. From April 1, 2019, the Company has recognised Right of use assets for these leases, except for short-term leases, [Refer Note 3(b) and Note 44]. During Previous Year, lease rent amounting to 72 has been recognised under the head Other Expenses- 'Rent' under Note 30.

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

Period	As at 31.03.2019
Not later than one year	52
later than one year and not later than five years	47
Later than five years	-

The Company has entered into cancellable leasing arrangements for office, residential, guest house, vehicles and warehouse premises. During Previous Year, the lease rental of 243 which are equivalent to minimum lease payments has been recognised under the head Other Expenses- 'Rent' under Note 30.

Further, the Company has recovered sub-lease rental of 8 (Previous Year 3) which has been recognised under the head Other Income – 'Rent Income' under Note 24.

The Company has given portion of building, other than classified as investment properties and certain other assets, on operating lease under cancellable lease arrangement during the year. The lease rental aggregating to 39 (Previous Year 31) has been recognised under the head Other Income – 'Rent Income' under Note 24.

(c) Other Commitments

	As at 31.03.2020	As at 31.03.2019
Contractual obligation for future repairs and maintenance on Investment properties	1	1
Value of customs duty in respect of export obligation (against advance licenses) remaining to be met at year end	- *	- *
Dividend on shares in abeyance [Refer Note 15(g)]	- *	1

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

36 Events occurring after the reporting period

Refer Note 39(b)(ii) Capital Management for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)**

(All amounts in ₹ Millions, unless otherwise stated)

37 Fair value measurement**Financial instruments by category:**

	Notes	As at 31.03.2020			As at 31.03.2019		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investments	10	408	-	-	-	-	-
Trade Receivables	11	-	-	7,180	-	-	6,986
Cash and Cash Equivalents	12	-	-	-	-	-	-
Short-term highly liquid investments		2,795	-	-	2,554	-	-
Balances with Banks		-	-	7,874	-	-	3,228
Bank Balances other than cash and cash equivalents	13	-	-	41	-	-	38
Other Financial Assets	5	-	-	293	-	-	655
Total Financial Assets		3,203	-	15,388	2,554	-	10,907
Financial liabilities							
Borrowings	19	-	-	15	-	-	-
Trade Payables	20	-	-	4,749	-	-	6,442
Other Financial Liabilities	17	-	-	1,119	-	-	681
Total Financial liabilities		-	-	5,883	-	-	7,123

Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in Ind AS 113 - Fair Value Measurement. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets	Notes	As at 31.03.2020			As at 31.03.2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial investments at FVPL	12	2,795	-	-	2,554	-	-
Investments	10	408	-	-	-	-	-
Total		3,203	-	-	2,554	-	-

Level 1: It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date.

Level 3: If one or more of the significant inputs is not based on observable market data (Security Deposits), the instrument is included in level 3. The fair value of the security deposits with definite maturity period is determined using discounted cash flow analysis using an adjusted lending rate.

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***37 Fair value measurement (contd.)**

There are no transfers between level 1, level 2 and level 3 during the year.

Assets which are valued at amortised cost for which fair value are disclosed

Financial assets	Note	Carrying Amount	Fair Value (Level 3)
Security Deposits	5		
As at March 31, 2020		235	225
As at March 31, 2019		231	223

The carrying amounts of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Accrued Interest Receivables, Advance recoverable in cash, Other Receivables, Trade Payables, Unpaid Dividends, Deposit from customers, Payable for capital purchases and Other Financial Liabilities are considered to be the same as their fair values, due to their short term nature.

38 Financial Risk Management

The Company has financial opportunities at its disposal in the form of the market prices it can command, and is exposed to financial risks in the form of credit, liquidity and market risks. Market risks include currency, interest rate and price risk. The following paragraphs provide details of these and other financial opportunities and risks and how they are managed.

The management of financial opportunities and risks takes place using established, documented processes. One component is financial planning, which serves as the basis for determining liquidity risk and the future foreign currency and interest-rate risks.

(a) Credit Risk:

Credit risks arise from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations.

To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviors. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk. The surplus funds are invested in bank deposits and mutual fund investments.

(i) Expected Credit Loss (ECL) for Trade Receivables and Deposits:

The Company provides for ECL for trade receivables under simplified approach. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking information.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***38 Financial Risk Management (contd.)**

ECL for deposits are measured considering 12-month's ECL.

Trade Receivables

The Company provides ECL based on following provision matrix:

Credit Risk Category	Description of Category	Gross Trade Receivable	ECL
No Risk	There is no risk of defaults	845	-
		853	-
Negligible Risk	The risk of defaults is negligible	3,905	4
		2,694	1
Low Risk	The probability of defaults is low	1,219	9
		2,097	11
Moderate Risk	The probability of defaults is moderate	1,266	42
		1,397	43
Doubtful Assets	There is no reasonable expectation of recovery	290	290
		258	258
Total		7,525	345
		7,299	313

Unbold figures are in respect of previous year.

Following is the movement in Provision for ECL on Trade Receivables:

	As at 31.03.2020	As at 31.03.2019
Balance as at the beginning of the year	313	226
Additions pursuant to Scheme of Amalgamation [Refer Note 43]	-	29
Add: Additional provision (net)	39	61
Less: Provision utilised	7	3
Balance as at the end of the year	345	313

Deposits

The Company provides ECL based on following provision matrix (Deposits):

Credit Risk Category	Description of Category	Gross Deposits
No Risk	There is no risk of defaults	235
		231
Doubtful Assets	There is no reasonable expectation of recovery	2
		2
Total		237
		233

Unbold figures are in respect of previous year.

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

38 Financial Risk Management (contd.)

Following is the movement in Provision for Expected Credit Loss on Deposits:

	As at 31.03.2020	As at 31.03.2019
Balance as at the beginning of the year	2	3
Add: Additional provision/ (reversal) (net)	-	(1)
Balance as at the end of the year	2	2

(ii) Expected Credit Loss (ECL) for Financial Assets other than Trade Receivables and Deposits:

There is no credit risk on Financial Assets other than mentioned in (i) above from initial recognition. Accordingly, no provision for ECL has been recognised.

(b) Liquidity Risk:

Liquidity risks result from the possible inability of the Company to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the Finance department as a part of day to day and medium term liquidity planning.

The Company's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The Company in addition has set up credit lines with the banks as additional source of funds, if required, for value 3,550 out of which 15 is utilised as on March 31, 2020.

The payment obligations from financial instruments are explained below:

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.

Contractual maturities of Financial Liabilities

	As at 31.03.2020			As at 31.03.2019		
	Less than 3 Months	3 to 12 Months	Total	Less than 3 Months	3 to 12 Months	Total
Trade Payables	4,636	113	4,749	6,374	68	6,442
Other Financial Liabilities (excluding lease liabilities)	684	-	684	680	-	680
	5,320	113	5,433	7,054	68	7,122

Balance due within 12 months equals their carrying balance as the impact of discounting is not significant.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	As at 31.03.2020
Less than one year	318
One to five years	149
More than five years	6
	473

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***38 Financial Risk Management (contd.)****(c) Market Risk:****(i) Currency Risk:**

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods and services are hedged on net basis through forward exchange contracts. Majority of Company's import and export of goods are denominated in INR currency thereby reducing foreign exchange risk to a very large extent.

The Company's exposure to changes in foreign currency is not material.

(ii) Interest Rate Risk:

Interest-rate opportunities and risks result for the Company through changes in capital market interest rates, which in turn could lead to changes in the fair value of fixed-rate financial instruments and changes in interest payments/ income in case of floating-rate instruments.

Interest rate risk arising from borrowing is managed by negotiating fixed coupon interest rates from banks for the entire tenure.

(iii) Price Risk:

The Company is mainly exposed to the price risk due to its investment in mutual funds. In order to manage its price risk arising from investment in mutual funds, the Company diversifies its portfolio based on past performance. The impact of price risk with respect to investment in mutual fund is insignificant.

39 Capital Management**(a) Risk management:**

The Company's objective while managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide optimum returns to the shareholders and to other stakeholders. Further its objective is to maintain an optimal capital structure to reduce the cost of capital.

(b) Dividends:**(i) Equity Shares**

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
BCSL:		
Dividend approved for the year ended March 31, 2019 of ₹ 18.00 (March 31, 2018 ₹ 18.00) per fully paid equity share	618	618
Erstwhile Monsanto India Limited:		
Dividend approved for the year ended March 31, 2019 of ₹ 25.00 (March 31, 2018 ₹ 40.00) per fully paid equity share	398	657

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

39 Capital Management (contd.)**(ii) Dividends not recognised at the end of the reporting period**

	As at 31.03.2020	As at 31.03.2019
BCSL:		
Since year end, the Directors of the Company have recommended a payment of final dividend of ₹ 25.00 per fully paid equity share (March 31, 2019 ₹ 18.00) and dividend distribution tax thereon Nil (March 31, 2019 127).	1,124	618
Erstwhile MIL:		
Since previous year end, the Directors of the Company had recommended a payment of final dividend of ₹ 25.00 per fully paid equity share and dividend distribution tax thereon 89.	-	398
The proposed dividend is subject to approval of shareholders in ensuing Annual General Meeting		

40 Segment Reporting

The Vice Chairman & Managing Director & CEO, and Executive Director & CFO are identified as Chief Operating Decision Maker of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have determined "Agri Care" as its operating Segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all as reflected in the Financial Statement as at and for the year ended March 31, 2020.

Geographical Information

	As at 31.03.2020	As at 31.03.2019
(a) Revenue from external customers		
(i) attributed to the Company's country of domicile, India	34,267	28,381
(ii) attributed to all foreign countries		
- Germany	1,015	1,923
- Others	812	1,369
	36,094	31,673
(b) Revenues from transactions with a single customer in no case exceeded 10% of the Company's sales in current as well as previous year.		
(c) Non-current assets (excluding Deferred/ Current Tax and Financial Assets)		
	As at 31.03.2020	As at 31.03.2019
(i) located in the Company's country of domicile, India	5,496	5,312
(ii) located in all foreign countries	-	-
	5,496	5,312

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***41 Related Party Transactions**

Sr. No.	Name of the related party	Country of incorporation	% Equity interest	
			As at 31.03.2020	As at 31.03.2019
i)	Ultimate Holding Company:			
	Bayer AG	Germany	8%	10%
ii)	Entities under Common Group Control **:			
	Bayer (China) Limited, China			
	Bayer (Proprietary) Limited, South Africa			
	Bayer (South East Asia) Pte. Ltd., Singapore			
	Bayer BioScience Private Limited, India			
	Bayer Business and Technology Services LLC, U.S.A.			
	Bayer Business Services GmbH, Germany			
	Bayer Business Services Philippines Inc., Philippines			
	Bayer CropScience (China) Co. Ltd., China			
	Bayer CropScience AG, Germany			
	Bayer CropScience Inc., Philippines			
	Bayer CropScience Limited, Bangladesh			
	Bayer CropScience LP, U.S.A.			
	Bayer CropScience Ltd, Korea			
	Bayer CropScience Schweiz AG, Switzerland			
	Bayer Direct Services GmbH, Germany			
	Bayer HealthCare Pharmaceuticals Inc., U.S.A.			
	Bayer Holding Ltd., Japan			
	Bayer Intellectual Property GmbH, Germany			
	Bayer Pakistan (Private) Limited, Pakistan			
	Bayer Pharmaceuticals Private Limited, India			
	Bayer Philippines Inc., Philippines			
	Bayer S.A., Chile			
	Bayer S.A.S., France			
	Bayer Seeds Private Limited, India (upto August 16, 2018)			
	Bayer Thai Company Limited, Thailand			
	Bayer Vapi Private Limited, India (the Enterprise in respect of which, the Company is an Associate)			
	Bayer Vietnam Ltd., Vietnam			
	Bayer Zydus Pharma Private Limited, India			
	Covestro (India) Private Limited, India (upto May 4, 2018)			
	Maharashtra Hybrid Seeds Company Private Limited, India (effective from June 7, 2018)			
	Monsanto Company, U.S.A. (effective from June 7, 2018)			
	Monsanto Holdings Private Limited, India (effective from June 7, 2018)			
	Monsanto Investments India Private Limited, India (effective from June 7, 2018)			
	Monsanto Nigeria, Nigeria (effective from June 7, 2018)			
	Monsanto Thailand Ltd, Thailand (effective from June 7, 2018)			
	PT. Bayer Indonesia, Indonesia			

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

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

41 Related Party Transactions (contd.)**A. The transactions with related parties:**

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Sale of goods				
Bayer AG	816	1,727	-	-
Bayer BioScience Private Limited	-	-	16	29
Bayer Vapi Private Limited	-	-	-*	-*
Others	-	-	537	992
Recoveries made				
Bayer AG	81	130	-	-
Bayer BioScience Private Limited	-	-	118	129
Bayer Vapi Private Limited	-	-	282	265
Monsanto Company	-	-	-	16
Others	-	-	476	538
Rental Income				
Bayer BioScience Private Limited	-	-	3	2
Bayer Vapi Private Limited	-	-	6	7
Others	-	-	83	41
Purchase of Goods				
Bayer AG	9,550	11,632	-	-
Bayer BioScience Private Limited#	-	-	4,280	4,532
Bayer Vapi Private Limited	-	-	299	614
Monsanto Company	-	-	749	1,081
Others	-	-	12	34

The amount is disclosed on gross basis, against which revenue is recognised at margin (sales less material cost) since the Company is acting as an agent in substance.

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Professional/ Support Charges incurred				
Bayer AG	4	5	-	-
Bayer Vapi Private Limited	-	-	14	6
Monsanto Company	-	-	80	8
Others	-	-	737	762
Rent Expense				
Bayer BioScience Private Limited	-	-	11	15
Bayer Vapi Private Limited	-	-	-*	1
Monsanto Company	-	-	-*	-
Others	-	-	2	15
Payment towards Lease Liabilities				
Bayer BioScience Private Limited	-	-	9	-
Bayer Vapi Private Limited	-	-	1	-
Others	-	-	1	-



Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

41 Related Party Transactions (contd.)

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Royalty Expense				
Bayer CropScience AG	-	-	11	9
Monsanto Company	-	-	135	76
Dividend paid				
Bayer AG	72	72	-	-
Bayer CropScience AG	-	-	96	96
Bayer Vapi Private Limited	-	-	145	145
Monsanto Company	-	-	58	93
Others	-	-	373	525
Sale of Fixed Assets				
Bayer BioScience Private Limited	-	-	-	-*
Bayer Vapi Private Limited	-	-	-*	1
Others	-	-	2	2
Purchase of License of Duty Credit Scrips				
Bayer BioScience Private Limited	-	-	40	46
Bayer Vapi Private Limited	-	-	122	218
Purchase of Fixed Assets (including Capital work-in-progress)				
Others	-	-	2	-*
Recoupment of losses towards overdue trade receivables [Refer Note 11(a)]				
Bayer BioScience Private Limited	-	-	5	4
Repayment against recoupment of losses towards overdue trade receivables [Refer Note 11(a)]				
Bayer BioScience Private Limited	-	-	-	8
Employee related liability paid/ payable on transfer of employees				
Others	-	-	16	5
Employee related liability taken over on transfer of employees				
Bayer BioScience Private Limited	-	-	35	1
Bayer Vapi Private Limited	-	-	2	-
Others	-	-	27	-*

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

Notes to the financial statements for the year ended March 31, 2020 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

41 Related Party Transactions (contd.)**B. Outstanding balances of related parties:**

	As at 31.03.2020	As at 31.03.2019
Party referred to in (i) above		
Outstanding Receivables	93	132
Outstanding Payables	1,891	3,182
Parties referred to in (ii) above		
Outstanding Receivables		
Bayer BioScience Private Limited	22	371
Bayer Vapi Private Limited	-	39
Monsanto Company	7	-
Others	193	157
Outstanding Payables		
Bayer BioScience Private Limited	360	788
Bayer Vapi Private Limited	7	91
Monsanto Company	627	718
Others	285	60

iii) Employee Benefits Plans where significant influence exists

Bayer CropScience Limited Employees Group Gratuity-cum-Life Assurance Scheme
Bayer CropScience Limited Managerial Employees Superannuation Scheme

The transactions with entities where significant influence exists of (iii) above and outstanding balances:

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Contributions during the year		
Bayer CropScience Limited Employees Group Gratuity-cum-Life Assurance Scheme	230	226
Bayer CropScience Limited Managerial Employees Superannuation Scheme	29	30

iv) Key management personnel:

Name	Designation
- Mr. Pankaj Patel	Chairman
- Mr. Richard van der Merwe	Vice Chairman & Managing Director and CEO (upto November 15, 2018)
- Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO (from December 1, 2018)
- Mr. Ulrich Stefer	Executive Director & CFO (upto May 31, 2019)
- Mr. Rolf Hoffmann	Executive Director & CFO (from June 1, 2019)
- Mr. A.K.R. Nedungadi	Non-executive Director (upto April 30, 2018)
- Ms. Ketaki Bhagwati	Non-executive Director (from January 15, 2019)
- Mr. Sharad Kulkarni	Non-executive Director (upto March 31, 2019)
- Mr. Vimal Bhandari	Non-executive Director (upto March 31, 2019)
- Mr. Sekhar Natarajan	Non-executive Director (from October 1, 2019)

**Notes to the financial statements for the year ended March 31, 2020 (contd.)**

(All amounts in ₹ Millions, unless otherwise stated)

41 Related Party Transactions (contd.)

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Remuneration to key management personnel		
Short term employee benefits	198	99
Other long-term employee benefits	26	16
	224	115
Directors' Sitting Fees (included in Note 30 Other Expenses - Miscellaneous expenses)	1	2
Commission to Non-Executive Directors (included in Note 30 Other Expenses - Miscellaneous expenses)	5	4

v) Terms and conditions

There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at the year end are unsecured and interest free, and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2020 and March 31, 2019.

42 Earning Per Share

Earnings per share are determined according to Ind AS 33 - Earnings per Share by dividing Profit after tax attributable to shareholders of the Company by the weighted average number of equity shares outstanding during the financial year

	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Profit For the year	4,745	3,371
Weighted average number of equity shares outstanding at year end	44,942,092	42,965,714
Nominal Value Per Equity Share (in ₹)	10	10
Earnings Per Share (net of tax) [Basic and Diluted] (in ₹)	105.58	78.46

43 Amalgamation of Monsanto India Limited (MIL):

- Monsanto India Limited (MIL) was engaged in business of production and sale of chemicals and hybrid seeds. It has a chemical production unit at Silvassa, hybrid seeds drying and processing unit at Hyderabad and breeding stations at Bangalore and Udaipur.
- The Scheme of Amalgamation ('the Scheme') of Monsanto India Limited (MIL) with Bayer CropScience Limited ('BCSL') was approved by Hon'ble National Company Law Tribunal vide its order dated September 13, 2019 ('the NCLT Order'). The certified copy of the NCLT Order was filed with Registrar of Companies on September 16, 2019. Consequently the Scheme has become operative from September 16, 2019 ('Effective Date') and effective from April 1, 2019 ('Appointed Date').

The Company has accounted the amalgamation as per Appendix C of Ind AS 103 – 'Business Combinations' as common control transaction from June 7, 2018, the date on which common control was achieved by Bayer AG because of global acquisition of Monsanto Company, USA. Accordingly, the statement of profit and loss for the year ended March 31, 2020 include Profit of erstwhile MIL for the year whereas the statement of profit and loss for the year ended March 31, 2019 includes results of erstwhile MIL from June 7, 2018 and therefore these are not comparable.

Notes to the financial statements for the year ended March 31, 2020 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***43 Amalgamation of Monsanto India Limited (MIL): (contd.)**

In consideration of the amalgamation, BCSL has allotted 2 (two) equity shares of ₹ 10/- each credited as fully paid up shares of BCSL, for every 3 (three) equity shares of ₹ 10/- each in MIL, to those whose name are recorded in the register of members on September 30, 2019 ('Record date') on receipt of listing approval from BSE on November 14, 2019.

All assets and liabilities of the erstwhile MIL have been transferred to and vested in the Company at its carrying value w.e.f June 7, 2018 and the excess of face value of the new shares allotted and the carrying amount of investments in erstwhile MIL over the net value of assets, liabilities and reserves of erstwhile MIL amounting to 3,845 has been debited to General Reserve.

44 Impact of first time adoption of Ind AS 116:

Effective April 1, 2019, the Company has adopted Ind AS 116 – Leases using the modified retrospective method. Under modified retrospective approach, the Company has recorded lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17. The weighted average incremental borrowing rate for leases initially recognised upon the first-time application of Ind AS 116 was 8.34%. The Company applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The adoption of Ind AS 16 did not have any material impact on Statement of profit and loss and earnings per share.

The Company exercised the option of exempting intangible assets from the scope of application of Ind AS 116 and applying the exemptions for short-term leases for the year ended March 31, 2020.

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- Relied on previous assessments on whether leases are onerous as at April 1, 2019
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Presentational changes:

The first-time application of Ind AS 116 as of April 1, 2019, resulted in the recognition of lease liabilities of 464 and Right-of-use assets of 480 adjusted by the amount of prepaid lease payments of 16.

In the Statement of Profit and Loss, the Company recognised the depreciation of the right-of-use assets and the interest expense for the lease liabilities under Ind AS 116 instead of Rent expenses for operating leases in Other Operating Expenses as per Ind AS 17.

In the Statement of Cash Flows, Ind AS 116 had a positive effect on the operating cash flow by reducing cash outflows from operating activities, while the repayment component of lease payments and the interest expense are recognised in cash outflows from financing activities.

**Notes to the financial statements for the year ended March 31, 2020 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***44 Impact of first time adoption of Ind AS 116: (contd.)**

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liabilities as accounted as at April 1, 2019 is primarily on account of discounting the lease liabilities to the present value as per IND AS 116, practical expedients exercised for short term leases, inclusion of extension and termination options reasonably certain to be exercised and inclusion of the commitments for the leases of erstwhile MIL pursuant to amalgamation.

The Company has recognised 119 towards expenses for short term leases in Statement of Profit and Loss. For details of cash outflows related to repayment of lease liabilities, refer Statement of Cash flow.

- 45** In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted. The Company has resumed operations in a phased manner as per government directives. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of current assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these financial results. Given the uncertainties associated with pandemic's nature and duration, the actuals may differ from the estimates considered in these financial statements. The Company continues to closely monitor the rapidly changing situation.

46 Exceptional items consist of:

- (i) Expense in relation to separation of employees arising from restructuring measures due to amalgamation of Monsanto India Limited with Bayer CropScience Limited and Bayer 2022 global efficiency program.
- (ii) Amalgamation related expenses i.e. stamp duty, professional/ consulting fees and other costs.

Signature to Notes 1 to 46

For and on behalf of the Board**Pankaj Patel**

Chairman

DIN 00131852

Place: Ahmedabad

Date: May 22, 2020

Duraiswami NarainVice Chairman &
Managing Director and CEO

DIN 03310642

Place: Mumbai

Date: May 22, 2020

Rolf HoffmannExecutive Director
& CFO

DIN 08460583

Place: Mumbai

Date: May 22, 2020

Nikunj Kumar SavaliyaCompany Secretary &
Compliance Officer

Place: Vadodara

Date: May 22, 2020

FACTS

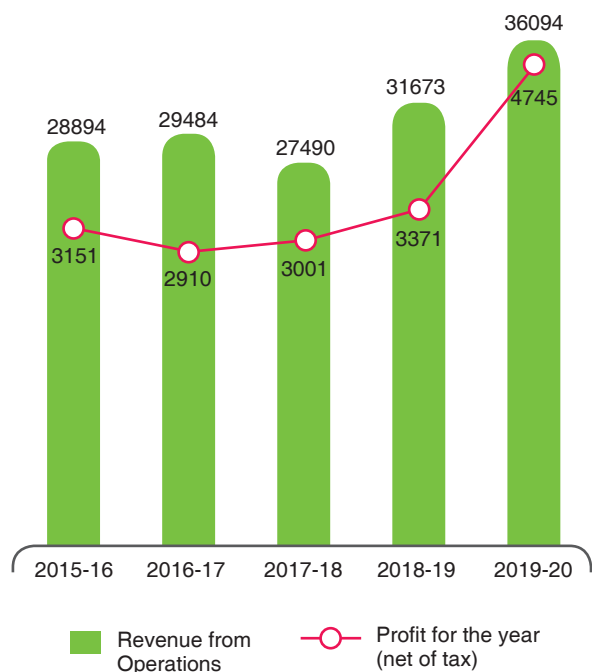
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
₹ in Millions										
Revenue from Operations (Net)	21,373	22,723	27,253	32,452	37,233	28,894	29,484	27,490	31,673	36,094
Profit Before Tax	1,988	2,044	15,632	4,408	5,735	4,816	4,479	4,038	4,800	5,831
Net Cash from Operating Activities	1,223	1,067	1,383	2,815	2,004	2,065	1,573	1,214	4,328	6,659
Dividend (including interim dividend) for the year	158	166	197	201	769	601	601	618	1,275	1,016
Dividend %	40%	42%	50%	55%	210%	170%	170%	180%	284%	226%
Share Capital	395	395	395	366	366	354	354	343	449	449
Reserves and Surplus	6,335	7,532	18,918	17,057	19,963	18,040	20,213	17,440	21,945	25,276
Borrowings	1,085	-	-	-	-	-	-	-	-	15
Gross Block	5,531	4,738	5,414	6,958	4,346	3,628	4,166	4,517	6,759	7,237
Net Block	3,537	2,566	3,457	4,446	3,224	3,384	3,661	3,705	4,874	5,244
Net Current Assets	5,204	4,861	15,562	12,583	16,917	14,995	16,911	14,142	15,876	18,750
Employee Benefits Expense	1,566	1,553	1,810	2,040	2,269	2,207	2,451	2,639	3,642	3,616
Number of Employees	1,102	1,147	1,181	1,217	1,043	1,057	1,126	1,148	1,389	1,230
₹										
Earnings Per Share (on the basis of profits after tax)	33.30	35.19	294.11	75.14	104.59	87.34	82.31	86.16	78.46	105.58
Book Value per Share	170.38	200.70	488.95	475.79	555.15	520.28	581.74	517.95	498.29	572.4
Share Price at Stock Exchange										
— High	1,173.00	999.00	1,341.80	1,829.20	3,819.90	4,234.00	4,627.00	5,050.00	4,747.45	4,505.65
— Low	635.15	673.05	749.00	1,065.05	1,384.55	3,115.00	3,620.00	3,739.05	3,755.55	2,991.30
Number of Shareholders	21,251	21,431	20,865	19,138	20,647	20,412	22,176	45,744	45,369	58,971

Notes:

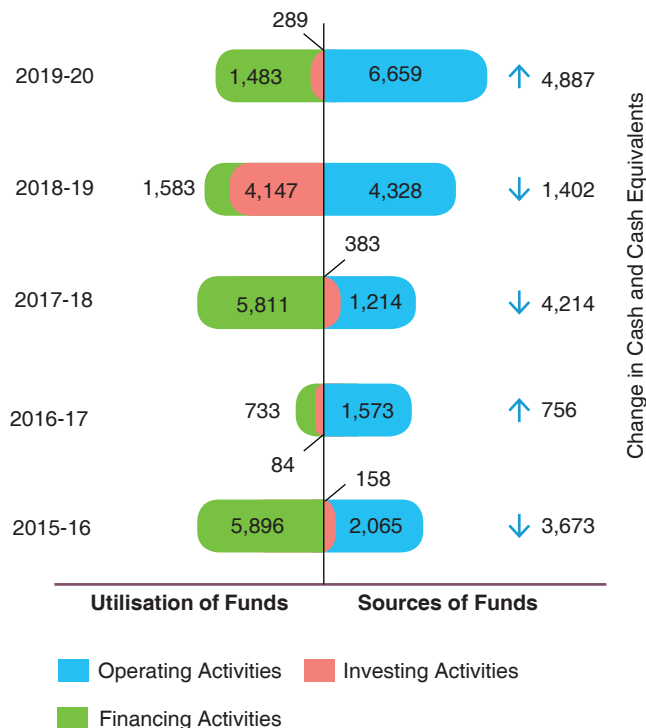
- Figures from FY 2015-16 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- Pursuant to scheme of amalgamation of Monsanto India Limited (MIL) with Bayer CropScience Limited, the figures for FY 2018-19 include figures of erstwhile MIL from June 7, 2018. Share capital as on March 31, 2019 include shares pending issuance of ₹ 106 Million.
- Figures have been regrouped wherever necessary.

Performance Highlights

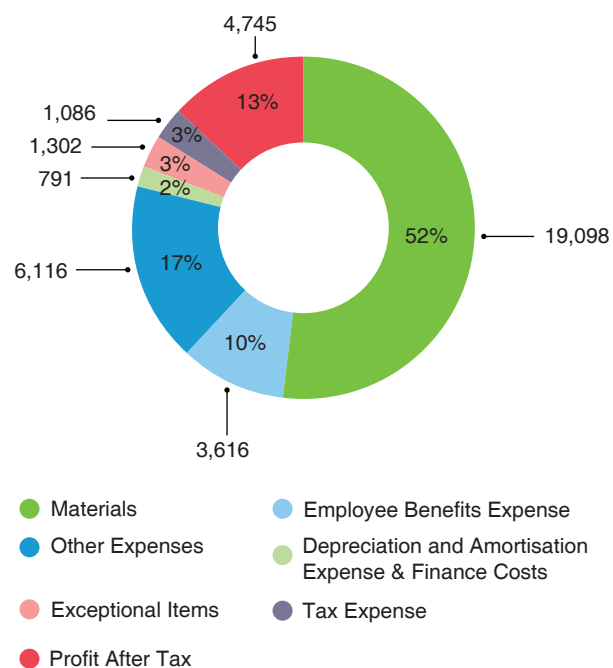
REVENUE FROM OPERATIONS & PROFITABILITY (₹ in Million)



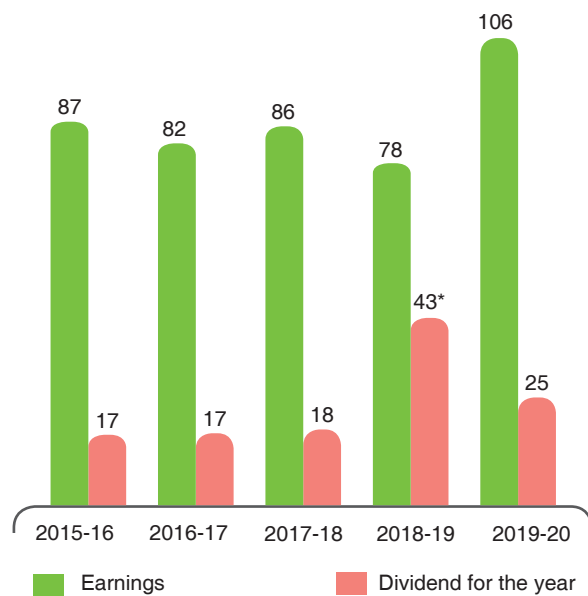
CASH FLOW (₹ in Million)



DISTRIBUTION OF INCOME 2019-20 [₹ in Million (%)]



EARNINGS & DIVIDEND PER SHARE (₹)



*it includes ₹ 25 paid to shareholders of erstwhile MIL

Notes:

Pursuant to scheme of amalgamation of Monsanto India Limited (MIL) with Bayer CropScience Limited, the figures for 2018-19 include figures of erstwhile MIL from June 7, 2018.



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