



ANNEXURE II

The financial details and capital evolution of the transferee /resulting company and transferor /diverged companies for the previous 3 years as per the audited statement of Accounts

Name of the Company: Bayer CropScience Limited

(INR In Million)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2017-18 (Ind AS)	2016-17 (Ind AS)	2015-16 (Ind AS - restated)
Equity Paid up Capital	343	354	354
Reserves and surplus	17,440	20,213	18,000
Carry forward losses	-	-	-
Net Worth	17,783	20,567	18,394
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	3,705	3,661	3,384
Income from Operations	27,490	29,484	28,894
Total Income	27,878	30,185	29,711
Total Expenditure	23,840	25,706	24,895
Profit before Tax	4,038	4,479	4,816
Profit after Tax	3,001	2,910	3,151
Cash profit (Profit after tax + Depreciation)	3,332	3,199	3,398
EPS in INR	86.16	82.31	87.34
Book value in INR	517.95	581.74	520.28

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Bayer CropScience Ltd
CIN: L2A210MHY368PLC01111

Registered and Corporate Office:
Bayer House
Central Avenue
Humboldt Estate
Tums (West) - 400 601
Munich, India

Tel: +91 22 2531 1224

www.bayer.in
www.cropscience.bayer.com

For Bayer CropScience Limited

Ulrich Stefer



Ulrich Stefer
Executive Director & Chief Financial Officer

November 19, 2018

Thane

PS

Bayer CropScience Limited

60th

Annual Report

April 2017 – March 2018

Report of the Board
for the Financial Year ended 31 March 2018

With the
Board of Directors, Executive Management
and Supervisory Board



PRODUCT LAUNCHES: 2017-18

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CROP PROTECTION



Sivanto Zorro

This innovative formulation has been developed to protect against a wide range of sucking and chewing pests. It is a unique combination of the most effective ingredients, which, when applied, protect the plant from the start of the growing season.

Mavento 100

This innovative formulation is designed to protect the plant from a wide range of sucking and chewing pests. It is the only product on the market which contains a unique combination of the most effective ingredients, which, when applied, protect the plant from the start of the growing season.



Regent Ultra

Regent Ultra is a unique formulation of the most effective ingredients, which, when applied, protect the plant from the start of the growing season. It is a unique combination of the most effective ingredients, which, when applied, protect the plant from the start of the growing season.

Regent Ultra

Regent Ultra is a unique formulation of the most effective ingredients, which, when applied, protect the plant from the start of the growing season. It is a unique combination of the most effective ingredients, which, when applied, protect the plant from the start of the growing season.



Sivanto Zorro

A unique formulation of the most effective ingredients, which, when applied, protect the plant from the start of the growing season. It is a unique combination of the most effective ingredients, which, when applied, protect the plant from the start of the growing season.

SEEDS



AZ 6633

AZ 6633 is a unique formulation of the most effective ingredients, which, when applied, protect the plant from the start of the growing season. It is a unique combination of the most effective ingredients, which, when applied, protect the plant from the start of the growing season.

ENVIRONMENTAL SCIENCE

Maxiarco Quantum

Maxiarco Quantum is a unique formulation of the most effective ingredients, which, when applied, protect the plant from the start of the growing season. It is a unique combination of the most effective ingredients, which, when applied, protect the plant from the start of the growing season.



SOCIAL COMMITMENT

With our core business, we have a major impact on societal development. At the same time, we depend on stable social framework conditions and an innovation-friendly business environment. For us, it is therefore important to contribute towards society's future viability and create value in diverse ways. Within the scope of our social commitment, we thus make targeted strategic investments in the areas of science and education, health, social needs and community projects. This commitment is an integral element of Bayer's corporate policy. Bayer's Corporate Social Engagement (CSE) initiatives focus on people embarking on new approaches to problemsolving in the sciences in the key areas of health,

education and basic social needs, with the goal of sustainably improving living conditions. We are actively moving away from the terms 'obligation' and 'responsibility' to a more inclusive term: 'Societal Engagement' - while referring to Corporate Social Responsibility (CSR) activities.

The new Social Engagement model (CSE) is aligned to three of seventeen UN Sustainable Development Goals (SDGs) in the areas of health, nutrition and innovation. Bayer endeavours to be a catalyst for change by creating a 'platform for pioneers' and providing financial support, power and knowledge to people who innovate.

Initiated by Bayer, CSE now focuses on four thematic areas:

Empowering Women

Fostering Education

Fostering Rural Development

Preventive Health & Sanitation

Some of our key CSE projects from 2017-18 include:



Program for Primary Prevention of Sexual Violence (PPPSV) - 'NO' App launch

Sexual violence leads to a variety of psychological and psychosomatic disorders and must therefore be regarded as a public health issue affecting the entire society. In this context, the 'NO' App is developed with the objective to prevent sexual violence in the community through deterrence. The development of 'NO' App is a vital aspect of Program for Primary Prevention of Sexual Violence (PPPSV), a collaborative initiative of King Edward Memorial Hospital Research Centre, Pune, Institute of Sexology and Sexual Medicine, Charité, University Clinic of Berlin, Bayer India and an advisory council of experts from India.

The program aims to prevent sexual violence against women and children in India. 'NO' App works with a simple functionality of a geolocation based reporting system. It reaches out to other users in the immediate vicinity with location details, who can then navigate to the spot to become supportive bystanders. This feature of 'NO' App is available for all women in India. For Pune residents, any distress call will also be reported to the police in real time with the location of the incident.

Additionally, there is also a call-center that will work 24/7 to support distress calls swiftly and efficiently. This is a free application backed by "Maharashtra Police".

The "NO" App is available in Play Store.
Type "No NEMSRC" or follow the link:
www.notosexualviolence.org.

Samagra Krishi

Livelihood Support Program focuses on helping small and marginal farmers move away from subsistence farming to smaller, commercial agriculture through the use of technology. The program is working towards enhancing information flow, providing key linkages between Government-sponsored services, markets and farmers. The project has been successfully implemented in 3 blocks covering more than 10,000 direct and indirect beneficiaries in East Champaran district in Bihar. The main objectives of the program are improving productivity of small and marginal farmers to sustain their livelihoods and to improve their levels of food security.



Agriculture Fellowship

Discovering Hands

Pioneering spirit is the central aspect of Bayer's Corporate Societal Engagement Initiatives keeping in tune with its mission statement - Science for a Better Life. As an inspired extension, Bayer Group in India has endeavored an innovative CSE project - Discovering Hands - that aims to make a positive difference to the area of breast cancer as well as to lend a helping hand for the visually impaired.

These women are trained to deliver physical breast examinations at

doctors' clinics for which they undergo a nine-month training period on how to use a standardized diagnostic method for examining the female breast. After undergoing this training, they are certified as 'Medical Tactile Examiners (MTEs)' and are also trained in communication skills and administrative tasks typically carried out by a doctor's assistant.

In India, the program has entered the second phase of implementation. We are working closely with our NGO partner - National Association for the Blind. Training of the first batch of MTEs comprising 8 students has been completed. The MTEs are now doing internship at one of the reputed cancer specialty hospital Medanta - The Medicity in Gurgaon, India.



Village Training Program

Village Training Program (VTP) is a highly impactful activity for Bayer Group in India. It is a community-based program that aims to improve the health and well-being of the rural population. The program focuses on providing training and support to the community health workers (CHWs) who are the backbone of the primary health care system in rural areas. The program also aims to provide access to essential health services and to promote the use of modern health care services.

The new Village Training Program (VTP) is a highly impactful activity for Bayer Group in India. It is a community-based program that aims to improve the health and well-being of the rural population. The program focuses on providing training and support to the community health workers (CHWs) who are the backbone of the primary health care system in rural areas. The program also aims to provide access to essential health services and to promote the use of modern health care services. The program is a key part of Bayer's commitment to social responsibility and to improving the health and well-being of the community.



RVJ School

The RVJ School is a community health school that provides a unique opportunity for students to learn about health and medicine. The school is located in a rural area and is open to all children in the community. The school is run by a team of health professionals and is supported by the RVJ Foundation. The school provides a comprehensive education for children, including subjects such as science, mathematics, and health. The school also provides a range of health services, including immunizations and health check-ups. The RVJ School is a model of community health education and is a source of pride for the community.



ECHO project

In India, the problem of inadequate access to healthcare is a major challenge and needs attention. To bridge this gap and to make world-class healthcare solutions accessible to patients, Bayer is supporting programs that provide access to medicines and is also taking up programs to fight neglected diseases. Through our Corporate Social Engagement programs such as Comprehensive Community Health Programs, we are bringing quality healthcare closer to the suffering population across the country. One such program - ECHO (Extension for Community Healthcare Outcomes) is reaching out to people right where they live and helps improve their lives. The Indian healthcare environment provides a one-of-a-kind opportunity for the adoption of the ECHO (Extension for Community Healthcare Outcomes) model. The need for



specialty care in India, especially in rural settings, is substantial and growing. System-wide integration of Project ECHO offers a solution that can benefit the entire population.

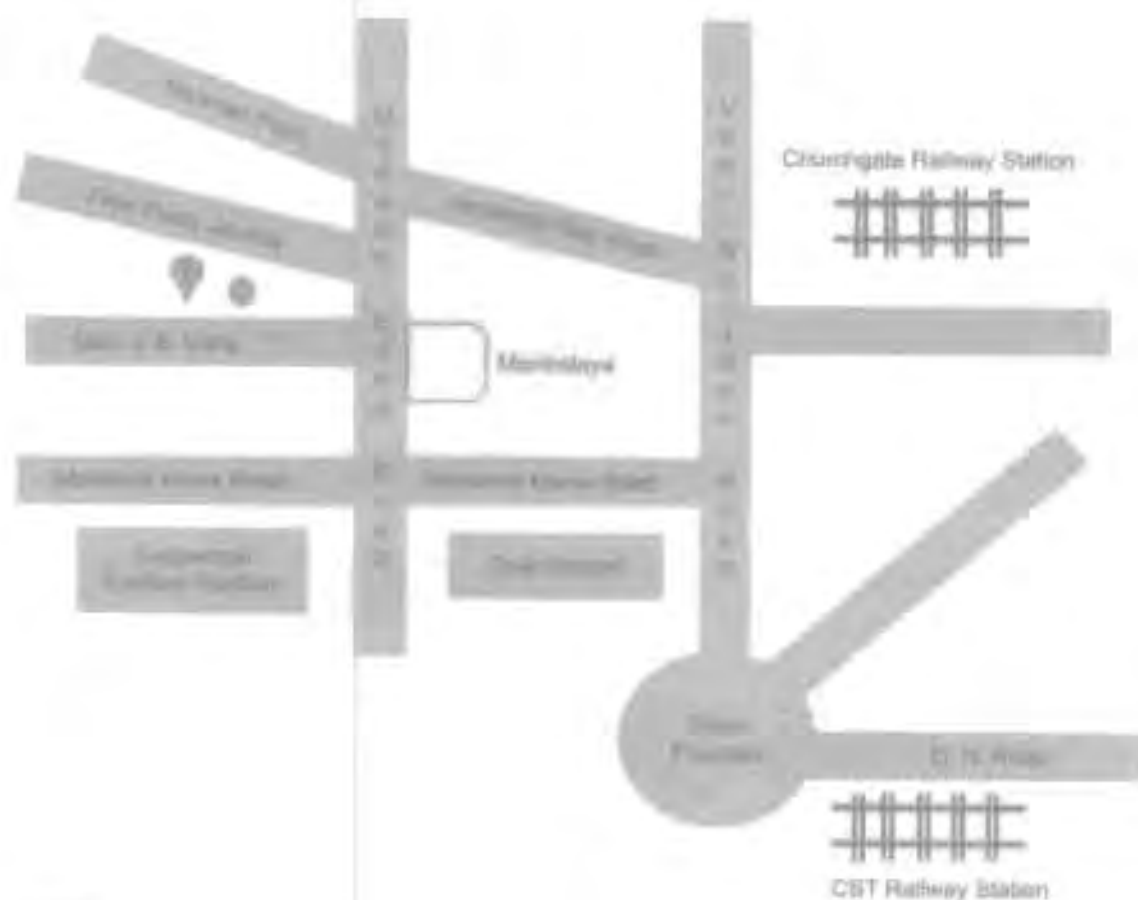


ROUTE MAP TO THE VENUE OF THE 60TH ANNUAL GENERAL MEETING OF BAYER CROPSCIENCE LIMITED

Day & Date | Tuesday, August 21, 2018

Time | 11:30 A.M.

AGM Venue | "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre,
New Marolhaike, Gate J, Shomale Marg, Mumbai - 400 021



Legend:

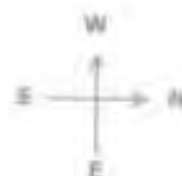


AGM Venue



Sashwale Gymkhana

Please note that this map is not to actual scale



Bayer CropScience Limited
Annual Report 2017 - 18

Directors	Frank Pohl	(DIN 00121682)	- Chairman
	Richard von der Mense	(DIN 00760005)	- Vice Chairman & Managing Director and CEO
	Shahid M. Kulkarni	(DIN 00009640)	
	Vinod Attardani	(DIN 00001816)	
	Peter Mueller	(DIN 00582192)	
	Ulrich Stöck	(DIN 07442177)	- Executive Director & CFO
	Dr. Miriam Colling-Hendelars	(DIN 07839649)	

Head - Law, Policies & Compliance &
Company Secretary

Rajiv Vazir

Bankers	Bank of America
	BNP Paribas
	Citibank N.A.
	Deutsche Bank
	HDFC Bank Limited
	State Bank of India
Auditors	M/s. Deloitte Haskins & Sells LLP
Solicitors	CowellHill Bayley & Co.
CIN	L24218MH1998PLC011173
Registered Office	Bayer House, Central Avenue, Himmatnagar Estate, Firoze (West) - 400 607 Tel. No. : + 91 22 2531 1234 Fax No. : + 91 22 2546 9089 Email : bci@bayer.com
Registrar & Share Transfer Agent	TSR Dataserve Limited (TSRDL) B-10, Hap Monea Parkside Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mumbai - 400 011. Tel. No. : + 91 22-6056 6434 Fax No. : + 91 22 6056 6434 Email : reg-and@tsrdataserve.com
Factory	Plot Nos. 38/1 to 75/2 G.I.D.C. Industrial Estate, Himmatnagar - 383 001, Gujarat

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Proxy Form	

Members are requested to:

- direct all shares related correspondence to TSRDL
- bring their copy of the Annual Report to the Annual General Meeting
- send their requests, if any, relating to the accounts of the Company, at least 14 days before the Annual General Meeting so that the necessary information can be made available at the Meeting
- designate their shareholding in the Company at the earliest to enable any transfer of shares, as pursuant to a SEBI amendment dated June 5, 2015, transfer of listed securities shall not be processed unless the securities are held in dematerialised form.



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NOTICE

NOTICE is hereby given that the 60th Annual General Meeting of Rajesh Constructions Limited will be held on Tuesday, August 21, 2016 at 11.00 a.m. at "Fashionista Chakra (Fashionista Auditorium)", 5, E, Chakra Circle, Near Main Road, G-1, Shreevastu, Mumbai - 400 029 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and accept the audited Statement of Profit and Loss for the financial year ended March 31, 2016 and the Balance Sheet in all that due together with the Reports of the Board of Directors and the Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended March 31, 2016;
3. To appoint a Director in place of Dr. (Mrs.) Girish Gelling-Khambhani (DIN: 07809648), who retires by rotation and being eligible offer himself for re-appointment.

SPECIAL BUSINESS:

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

1. Ratification of Remuneration to Cost Auditor:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149(2) 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. B. C. Dave & Co., Cost Accountants, having Firm Registration No. 000811, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company relating to "woodstock" for the financial year ending March 31, 2016, being ₹ 0.50 Million (Rupees point five five millions 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 authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013 ("The Act"), a person can act as proxy on behalf of not more than fifty (50) members holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument appointing a proxy in order to be effective shall be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of companies, institutions, societies etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organization. The proxy holder shall prove his identity at the time of attending the Meeting. The proxies shall be available for inspection during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.
2. The Explanatory Statement pursuant to Section 102(1) of the Act, is annexed hereto and forms part of this Notice.
3. The details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force ("SEBI Listing Regulations"), in respect of Directors seeking approval for appointment/re-appointment at the Annual General Meeting, form part of the annexure to this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 03, 2016 to Tuesday, August 31, 2016 (both days inclusive).
5. The dividend of ₹ 15.00 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 60th Annual General Meeting to be held on Tuesday, August 21, 2016 will be paid on or after Monday, August 27, 2016:
 - (i) for 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, August 07, 2016, after effecting the transfers lodged on that date which are valid and found to be in order;
 - (ii) in respect of shares held in dematerialized form, to the Beneficial Owners of the shares as in the case of business hours on Tuesday, August 07, 2016 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
6. Members are requested to direct all shares related correspondence to TSRL at the following address:

TSR Deservive Limited (TSRL),
Unit - Rajesh Constructions Limited,
G-10, 4th Floor, Naraina Industrial Estate,
28, D E Mooka Road, Near Faroush Scuffs, Main Road, Marolli - 400 011
Tel. No. +91 22 6555 8464
Fax No. +91 22 6555 8434
E-mail id: sag-unit@rajeshconstr.com

Members holding shares in physical form are requested to notify / send the following to TSDDL prior to Bank Closure date, that is, Tuesday, August 07, 2018 in order to facilitate online services:

- any change in their address / mobile / bank account details;
- provision of their bank account number in case the bank has not been using earlier one;
- where certificate(s) exist in multiple volumes in identical format or great amounts in the same order of names for consolidation of such shareholdings into one account.

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 IFSC Code, nominations, power of attorney, change of address / name etc. to their Depository Participant only and not to the Company / TSDDL. Changes intimated to the Depository Participant will be received through Depository by the Company's RTA on updation by the Depository Participant. This will help the Company and TSDDL to provide efficient and faster service to the members.

Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSDDL for assistance in this regard.

The Ministry of Corporate Affairs has vide notification dated September 8, 2016 brought into force certain provisions of Sections 123 and 124 of 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 undivided / 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 Investor Education and Protection Fund ("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 dematerialised shares, unclaimed dividend, sub-proceeds of fractional shares etc. have been transferred to IEPF. Members may claim their shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5.

Members are requested to claim all the unpaid/unclaimed dividend to avoid transfer of dividend or shares to the IEPF Account and are requested to contact TSDDL, the Registrar and Share Transfer Agent of the Company for claiming the dividend. The details of the unclaimed dividends are available on the Company's website at www.bayer.in and Identity of Corporate Affairs at www.mca.gov.in.

Members are requested to note that the dividend declared in August, 2017 is due to be transferred to IEPF in October, 2018.

The Securities and Exchange Board of India ("SEBI") has mandated the introduction 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 Participant with whom they are maintaining their demat account. Members holding shares in physical form are requested to submit their PAN details and Bank details to TSDDL. The request should be submitted along with the self-certified copy of PAN and original cancelled cheque bearing the name of the shareholders.

As mandated 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's RTA, as may be prescribed. Also, it may be noted that issue of further certificates without bank details may be disallowed.

Members can avail the facility of nomination in respect of physical shares held by them by sending their nomination on the prescribed form only filed in to TSDDL, enclosing their respective Folio Nos., Certificate Nos. and Distributor Nos.

All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days during normal business hours up to and including the date of the Annual General Meeting.

To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to register their e-mail address(es) and changes (if any) from time to time, by directly sending the relevant e-mail address alongwith details of name, address, Folio No. and number of shares held:

- to TSDDL for shares held in physical form; and
- 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.

- 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 amendments) or its amendments) 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).

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



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

The remote e-voting period commences on Friday, August 17, 2018 (09:00 a.m.) and ends on Monday, August 20, 2018 (05:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday August 14, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL e-voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for remote e-voting are as under:

How to vote electronically using NSDL e-Voting system?

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. Cost web browser by typing the following URL : <https://www.evoting.nsdl.com/> either on Personal Computer or on a mobile.
2. Once the home page of e-Voting system is searched, 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 services i.e. IDEAS, you can log-in at <https://www.evoting.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(i) 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****
(ii) For Members who hold shares in demat account with CDSL.	16 Digits Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****
(iii) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 201*** and EVEN is 103712 then user ID is 103712011***

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 receive the "initial password" which we communicated to you. Once you receive your "initial password", you need to enter the "initial password" and the system will force you to change your password.
- c) How to receive 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. Thus 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, your "initial password" is communicated to you on your postal address.
- d) If you are unable to receive or have not received the "initial password" or have forgotten your password:
 - i) Click on "Forgot User Details/Password" (If you are holding shares in your demat account with NSDL or CDSL; refer available on www.evoting.nsdl.com).
 - ii) "Physical User Reset Password" (If you are holding shares in physical mode; refer available on www.evoting.nsdl.com).
 - iii) If you are still unable to get the password by above said two options, you can send a request at evoting@nsdl.com mentioning your demat account/folio number, your PAN, your name and your registered address.
- e) After entering your password, tick on "Agree to Terms and Conditions" by selecting on the check box.
- f) Now, you will have to click on "Login" button.

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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 via 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 click 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, that is, 106712, 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nsdl@nsdl.co.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 in 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" options 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., 1800-230-090 to send a request at evoting@nsdl.co.in.
18. 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.
19. 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.
20. Mr. H. L. Mehta, Practising Company Secretary has been appointed as the Scrutinizer to supervise the remote e-voting process and voting conducted at the AGM versus in a fair and transparent manner.
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting electronically by all those members who are present at the AGM (who have not cast their votes by availing the remote e-voting facility).
22. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter will declare the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, by the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The Minutes declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.bayercropscience.in and on the website of NSDL, immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to BSE Limited, Mumbai.

By Order of the Board of Directors

Rajiv Wani
 Head - Law, Finance & Compliance
 & Company Secretary

Mumbai, May 25, 2018

Registered Office:
 Bayer House, Central Avenue,
 Hiranandani Estate,
 Thane (West) - 400 607
 CIN: L34218MH1989PLC011179



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ANNEXURE TO NOTICE:**INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 58(2) OF THE SEBI LISTING REGULATIONS:****Dr. (Ms.) Miriam Colling-Henselknecht (DIN: 07259549)**

Dr. (Ms.) Miriam Colling-Henselknecht (Age: 46 years) who retired by reaching being eligible has offered her candidature for re-appointment.

Brief Profile:

Dr. (Ms.) Miriam Colling-Henselknecht started her professional career in the year 2002 and joined Bayer as a trainee in the Patent Department of Bayer Chemistry AG which later on had been converted as, Lenzene GmbH. In 2006, she moved back to Bayer and joined the IP team of the Bayer affiliated company H.C. Starck GmbH where she was responsible for the conductive polymer IP portfolio.

In 2006, she took over a Senior Patent Counsel position within the IP team of Bayer MaterialScience AG supporting the business of polyurethanes and polycarbonates and later on working as the strategic IP key account for the functional film organization. After re-introduction of the German based IP Community and foundation of the Bayer IP GmbH in 2012 she took over the role as Head of Patents, Litigation Control within the CropScience group. Since May 2016 she is heading the department - Patents CropScience with global responsibility for Bayer's CropScience IP organization. She is qualified as a German and European Patent Attorney.

She does not hold any shares in the Company in which she is a Director.

THE FOLLOWING EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT") SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED IN ITEM NO. 4 IN THE ACCOMPANYING NOTICE DATED MAY 21, 2018.

Item No. 4:

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, 2019 to a remuneration of ₹ 0.55 Millions (Rupees point five five Millions) plus taxes as applicable and out of pocket expenses incurred by them for the purpose of audit for the financial year 2018-19. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered Office of the Company during business hours on all working days till the date of the Annual General Meeting and shall also be available at the Meeting.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

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

The Board recommends the ratification of the remuneration payable to M/s. D.C. Dave & Co., Cost Accountants, for the Cost Audit and passing of the Ordinary Resolution as set out at Item No. 4.

By Order of the Board of Directors

Rajiv Vora
Head - Law, Patents & Compliance
& Company Secretary

Mumbai, May 23, 2018

Registered Office:
Bayer Incus, Central Avenue,
Herzogenaurach, 91074,
Thuringia (Weim.) - 400 857
CIN: L24213MH1859PLC011103

DIRECTORS' REPORT

Dear Members,

Our Directors are pleased to present the 57th Annual Report on the business and operations of the Company together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2018.

Financial Performance:

₹ in Millions

Particulars	2017-18	2016-17
Revenue from Operations	27,490	20,484
Other Income	388	701
Total Income	27,878	21,185
Profit before Finance Costs, Depreciation and Taxation	4,482	4,832
(Less): Finance Costs	(113)	(88)
(Less): Depreciation and Amortisation Expenses	(331)	(299)
Profit Before Tax	4,038	4,479
(Less): Tax Expenses	(1,057)	(1,389)
Profit for the year	2,981	3,090
(Less): Other Comprehensive Income	(13)	(14)
Total Comprehensive Income for the year	2,968	3,096
Add: Retained Earnings at the beginning of the year	16,384	14,722
Amount available for Appropriation	19,352	17,818
Appropriations:		
Dividend Declared	801	801
Dividend Distribution Tax on Dividend	122	132
Transfer to General Reserve	290	301
Premium paid on Buyback of Equity shares	4,389	-
Transfer to Capital Redemption Reserve	11	-
Transaction Cost for Buyback of Equity shares	49	-

Operations:

Our Company's Revenue from Operation for the financial year 2017-18 is ₹ 27,490 Millions as against ₹ 20,484 Millions in 2016-17.

Profit before Taxation is ₹ 4,038 Millions for the financial year 2017-18.

Dividend:

In line with the Dividend Distribution Policy, the Board of Directors have recommended a final dividend of ₹ 15.00 per Equity Share of ₹ 10 each amounting to ₹ 818 Millions for the financial year ended March 31, 2018, subject to the approval of the members.

The Register of Members will remain closed from Wednesday, August 18, 2018 to Tuesday, August 21, 2018 (both days inclusive).

Transfer to Reserves:

The Company proposes to transfer an amount of ₹ 290 Millions to the General Reserve.

Expense:

The amount paid for the financial year ended March 31, 2018 was ₹ 2,488 Millions as compared to ₹ 4,267 Millions during the previous year.

Insurance:

The 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 the insurable risks and stands insured, amongst other things. In addition, adequate coverage has been taken to cover public liability, environmental liability and product liability claims. Stocks are insured while in transit and/or stored in the warehouses. Also, 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 exchange rates in the earnings. In this drive, majority of the forex transactions with group companies are now involved 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 USD dollar denominated transactions, the net exposure of the Company is hedged after taking advantage of the natural hedge on foreignly trade.

**DIRECTORS' REPORT** (contd.)**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 its knowledge and belief, confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the financial year ended March 31, 2018;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively and
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

Responsible Care and Quality:

Your Company observed National Safety Week and Fire Prevention Week during the year and introduced various activities throughout the week to spread awareness on safety amongst employees. September 20, 2017, was observed as the Bayer Safety Day. Various activities were conducted in sites and offices to promote safety. Your Company observed World Environment Day at the Hünemagur in during the year. A "Road Safety Campaign" was conducted in 2017 to increase awareness on road safety amongst Bayer employees in India.

Your Company, covering the manufacturing site at Hünemagur was audited for ISO 9001:2015 Quality Management System and for 14001:2015 Environmental Management Systems by TÜV India Pvt. Ltd. (TUV) and the Company continued certification for 2017-18.

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

Corporate Sustainability and Social Responsibility:

As a Life Science company, Bayer with its more than 150 years history and core competencies in the areas of health care and agriculture is contributing to finding solutions to some of the major challenges of our time.

For Bayer, sustainability means shaping the future successfully and, as part of our corporate strategy, is an integral part of our day-to-day work routines. Bayer's social consciousness is based on innovation and pioneering spirit. We at Bayer are committed to improve the livelihoods and better social living conditions. For this purpose, we cooperate with partners in international programs and social initiatives.

Our mission as a Company is to act sustainably through our commitment to the U.N. Global Compact, and through our active and involvement in leading initiatives such as the World Business Council for Sustainable Development (WBCSD).

Environment is another key focus area. We are continuously working to reduce the environmental impact of our business activities and develop product solutions that benefit the environment. We use many means to make our production processes more resource-efficient and lower the emissions they generate. We are also committed to minimizing wastewater pollution. Systematic waste management and recycling activities reduce the amount of materials to be disposed of.

In India, Bayer is active in a variety of ways in the core fields of education and science, health and social needs. With its initiative, Bayer is supporting local communities with innovative educational and social projects. We are focusing on long term projects according to the principle "Helping people to help themselves".

Corporate Social Engagement:

In India, the Company has rolled out a holistic, well-planned implementation approach for executing its Corporate Social Engagement (CSE) projects. Since the introduction of the Section 135 of the Companies Act, 2013, the Company has conceptualized a portfolio of projects that focuses on four essential pillars: Fostering education, Fostering rural development, Empowering women and Preventive Health Education.

Under the Fostering Education pillar, educational and science projects are being undertaken. As education is a vital factor in achieving sustainable prosperity, Bayer places tremendous emphasis on supporting education and research within its social environment. The second pillar - Fostering Rural Development, focuses on many Community Development programs being implemented in various parts of India that aim to enhance awareness about health, hygiene and skill development. Empowering Women is the third pillar under which, using proven expertise and knowledge from years of experience, Bayer and its partnering institutions are developing strategies through the Program for Primary Prevention of Sexual Violence (PPPSV) to implement primary prevention measures, which protect women and children from sexual violence and its after effects. Another project, Discovering Hands aims to make a positive difference in the lives of breast cancer as well as hand a helping hand for the visually challenged blind women. The fourth pillar - Preventive Health

DIRECTORS' REPORT (contd.)

A Scientist aims to provide targeted assistance in the areas of health and hygiene.

Over the two years, the Company has achieved significant milestones:

Business Responsibility Reporting

Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015, now also provides that the annual report of the top 500 listed entities based on market capitalization shall include a Business Responsibility Report (BRR). A separate section on Business Responsibility forms part of this Annual Report.

Human Resources

Bayer's human success is based on a large team on the knowledge, skills, commitment and satisfaction of our employees. As an employer we offer our employees attractive conditions and wide-ranging individual development opportunities. Alongside performance training we focus on conveying our corporate values (LIFE - Leadership, Integrity, Flexibility, Efficiency) and establishing a motivating internal corporate culture based on trust, respect for diversity and equality of opportunity. Our responsible approach to structuring working conditions includes fair treatment at work, a transparent and equitable compensation system, the ability to combine working life family commitments, flexible working arrangements and a working environment that fosters health.

These are the cornerstones of our global human resources strategy, which is designed to support and expand our business activities. They strengthen our competitiveness, and also reflect our social responsibility to provide secure employment and stable incomes, and to foster social cohesion.

In the long run we want to attract and retain the best employees for Bayer.

We measure employee satisfaction with Bayer as an employer with the help of institutionalized feedback discussions (see the Group-wide Employee Survey, which is usually conducted about every two years). This enables us to monitor the effectiveness of our activities and make any necessary improvements. In the 2017 Employee Survey - Results, we had an Employee Engagement Index of 81%.

Attracting, Developing and Retaining the best managers and employees

Optimal working conditions attract both current and prospective employees.

Our Company continues to leverage its Employee Voice proposition - its Employee Brand - "Passion to Improve | Power to Change" - which shows what the Bayer Group expects of its employees and what it can offer them. It translates Bayer's mission statement "Striving for a better life" into the world of work. It is a reflection of what makes Bayer and what is expected of every employee who joins Bayer. The Employee Brand demonstrates a strong value proposition for future talents and strengthens Bayer as an employer of choice.

Our Company's career Facebook page, its LinkedIn page continues to present Bayer in an engaging manner through great stories which make Bayer an Employer of Choice. You would be happy to note that your Company has been ranked by Working Mother & WTM as the 100 Best Companies for Women in India.

Alumni and the Bayer Scholarship keep our contact with the student community high.

Feedback on employee performance

Specific and differentiated feedback forms the basis for positive personal development. Bayer encourages a culture of candid feedback to help employees achieve their individual goals. This is supported by a Group-wide performance management system, in which employees have the opportunity to receive feedback from their supervisors on fulfillment of their professional and behavioral objectives. This assessment also determines a significant portion of their variable compensation.

Wide-ranging career opportunities

Thanks to our wide-ranging business activities, we offer employees throughout the Group good opportunities for development. Regular Development Dialogues between employees and supervisors provide an opportunity to discuss the employees' further career development perspectives.

Around 1,302 Development Dialogues were held and documented in 2017. Vacancies throughout the Bayer Group, from entry-level right up to management level, are advertised via a globally accessible platform. International assignments are also an important element in employee development. 29 employees from India had participated in the international assignments (short term and long term) in 2017.

In line with Bayer's talent management philosophy, a number of employees went through various Development Centers this year as well. These exercises not only build capabilities, but also provided opportunities for employees to receive new different roles and positions. Our strong work on XCEDO, the CropScience Division Training Academy continued to be recognized at all levels. We launched with SKILL CAMP which is a global marketing and sales initiative. In continuation of last year's efforts towards providing opportunities for Learning and Development to the employees, initiatives like NACs - Certificate in Management Studies in collaboration with WE Skill and My Growth My Life - An accelerated Development Program were progressed.

Since the roll out of the Bayer Competency Model, the Bayer Competencies - Core and Leader, remain robust to all People Processes: Performance Management, Talent Development Initiatives across the employee life cycle.

In line with the strategy, the Company has decided on strengthening and modifying the focus behaviours - Customer Focus, Experimentation, Collaboration and Trust in our organization, so that we can ensure that our culture supports our strategy and purpose.

DIRECTORS' REPORT (contd.)

Corporate culture: Dialogue, diversity, innovation:

Honesty and respect are central elements of our corporate culture. This includes observing Group-wide standards of conduct and protecting employees from discrimination, harassment and retaliation. These standards are set forth in our Corporate Policy "Fairness and Respect at Work." With the help of training, videos and our internal website, Bayer employees around the world are provided with guidance on how to comply with this corporate policy. Child and forced labour are strictly prohibited at Bayer in accordance with the core labor criteria of the International Labour Organization (ILO). This prohibition is set out in our binding Human Rights Policy and across Group-wide.

Communication at all levels:

Employees can use the internal crowdsourcing platform WeSolve to pose questions relating to internal matters at Bayer. These are then answered together with other employees with whom the person asking the question does not normally have any contact. We involve our employees in business processes through active dialogue, informing staff promptly and extensively about upcoming changes.

Creating attractive working conditions:

• Competitive compensation and variable pay

Our compensation system combines a salary reflecting performance and responsibility with elements based on the Company's success, plus additional benefits. Adjustments based on continuous benchmarking make our compensation locally competitive. This includes, among other things, the uniform evaluation of all managerial positions throughout the Group.

Bayer externally pays employees on permanent employment contracts in excess of the statutory minimum wage.

Binding and transparent compensation structures: At Bayer, individual salaries are based on each employee's personal professional abilities and the level of responsibility assigned to them. At the managerial level, this is based on uniform evaluation of all positions throughout the Group using the internationally recognized Hay method.

Our compensation concept also includes variable one-time payments.

• Work-life balance

We offer our employees flexible working hours and support in child care beyond the statutory requirements.

• Initiatives to promote health and ensure safe working conditions

In 2017, Bayer adopted a new global framework concept to promote employee health and quality of life (Gesundheit/Bayer) expands the core aspect of health into a comprehensive approach, targets further improvements in the daily work environment and is focused particularly on help balance employees' professional and private lives. We aim to provide employees with access to affordable and targeted health offerings such as regular medical check-ups, sports programs, and on-site medical care.

The Company offers employees the support of free Employee Assistance Program which is a safe confidential support system for requirements in the areas of psychological, medical, financial and legal advice in personal matters.

Awards & Recognition:

The Company has been recognized as one of the "100 Best Companies for Women in India 2017". The study conducted by AITM Group & Working Mother aims to recognize and bring into focus the sustained initiatives undertaken by companies to increase women workforce performance.

During the year, the Company was awarded the Marico NDTV Employer Excellence Awards 2017 in Excellence in Career Development category and was also declared as 'Non-Best Employer in India 2018' award for the second consecutive year.

At Bayer, we have always been committed to creating a culture where everyone can continuously innovate, perform and develop. The above awards are a testament of our commitment to career development of our employees through state of art talent management practices and tools.

Directors:

Mr. K. K. R. Nedungadi, Non-Executive Independent Director ceased to be a Director of the Company with effect from April 30, 2018. The Board of Directors placed on record its warm appreciation for the valuable contribution made by Mr. Nedungadi during his tenure as Director of the Company.

At the forthcoming 80th Annual General Meeting (AGM) of the Company and in accordance with the provision of the Act, Dr. Neelam Kolling-Handekens retires by rotation and being eligible offers her candidature for re-appointment. The resolution for her said re-appointment along with the brief profile forms a part of the Notice of the AGM and the resolution for her re-appointment recommended for your approval.

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

In accordance with the provisions of Section 149(7) of the Act, Mr. Farooq Faiz, Mr. Shreyas M. Kulkarni, Mr. A. K. R. Nedungadi and Mr. Vimal Iyer, the Independent Directors of the Company as on March 31, 2018 have given declaration to the Board that they would the status of independence as laid down under Section 149(5) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

DIRECTORS' REPORT**Meetings of the Board**

During the financial year ended March 31, 2018, five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report.

Audit Committee

During the financial year ended March 31, 2018, four Audit Committee Meetings were convened and held. The composition of the Audit Committee is given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

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 collectively evaluated the Board's as well as Committee's performance based on defined parameters. The individual directors were also evaluated by their peers based on the parameters provided by the SEBI Listing Regulations. The results of the evaluation were discussed at the Nomination & Remuneration Committee and were also placed at the Board Meeting for the Chairman's review. The Evaluation process primarily focused on the criteria with respect to the overall functioning of the Board as well as the Committees, the composition of the Board and Committees, governance aspects etc. The process applied in the evaluation projects 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 Section 175 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 policy is available on the website of the Company at www.bayer.in.

Whistle Blower Policy (Vigil Mechanism)

The Company has adopted a Whistle Blower Policy, as a part of vigil mechanism to provide appropriate structure to the employees as well as any third parties to bring to the attention of the management any issue which 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 established vigil mechanism helps employees to report concerns about any unethical conduct, financial malpractices or any unhealthy practice prevalent in the Company. The employees are encouraged to voice their concerns or issues by way of whistle blowing and all the employees have been given the access to the Audit Committee. The Company has also provided dedicated email address bayercompliance@bayerphar.in for reporting such concerns. The Corporate Compliance Team looks into the whistle blower complaints and places the status of such complaints at the Audit Committee Meeting on a quarterly basis.

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

Code of Conduct

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

Risk Management Policy

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

- 1. Overview of risk management;
 - 2. Roles and responsibilities of the Board of Directors, Audit Committee and other key personnel of the Company with regards to risk management;
 - 3. Structure for identification, escalation and mitigation of risks and
 - 4. Procedure for risk identification, escalation and mitigation of risks.
- The details on risk management are given in the Corporate Governance Report.

Corporate Social Responsibility Policy

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

Internal Control Systems

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



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DIRECTORS' REPORT (contd.)**Internal Financial Controls:**

The Companies Act, 2013, introduced regulations with focus on control and compliance requirements, in light of which the Company has laid down internal Financial Controls across various processes prevalent in the organisation. These controls have been established at the entity as well as process level and are designed to ensure compliance to internal control requirements, regulatory compliance and enable appropriate recording of financial and operational information. The Company has reviewed effectiveness of internal financial controls by adopting a systematic approach to assess design and its operating effectiveness.

Information pursuant to Section 187(12) of the Companies Act, 2013:

The information as prescribed under Section 187(12) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) and Remuneration of Managerial Personnel) Rules, 2014 is set out as an Annexure 'E' to the Directors' Report. However, as per the proviso to Rule 3 the Directors' Report and Financial Statements are being sent to the Members enclosing the statement giving particulars of employees under Section 187(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 required under Section 134(3)(ix) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to these matters forms part of this Report and is enclosed as Annexure 'B' hereto.

Particular of Loans, guarantees or investments under Section 188 of the Companies Act, 2013:

During the financial year ended March 31, 2018, the Company did not give any loan, guarantee or provide security in connection with any loan to any group company or acquired any securities on or behalf of any group company.

Related Party Transactions:

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

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

Prevention of Sexual Harassment at Workplace:

Your Company has a policy on prevention of sexual harassment to ensure harassment free workplace for the employees. Such harassment cases are dealt as per the Company policy on prevention of sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints involved regarding sexual harassment. All employees (permanent, contractual, temporary, casual) are covered under this policy.

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

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

Extract of Annual Return:

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

Corporate Governance:

Your Company is committed to maintaining highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities and Exchange Board of India (SEBI). As required by Regulation 24 of the SEBI Listing Regulations, a detailed Corporate Governance Report is given as an Annexure to this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate from a Company Secretary in whole time position confirming compliance of the Corporate Governance requirements by the Company is attached to the Corporate Governance Report. Also a Certificate of the CEO and CFO of the Company in terms of the SEBI Listing Regulations, whereby, confirming the accuracy of the financial statements and cash flow statements, adequacy of internal control measures forms a part of the Corporate Governance Report.

Management Discussion & Analysis Report:

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

Buyback of shares:

During the year under review, the Company completed buyback of 1,020,408 equity shares representing 2.88% of total equity capital of ₹ 10/- each at a price of ₹ 4,500/- per equity share aggregating to ₹ 459,08,360. The buyback of shares from the shareholders of the Company was on a proportionate basis through the tender offer route as prescribed under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended.

Cost Audit:

Pursuant to 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 'Inventories' as required to be audited. Your 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 'Inventories' for the financial year ending March 31, 2018. As required under this Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a resolution for seeking members' ratification for the remuneration payable to M/s. D.C. Dave & Co. is included at Item No. 4 of the Notice convening the Annual General Meeting.

Statutory Auditors:

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117289WVV-100018) are the Statutory Auditors of the Company pursuant to Section 188 of the Companies Act, 2013 as per their appointment made at the 39th Annual General Meeting of the Company held on August 30, 2017 for a period of five years.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BNP & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ending March 31, 2018. The Secretarial Audit Report for the financial year ended March 31, 2018 is enclosed as Annexure 'F' hereto.

Acknowledgements:

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

For and on behalf of the Board of Directors

Pankaj Patel
Chairman
(DIN: 00131652)

Approved: May 22, 2018



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ANNEXURE "A"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Bayer is a Life Science company with a more than 150-year history and core competencies in the areas of health care and agriculture. With our innovations, we are contributing to finding solutions to some of the major challenges of our time. As a Company focusing on the areas of health care and agriculture, we perform many activities that touch on socially sensitive issues. Bayer CropScience Limited ("BCSL") as a market leader is committed to innovation and societal development. It is this spirit of innovation that is at the core of our Corporate Social Responsibility endeavors as well.

In accordance to the legislation, BCSL has implemented Corporate Social Responsibility (CSR) Policy. As per the stipulation, its Board level CSR Committee that comprises of Managing Director and two other Directors (one independent) meet during the last quarter of the financial year to review the progress of the projects and approve new ideas. The Bayer Group level CSR Steering Committee comprising representatives from all Bayer companies and some service functions formulated to further steer CSR activities meet twice during the year to assess the trajectory of current projects and approve budgets for upcoming ones.

Bayer CSR Policy focuses on four essential pillars: Fostering education, Fostering rural development, Empowering women and Preventive health & sanitation. These programmes, as of now, cover a part of the CSR budget.

Below is a short summary of programmes under implementation:

i. Program for Primary Prevention of Sexual Violence:

Program for Primary Prevention of Sexual Violence (PPPSV): The Program for Primary Prevention of Sexual Violence (PPPSV) is a collaborative initiative of Max-Edvard Memorial Hospital Research Centre (MEMHRC), Pankaj Vaidya's Sociology and Sexual Medicine, Charité University clinic of Berlin and an advisory board of experts from India. The main goal of the PPPSV is to develop and implement strategies for primary prevention of sexual violence in India by focusing on potential offenders as well as potential victims. In 2016-17, a feasibility study for implementing public health and clinical treatment services in light of medico-legal conflicts, social acceptance and practical strategic challenges has been completed in addition to various awareness generation programs. A free and confidential treatment centre was launched at MEMHRC. Treatment is being 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.

ii. Discovering Hands:

Breast cancer is the most common cancer in women both in the developed and less developed world. As prevention is critical in the fight against breast cancer, Dr. Frank Hoffmann, a renowned medical expert from Germany pioneered a unique program - Discovering Hands - that trains and employs visually impaired women with highly developed tactile skills to detect the early signs of breast cancer. These women are trained to deliver physical breast examinations in doctor clinics for which they undergo a nine-month training period on how to use a standardized diagnostic method by examining the female breast. The project has entered the implementation phase with the initiation of training of the newly employed women. This project is a partnership initiative with Indian Cancer Society, National Association for the Blind and Rajiv Gandhi Cancer & Research Centre.

iii. Bayer Fellowship Program in Agro Sciences:

Agriculture requires innovation and sustainable mechanisms to cater to the ever increasing, vast and diverse population. The objective of this project is to encourage research and development activities in agriculture. Scholarships are awarded to M.Sc. and Ph.D. students with following objectives: Support young and talented minds to better the standards in agriculture, develop technology in India that will be adopted by farmers to increase their productivity. The project involves an elite-level Agriculture Universities in Gujarat, Karnataka, Punjab, Assam, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.

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

2. The composition of the CSR Committee:

Sr. No.	Name	Designation
1	Rohit Ranbir Mehta Vice Chairman & Managing Director and CEO	Chairman
2	Vinod Bhargava Non-Executive Independent Director	Member
3	Lalith Shetty Executive Director & CFO	Member

3. Average Net Profit of the Company for last 3 financial years: ₹ 5,048.73 Millions
4. Prescribed CSR Expenditure (2% of this amount as in item 3 above): ₹ 100.23 Millions
5. Details of CSR spent during the year:

- a. Total amount spent during the financial year: ₹ 50.43 Millions
- b. Amount unspent: ₹ 20.44 Millions
- c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project/activity identified	Sector to which the Project is covered	Project/Programme 1. Local area/cluster 2. Specify the state and district where project/programme was undertaken	Amount under budget/project/programme also (₹ in Millions)	Amount spent on the project/programme Schedule: 1. Direct expenditure on project or programme (DE) (₹ in Millions) 2. Disbursements (DM) (₹ in Millions)	Cumulative expenditure upto upto to the Reporting period (₹ in Millions)	Amount spent Direct/through implementing agency
1	Research & Promotion Centre on Sexual violence against Women & Children. The Programme has 3 main goals: 1. Expose research on violence and impact of sexual violence on Indian people and individual safety, generate evidence based advice to law enforcement and judiciary. 2. Create Emergency response office for sexual violence (Shakti Kiosk) & Creative social media content for prevention and awareness (video, poster, etc.)	CSR activity under item (a) promoting gender equality, empowering women, setting up centres and facilities for women and children, setting up old age homes, day care centres and other facilities for senior citizens and teenagers for reducing inequalities based on gender and economically backward groups	Mumbai	15.44	DE= 15.00 DM= 0.44	52.33	ICIM Hospital & Research Centre Pune Bayer Project Association Scientific adviser Chandrasekhar & Shree Hruday Centre
2	Training centre for visually impaired women to become Medical Tissue Examination (MTE) in soft tissue cancer. This centre is an old initiative. The support in previous financial year helped support in early detection of breast cancer & the impact of the existing facilities. Support is being provided by using free laboratory facility	CSR activity under item (a) Promoting education, including special education and employment enhancing vocational skills especially amongst children, women, elderly and the differently abled and backward communities	New Delhi	15.33	DE= 15.25 DM= 0.08	48.23	ICIM Hospital



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Sl. No.	CSR project activity identified	Sector in which the Project is covered	Project(s) Programme 1. Local level/State 2. Specify the state and District where project/programme was undertaken	Amount budgeted project/programme value (R in Millions)	Amount spent on the project/programme Submitted: 1. Direct expenditure on project or programme (DR) (R) 2. Overheads (OH) (R in Millions)	Cumulative expenditure spent upto to the Reporting period (R in Millions)	Agency/Client Direct through implementing agency
1	Bayer Fellowship Program in RnR Scheme To encourage research and development activities in agriculture. Bayer is supporting Master in Science and Ph.D. students with Fellowships in leading Agricultural Universities in Gujarat, Karnataka, Punjab, Assam, Tamil Nadu, Telangana, Uttaranchal and West Bengal.	CSR activity under Item (b) Promoting education, including special education and employment enhancing activities with specially trained women, elderly and the differently abled and disabled individuals/projects	Tamil Nadu, Karnataka, Karnataka, Uttaranchal, Punjab, Assam, West Bengal and Gujarat.	14.25	DE= 13.80 OH=0.45	27.21	Anand Agricultural University Tamil Nadu Agricultural University University of Agricultural Sciences, Coimbatore Coimbatore Institute of Management Kalyan, West Bengal (ICAR) Assam Agricultural University Agartala M.V. Bangs Agricultural University Mishinor Panchayat Vidyapeeth Punjab Agricultural University Goverdhan Prasad University Agriculture and Technology
2	Preventive Health Program under RnR Initiative was started under a general health screening, registering specialist health camps for early detection of various ailments like diabetes, hypertension, other health issues typical to an industrial township with a relatively high exposure to toxic chemicals and gases. This program will make provision for safe drinking water after supply to the communities for better hygienic facilities and also help improve the local waste management practices. This is expected to positively impact the overall health of the community.	CSR activity under Item (i) Educating workers, farmers, poultry and fishermen promoting preventive health care and sanitation including contribution to the local (State) health and training activities safe drinking water	West Gujarat	11.25	DR= 10.8 OH=0.45	11.25	Aurobindo Foundation

Sl. No.	CSR project activity identified	Sector in which the Project is covered	Project Programme 1. Local area/region. 2. Specify the state and district where project/programme was undertaken	Amount utilised (budgeted project programme value) (₹ in Millions)	Amount spent on this project/programme (₹ in Millions) 1. Direct expenditure on project or programme (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent through implementing agency
1	WASH (Water, Agriculture, Sanitation and Hygiene) training program on public health through improving sanitation and conservation of water resource. Promote health care utilization and be involved in the target villages if community is interested and relevant resources are utilised from participants. The methodology every involves placing envelopes of the local communities at order to change their old and habits.	CSR activity: water supply in eliminating extreme poverty (sanitation and conservation) promoting preventive health care and sanitation including participation in the Swachh Bharat Kosh and creating sustainable safe drinking water	Seven villages of Khamou district & Andhra Pradesh and Bellur & Fapla District of Punjab	11.57	DE= 11.30 OH= 0.27	3090	EFFORTS (A) Society for the Development of Agriculture and Health
2	Boys Science Camp is being hosted annually by Boys Science & Education Foundation. Students from various countries attend this program. The objective of the program is to enhance the skill of science education. The programme followed consists of 14 days of intensive training of 14 and 16 to participate in the Boys Science Camp in (New York, USA).	CSR activity: under 18 in Promoting education, training, skill development and employment creation with especially young children, women, elderly, and the differently abled and low-income employment projects	Pan India	1.65	DE= 1.6 OH= 0.05	4.88	Direct implementation

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project/ Programme 1. Local area/region 2. Specify the state and district where project/programme was undertaken	Amount outlay (budget) project/ programme value (₹ in lakhs)	Amount spent on the project/ programme (₹) 1. Direct expenditures on project/ programme (DE) (₹) 2. Overheads (OH) (₹ in lakhs)	Cumulative expenditure spent upto to the Reporting period (₹ in lakhs)	Amount spent Direct through implementing agency
1	The Super Substitution is aimed at recognizing and appreciating academic excellence. This initiative is also to create "win-win" in the student community especially those in the backward areas. At present more than 50% of our workforce is illiterate, it is a frustration that we have put in them when they are in such backward areas. The program is for both graduates as well as post graduates in scientific streams of agriculture, medicine, pharmacy and management.	CSR activity under item (i) Providing education including special education and employment training; conduct skills especially among children, women, elderly, and the differently abled and backward underserved groups.	Baran distt.	3.10	DE= 2.0 OH= 0.10	2.00	Ashwini Foundation
2	Nutrition program for children (emergency relief program). The children coming to the Day Care Centre are from poor socio-economic backgrounds and many are from slum of town. They stay in low cost accommodation near the hospital. Their parents can hardly afford the treatment. Many attend school irregularly. The Cardiacopm provides medical help continue support to children at the Day Care Centre.	CSR activity under item (ii) Eradicating extreme poverty and malnutrition, promoting productive health care and sanitation.	Baran Distt	0.72	DE= 0.70 OH= 0.02	0.72	Ashwini Foundation

Sr. No.	CSR project activity identified	Sector in which the Project is covered	Project/ Programme 1. Local institutions 2. Specify the state and district where project/programme was undertaken	Amount owing (Budget) (under project/programme) (₹ in Millions)	Amount spent on the project/programme (₹ in Millions) 1. Direct expenditure on project or programme (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent Direct through implementing agency
i	Rural Agriculture Leaders of India (RALI) initiative has been conceptualised under the theme - Promote agriculture education for high school students. The main objectives of the program are to impart basic scientific practice knowledge to agriculture students and production to the students.	CSR activity under item (i) Promoting education including special education and employment enhancing education with emphasis on women, children, elderly, and the differently abled and backward underserved groups.	Maharashtra	1.38	DE=2.19 OH=0.07	4.13	Gandhi Research Foundation
ii	"Buddy to Buddy" awareness campaign	CSR activity under item (iv) Promoting environmental sustainability ecological systems, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Pan India	0.72	DE= 0.7 OH = (0.02)	0.72	(the Director)
iii	The program aims differently abled girl to fully integrate into mainstream society by preparing them for employment (independent living, financial independence and social awareness).	CSR activity under item (i) Promoting education including special education and employment enhancing education with emphasis on women, children, elderly, and the differently abled and backward underserved groups.	Pune, Maharashtra	0.91	DE= 0.16 OH = 0.00	0.16	HelpLife Foundation



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Sl. No.	CSR project activity identified	Sector in which the Project is covered	Project Programs 1. Local beneficiaries 2. Specify the state and district where project / program was implemented	Amount budget (budgeted project expenditure) (₹ in Millions)	Amount spent on the project / program Sub-heads: 1. Direct expenditure on project or programs (DE) 2. Overhead (OH) (₹ in Millions)	Consolidation expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent. Description of implementing agency
12	To sponsor education for 50 students for one year. The sponsor is liable to providing them with free books, healthy home environment, giving them children friendly understanding the need for healthy living and ensure a place for them among the mainstream society	CSR activity under item (ii) Promoting education, including sports education and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and backward educational projects	Burhan, Maharashtra	0.00	DE = 0.00 OH = 0.00	0.00	Western Society for Deafblind Children

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.

As a part of its initiatives under "Corporate Social Responsibility", the Company has undertaken projects in accordance with the Schedule VII of the Companies Act, 2013.

Out of the Total budgeted CSR spend of ₹ 100.00 Millions for the Financial Year 2017-18, the Company could actually spend ₹ 00.48 Millions during the current financial year. During the year, the Company has moved from Corporate Social Responsibility to Corporate Social Engagement model (CSE) whereby the focus would be on social innovation with clearly defined strategic purposes as well as develop innovative solutions to the challenges faced by the society. This requires considerable amount of planning so that the CSR activities are identified and scaled up in a structured manner to ensure maximum impact. Consequently the Company is compliant of meeting the requirement as mentioned in Section 135 of the Companies Act, 2013 in the forthcoming years.

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

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

For and behalf of CSR Committee

Richard van der Merwe
Chairman - CSR Committee and
Vice Chairman & Managing Director and CEO
(DIN: 08780305)

Dirsch Becker
Member - CSR Committee and
Executive Director & CFO
(DIN: 07447177)

Mumbai, May 22, 2018

ANNEXURE "B"

Information as per Section 134(3)(iv) of the Companies Act, 2013 read with Rule 5(3) of the Companies (Accounts) Rules, 2014 and being part of the Directors' Report for the financial year ended March 31, 2018

CONSERVATION OF ENERGY:

(a) Energy conservation measures taken at Himmatnagar plant

- Further reduced specific electrical consumption of Wettable Powder products from 728 KWH/Ton to 498 KWH/Ton (238 KWH/Ton) by optimization of process and utility requirement.
- Further reduced specific electrical consumption of Suspended Concentrate products (SC Product) from 743 KWH/Ton to 500 KWH/Ton (243 KWH/Ton) by optimization of process and utility requirement.
- Reduce Lighting consumption by converting conventional lighting to LED lighting and at some places installed motion sensor in avoid lighting wastages.
- Automation of Utility operations like H2 Generators, Compressors, Chillers to reduce response time which will lead to save the idle running of utility equipment. Adopted heat technology to avoid id wastages while during the condensation.

(b) Capital investments on Energy conservation equipments

- Installed 25 KVA solar power generating system for administrative building in December, 2017. Capital investment of ₹2 Millions.
- Installation of High efficient agitators for 5301ROK and 5 TQ1R10 vessels.
Potential energy saving per Year (₹ 0.5 Millions). Capital investment ₹ 1.0 Millions.
- Replaced auto drain valve with zero loss auto drain valves. Capital investment ₹ 0.4 Millions.

TECHNOLOGY ABSORPTION:

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

Research and Development (R & D)

(i) Specific Areas

As the leader in innovation and Excellence, your Company continues to provide novel, innovative and effective crop protection products and solutions greatly benefiting the Indian farming community to keep pace with the dynamic scenarios and enhancing productivity. As a part of ongoing research and development activities, your Company is investing in India the feasibility of a number of early phase compounds which are under global development with the prospect of introduction of some of the promising compounds in future in India. Further, new molecules and mixtures are also being evaluated for use in variety of agricultural and horticultural crops covering a wide spectrum of pest and disease segments to ensure the suitability of product for marketing business.

Your Company successfully secured key product registrations viz:-

Crop Protection

- Ailuv Plus 980 SC is a novel non-selective herbicide formulation containing Indaziflam (a new molecule) and Glyphosate. Indaziflam prevents emergence of new weeds for a longer period, while Glyphosate controls existing weeds. This combination product is specially designed and developed for control of grassy and broad leaf weeds and long lasting weed control in Tea crop. The product also has potential for use in other plantation crops like Citrus, Banana, Oil Palm, etc.
- Vigor 400 SC is a new Nematicide from Bayer which offers fast, effective and long-term control of key nematode pests present in soil in a wide range of crops. It is the first Nematicide with a low mode of action with high level of safety margin. The product is approved for use on banana for the control of root knot nematode. The data generation activities are ongoing for seeking approval for use on other crops.
- Regent Gold 200 SC provides highly effective insect control with its unique mode of action. The product is approved for use on Chickpea and cucumber for control of Lepidopteran pests.

Environmental Science

Your Company has secured approval of key product Azus PL-Othrine 2% EW for the management of mosquito vectors which transmitted vector borne diseases like Dengue, Malaria, etc. This innovative and environmental friendly product is recommended for space spray for adult mosquito control.

On the R&D front, your Company was successful in obtaining approvals for extending the use of existing products like Nativio 75 WG for management of diseases on Okra/tin and Gaurchri 800 FS as seed treatment on Maize, where a number of label experiments on various crops are nearing completion for securing approvals.

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

Further, in order to continue to provide innovative and effective solutions to the farmers, your Company has submitted registration application for new insecticide product which will help Indian farmers for the control of insect pests in key crops like Rice and Soybean which causes lot of damage reducing crop yields.

Besides this, 14 new applications for label extensions of existing key products were submitted for approval on various crops like Onion, Chili, Cotton, Black gram, Okra, Wheat, Grape, Rice, Bengal and Groundnut.

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.

3. Future Plans:

In the scenario of India's membership to the Organization for Economic Co-operation & Development (OECD) resulting in Regulatory Data Harmonization and the move towards Regulatory Data Protection and effective implementation of Patent regime by the Government, in future, your Company will be introducing some selected high technology products in Crop Protection as well as Environmental Science.

The year 2018 has an interesting line-up with expected approval/launch of 9 globally renowned products in Crop Protection – one new insecticide for the control of sucking pests in Cotton and one new insecticide for the control of lepidopteran/ chewing pests in Cucumber and Bengal gram, a new fungicide for the control of diseases in Wheat and Cabbage, a new non-selective herbicide for the control of weeds in Tea and a new seed treatment product for use in Soybean and Cereals/cropland crops. In Environmental Science, 1 new product for the vector control will be launched while 2 new products will be launched for management of snakes.

3. Expenditure on R & D

(₹ in Millions)

(a)	Capital	118
(b)	Recurring	205
(c)	Total	323
Total R&D Expenses are 1.18 % of the Revenue from Operation		

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(ii) Total foreign exchange utilized and earned:

Particulars

(₹ in Millions)

Value of imports on C.I.F. Basis	8,901
Expenditure in Foreign Currency	834
Earnings in Foreign Exchange	
Export of Goods calculated on FOB Basis	1,479
Revenues from Group Companies	228

ANNEXURE "C"
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 124 of the Act and Rule 3(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 186 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereof.

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 2017-18.

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(78) of the Companies Act, 2013.
Nature of contracts/ arrangements/ transactions	Purchase of goods (seeds variety), sale of goods, professional and support services, recoveries, rent Income/expenses, services and other obligations, if any. These transactions are in the ordinary course of business and are conducted on an arm's length basis.
Duration of contracts/ arrangements/ transactions	Ongoing contracts
Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of goods (seeds variety), sale of goods, professional and support services, recoveries, rent Income/expenses, services, loans and other obligations, if any.
Date of approval by the Board, if any	Not applicable, since the transaction is in the ordinary course of business and at arm's length.
Amount paid as advances, if any	Nil
(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
(DIN: 00131862)

Mumbai, May 23, 2018



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ANNEXURE "D"

FORM NO. MGT-8

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

(Pursuant to section 2(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

CIN	U3420MH1956PLC0311173
Registration Date	September 09, 1956
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, Frigensdair 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	TSM Damoh Limited B-10, Hsg. Mohan Patrawala Industrial Estate 20, Dr. E. Moses Road, Near Famous Studio, Marolli Mumbai - 400 011 Tel. No. + 91 22 8656 6494 Fax No. + 91 22 8656 6494

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 75% 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, acaricides, fungicides, herbicides	20211	51

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/ILN	Holding/ subsidiary / associate	% of shares held	Applicable section
1	Bayer AG Leverkuessen, Germany	KA	Holding	10.41	2(15)
2	Bayer CropScience AG Munich, Germany	KA	Holding	15.36	2(48)
3	Bayer SAS Lyon, France	NA	Holding	19.38	2(48)
4	Bayer Vap Private Limited Plot No. 3063, B Phase, GIDC, Vapi - 396 185	U99999GJ1999PTC048123	Holding	23.42	2(48)

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

(i) Category-wise Share Holding:

Category of Shareholders		No. of Shares held at the beginning of the year (April 01, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(i)	Indian:									
(a)	Individuals / HUFs / Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Foreign Corporates	8,246,312	0	8,246,312	21.23	8,038,736	0	8,038,736	20.42	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(a) Financial institutions (- Banks)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Any Other specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	8,388,312	0	8,388,312	22.82	8,039,738	0	8,039,738	22.42	-0.08
(B) Foreign									
(i) Individuals (Also: Promoted Individuals - Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Foreign Corporate	15,388,372	0	15,388,372	45.28	15,344,712	0	15,344,712	45.28	0.03
(iii) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(iv) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(v) Any Other specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	15,388,372	0	15,388,372	45.28	15,344,712	0	15,344,712	45.28	0.03
Non Shareholding of Resident and Promoter Group (A) = (A) (1) + (A) (2)	23,776,684	0	23,776,684	68.10	23,384,450	0	23,384,450	67.70	-0.40
F. Public Shareholding									
(i) Institutions									
(a) Mutual Funds - UTI	3,488,884	290	3,489,174	9.87	3,487,824	140	3,487,964	10.10	-0.22
(b) Financial Institution (- Banks)	8,888	1,488	10,376	0.03	16,788	3,248	20,036	0.06	0.03
(c) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	943,440	380	943,820	2.67	1,412,880	880	1,413,760	4.11	1.84
(f) Foreign Multinational Institution	181,880	816	182,696	0.52	0	780	780	0.00	-0.52
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other specify)									
(j) Foreign Portfolio Investors (Corporate)	2,528,720	0	2,528,720	7.19	1,928,880	0	1,928,880	5.42	-2.48
Sub-Total (B) (1)	7,128,884	2,664	7,131,548	20.19	6,416,944	1,120	6,418,064	18.70	-1.48
(ii) Non-Institutions									
(a) Bodies Corporate	1,197,380	8,728	1,206,108	3.44	1,387,880	2,828	1,390,708	3.18	0.24
(b) Individuals									
(i) Individual Investors (Not holding more than 1% of ₹ 1 lakh)	1,038,280	388,288	1,426,568	4.22	2,188,872	588,288	2,777,160	7.98	5.56
(ii) Individual Investors (Not holding more than 1% of ₹ 1 lakh)	117,880	27,880	145,760	0.41	88,712	27,880	116,592	0.32	-0.04



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Category of Shareholders		No. of Shares held at the beginning of the year (April 01, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	Quarter Promotee Investors	0	0	0	0.00	0	0	0	0.00	0.00
(D)	Any Other	518,429	3,039	521,468	1.47	894,077	1,405	895,482	2.30	0.23
1	MUF	34,358	0	34,358	0.10	85,372	0	85,372	0.18	0.01
2	Non-Resident Indian (NRI)	293,248	1,817	295,065	1.12	408,987	1,405	410,392	1.40	0.18
3	LLP	3,899	0	3,899	0.01	7,389	0	7,389	0.02	0.11
4	Trust	25,150	65	25,215	0.07	52,189	0	52,189	0.15	0.18
5	Dealing Members	30,921	0	30,921	0.10	30,921	0	30,921	0.08	-0.04
6	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
7	Foreign Nationals	0	0	0	0.00	1,480	0	1,480	0.00	0.00
8	Alternate Investment Funds	0	0	0	0.00	50,283	0	50,283	0.15	0.15
9	NBFCs registered with RBI	4,550	0	4,550	0.01	819	0	819	0.02	0.01
10	IEPF A/c	0	0	0	0.00	25,222	0	25,222	0.07	0.25
Sub-total (B) (2)		3,549,798	433,180	3,982,978	11.24	4,089,773	319,989	4,409,762	12.81	1.28
Total Public Shareholding (B) = (B)(1)+(B)(2)		10,679,073	430,344	11,109,417	31.42	10,426,720	322,425	10,749,145	31.31	-0.12
TOTAL (A)+(B)		34,323,757	430,344	34,754,101	100.00	34,011,169	322,425	34,333,593	100.00	-0.88
(C)	Shares held by Guarantors and regional stock depository receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)		34,323,757	430,344	34,754,101	100.00	34,011,169	322,425	34,333,593	100.00	

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2017)			Shareholding at the end of the year (March 31, 2018)			% 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	8,929,883	15.58	0.00	8,354,030	15.59	2.00	-0.11
2	Bayer AG	3,578,380	10.40	0.00	3,572,577	10.41	0.00	-0.01
3	Bayer SAS	8,810,389	19.28	0.00	8,810,195	19.28	0.00	0.01
4	Bayer Vital Products Limited	8,244,313	23.30	0.00	8,255,736	23.47	0.00	0.09
Total		24,344,884	68.56	0.00	24,994,440	69.60	0.00	0.12

(iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (April 01, 2017)		Cumulative Shareholding during the year (March 31, 2018)*	
		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	5,610,593	15.58	—	—
	September 22, 2017 Decrease in Shareholding (Buyback of Shares)	(155,003)	(0.45)	5,354,030	15.58
	At the end of the year	—	—	5,354,030	15.58
2.	Bayer AG				
	At the beginning of the year	3,875,380	10.40	—	—
	September 22, 2017 Decrease in Shareholding (Buyback of Shares)	(103,803)	(0.30)	3,872,577	10.41
	At the end of the year	—	—	3,872,577	10.41
3.	Bayer SAS				
	At the beginning of the year	8,818,349	19.26	—	—
	September 22, 2017 Decrease in Shareholding (Buyback of Shares)	(162,294)	(0.58)	8,656,105	19.28
	At the end of the year	—	—	8,656,105	19.28
4.	Bayer Mktg Private Limited				
	At the beginning of the year	8,038,738	23.42	—	—
	September 22, 2017 Decrease in Shareholding (Buyback of Shares)	(208,576)	(0.81)	8,038,738	23.42
	At the end of the year	—	—	8,038,738	23.42

The Company bought back 1,029,408 equity shares representing 2.89% of the total number of shares in the paid-up share capital of the Company from its shareholders during the financial year ended on March 31, 2018.

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

Sl. No.	Name	Shareholding at the beginning of the year (April 01, 2017)		Shareholding at the end of the year (March 31, 2018)		Net Changes	% to Capital
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
1.	Achya Birla Sun Life Trustees Private Limited (Formerly Birla Sun Life Trustees Company Private Limited)	1,834,311	4.34	1,952,344	5.66	418,133	1.22
2.	HDFC Standard Life Insurance Company Limited	524,281	1.48	527,984	1.83	102,672	0.30
3.	Prudential Investments Of Mauritius Limited	311,728	0.30	575,322	1.88	236,401	0.82
4.	Life Insurance Corporation Of India	0	0.00	501,170	1.46	501,170	1.46
5.	Franklin Templeton Mutual Fund	181,815	0.51	471,826	1.37	289,813	0.84
6.	Indian Systems Investments (P) Ltd.	481,338	1.38	484,185	1.37	-12,053	-0.04
7.	Munichkarn Nanegameti Investments (P) Ltd.	408,916	1.18	388,873	1.16	-10,237	-0.03
8.	Standard Mutual Fund	358,298	1.01	295,473	0.88	-62,825	-0.18
9.	Kotak Mutual Fund	375,354	0.79	258,148	0.76	-117,406	-0.66
10.	The Fife India Assurance Company Limited	157,585	0.45	175,482	0.52	20,913	0.06



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(v) Shareholding of Directors and Key Managerial Personnel as on March 31, 2018:

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. Parag Patel, Chairman				
(b) Mr. Shreshth M. Kulkarni, Director				
(c) Mr. A.K.R. Nadungod, Director*				
(d) Mr. Vinod Shinde, Director				
(e) Mr. Peter Mueller, Director				
(f) Dr. (Ms.) Minam Coeling-Nescheniers, Director				
(g) Mr. Richard van der Merwe (KMP) Vice Chairman & Managing Director and Chief Executive Officer				
(h) Mr. Ulrich Steyer (KMP) Executive Director & Chief Financial Officer				
(i) Mr. Rajiv Vora (KMP) Head - Law, Policies & Compliance & Company Secretary				

* Mr. A. K. R. Nadungod resigned with effect from April 30, 2018

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Mr. Richard van der Merwe	Mr. Ulrich Steyer	Total Amount
		Vice Chairman & Managing Director and CEO	Executive Director & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	65.89	32.21	98.10
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	18.25	12.64	30.89
	(c) Profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Stock Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	84.14	44.85	129.00
	Capping as per the Act	₹ 418 Millions (being 10% of the Net Profit of the Company as disclosed as per Section 198 of the Companies Act, 2013)		

A. Remuneration to other directors

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Parthaj Patel	Mr. Shreshth M. Kukarni	Mr. A. K. R. Nedungadi	Mr. Vinod Shastri	
1.	Independent Directors					
	Fee for attending Board and committee meetings	0.30	0.70	0.64	0.70	2.34
	Commission	1.25	1.25	1.25	1.25	5.0
	Others, please specify	-	-	-	-	-
	Total (1)	1.55	1.95	1.89	1.95	7.34
2.	Other Non-Executive Directors					
	Fee for attending Board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (Sum(1+2))	1.55	1.95	1.89	1.95	7.34
	Ceiling as per the Act	₹ 42 Millions (being 1% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				
	Net Managerial Remuneration (A+B)	₹ 137.38 Millions				
	Overall Ceiling as per the Act	₹ 451 Millions (being 11% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				

Mr. A. K. R. Nedungadi resigned with effect from April 30, 2018

Commission will be paid after the Annual General Meeting.

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

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Mr. Rajiv Wani
		Head - Law, Patents & Compliance & Company Secretary
1.	Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12.52
	(b) Value of perquisite as 17(2) of the Income Tax Act, 1961	0.37
	(c) Profit in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2.	Stock Option	-
3.	Debt Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	-
	Total	12.89

C. 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

Parthaj Patel
Chairman
(DIN: 00131852)

Bombay, May 23, 2018



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ANNEXURE "E"

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

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

Name of the Director/CFO	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees	Percentage increase in remuneration
Mr. Richard van der Merwe	Vice Chairman & Managing Director and Chief Executive Officer	62:1	13%*
Mr. Ulrich Stöck	Executive Director & Chief Financial Officer	32:1	25%
Mr. Rajiv Wani	Company Secretary	N.A.	0%*

*Increase in Base Salary

- b. The percentage increase in the median remuneration of employees in the financial year :
17 %
- c. The number of permanent employees on the rolls of the Company :
1,143
- d. Average Percentile increase already made in the salaries of employees other than the managerial personnel in the financial year and Comparison with percentile increase in the managerial remuneration and justification thereof:
The Average annual increase for Managerial grade was 8% and for the Non-Managerial grade was 14%.
- 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.

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ANNEXURE "F"

SECRETARIAL AUDIT REPORT

FOR THE PERIOD ENDED 31st MARCH 2018

(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, Managing,
Bayer CropScience Limited,
Main House, Central Avenue,
Basantpur Estate,
Gurgaon (Haryana) - 122001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Bayer CropScience Limited (hereinafter called the 'Company') for the audit period from April 1, 2017 to March 31, 2018 (hereinafter called the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our perusal of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and internal mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- a) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment; and
- e) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992:
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; and
 - (v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1986.

We have also examined, on a test check basis, the relevant documents and records maintained by the Company, as required under the following laws as applicable specifically to the Company:

- (i) the Insolvency Act, 1985 and the Insolvency Rules, 1971; and
- (ii) the Societies Act, 1965 and the Societies Rules, 1966.

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

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

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

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

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Distributing of Equity Shares) Regulations, 2005; and
- e) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings.



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We further report that -

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

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

Decisions at the meetings of the Board of Directors of the Company were carried on the basis of majority. There were no instances where any members of the Board of Directors during the audit period.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has obtained approval of the Members vide Postal Ballot dated July 21, 2017, for the buyback of 10,35,408 Equity Shares (representing 2.89% of the Equity Share Capital) at a price of ₹ 4,500 per share aggregating to ₹ 4,659,858,200 and the same was completed through tender offer route.

For BNP & Associates
Company Secretaries
(Firm Regn. No. P2014MH03760)

Prakash K. Pandey
Partner
FCS No. 386
C.P.No. 234

Place: Mumbai
Date: May 23, 2018

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.

Annexure A

To,
The Members,
Bayer CropScience Limited

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

- The compliance of provisions of all laws, rules, regulations, standards applicable to Bayer CropScience Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on a check basis for the purpose of issue of the Secretarial Audit Report.
- Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on a check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the process and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and the events during the audit period.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
(Firm Regn. No. P2014MH03760)

Prakash K. Pandey
Partner
FCS No. 386
C.P.No. 234

Mumbai, May 23, 2018

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CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Bayer has always placed great importance on responsible corporate governance. Our actions are governed by our values which play a central role in our daily work and are intended to guide us in fulfilling our greater mission. These values are represented by the word LIFE: Leadership, Integrity, Flexibility, Efficiency.

Our mission statement 'Bayer. Science for a better life' endorses and focuses on developing and successfully commercializing innovative products and solutions based on scientific knowledge. We at Bayer are committed to operating sustainably and embracing our social and ethical responsibilities as a Corporate Citizen.

Our goal is to create value for our customers, stakeholders and employees. At Bayer we strive to achieve excellence through sustainable and responsible business practices. For us at Bayer, Corporate Governance basically means to uphold our core values with ethical business conduct as well as a commitment to materialize the value for all the stakeholders through innovation driven projects which forms the basis of sustainable business activity. We are continuously striving towards improving people's quality of life by helping to provide an adequate supply of high quality food and feed.

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

Corporate Compliance Program

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

The Corporate Compliance Policy ('the Policy') as revised states that Bayer is unreservedly committed to corporate compliance and will forgo any business transactions that would violate compliance principles. The Policy also details the organizational framework for corporate compliance and specifies areas in which violations of applicable law can have particularly serious adverse consequences, both for the Group as a whole as also for individual employees. The principles set forth in the revised Policy also reflect additionally the topics of Data Privacy, Social Media and Money Laundering and the 'Compliance Management System' are designed to guide employees in their business-related actions and protect them from potential misconduct.

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

Bayer expects legally and ethically impeccable conduct from all its employees in day to day business operations, as the way they carry out their duties affects the Company's reputation. By ensuring regular dialogue between employees and their superiors, monitoring the processes and providing training courses involving the Compliance Office, the Company endeavours to acquaint its employees with internal codes of behaviour and with the numerous statutory and regulatory requirements of the countries where they work that are of relevance to them. This lays the foundation for managing the business responsibly and in compliance with respective applicable laws. Employees may contact their respective supervisors or Compliance Officers for support and advice in ensuring legally compliant conduct in specific business situations.

BOARD OF DIRECTORS

We believe that an effective and well-informed Board is necessary to ensure high standards of Corporate Governance. The Board of Directors, along with its Committees play a fundamental role in upholding and nurturing the principles of good governance. The Board sets down the overall corporate objectives and provides necessary guidance and supervision to the management to achieve the objectives within a set framework. 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.

Composition:

We believe that a Board needs to have an appropriate mix of executive and independent directors to maintain its independence and ensure its function of governance and management. Our Board composition is in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'). As on the date of the Report, the Board consists of total seven Directors out of which two are Executive Directors, three are Non-Executive Independent



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CORPORATE GOVERNANCE REPORT (contd.)

Directors and two are Non-Executive Non-Independent Directors. None of the Directors of your Company are related to each other. The number of Directorships, Committee Memberships/Chairmanships of all Directors is within negative limits prescribed under the Companies Act, 2013 ("the Act") and SEBI Listing Regulations. The necessary disclosures regarding Committee positions have been made by all the Directors. The details of each member of the Board along with the number of Directorships/Committee Memberships are provided herein.

Directorship in other companies / committee position as on March 31, 2018

Sr No.	Name of Director	Category	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Memberships
1	Mr. Parag Patel, Chairman	Non-Executive Independent Director	4	1	1
2	Mr. Richard van der Merwe, Vice Chairman	Managing Director & CEO	-	-	-
3	Mr. Shant M. Kulkarni	Non-Executive Independent Director	4	2	2
4	Mr. A. K. R. Reddygall*	Non-Executive Independent Director	1	-	1
5	Mr. Vimal Bhambhani	Non-Executive Independent Director	2	1	2
6	Mr. Peter Mueller	Non-Executive Non-Independent Director	-	1	-
7	Mr. Ulrich Stiller	Executive Director & CFO	-	-	-
8	Dr. (Ms.) Miriam Colling-Hendelien	Non-Executive Non-Independent Director	-	-	-

Notes:

1. Directorships mentioned above includes alternate directorships, but exclude directorships in private companies, foreign companies and companies incorporated under Section 8 of the Act.
2. The details mentioned above are for companies other than Bayer OncScience Limited.
3. Committee details consist only of Audit and Stakeholders Relationship Committees.
4. * Resigned with effect from April 30, 2018.

Board Independence

We believe that Independent Directors play a vital role in bringing objectivity and transparency in the overall functioning of the Company as well as enhance the decision making process through valuable contribution. Our definition of 'Independence' of Directors is derived from Regulation 18(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 our 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 commissions, none of these Directors have any other material pecuniary relationship or transaction with the Company, its Promoters and its Management, which in the judgment of the Board would affect the independence of the Directors. As on the date of the Report, none of the Directors hold any shares in the Company.

3. BOARD PROCEDURE

The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is provided to all the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting. The notice of Board meeting is given well in advance to all the Directors. The meetings are governed by a detailed agenda. All issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions. The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively, are circulated to the Directors in advance. The Managing Director briefs the Board on the overall performance of the Company. The Chairman of the Audit Committee briefs the Board on important matters discussed at the meetings of the Audit Committee. The statements of Shareholders / Investors grievances received and resolved are also placed quarterly before the Board.

The Company held 8 Board meetings during the financial year 2017-18 and the gap between two meetings did not exceed 120 days. The dates on which the Board meetings were held are May 24, 2017, June 06, 2017, August 09, 2017, November 07, 2017 and February 02, 2018.

CORPORATE GOVERNANCE REPORT (contd.)

Information given to the Board:

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;
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatah or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risk of adverse exchange rate movement, if material;
- Non-compliance of any regulatory statutory or listing requirements and mandatory service such as non-payment of dividend, delay in share transfer etc.

Board Support:

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

With an aim to bring 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. This application of e-board meeting enables the Board to access all the agenda papers through their laptops using their unique log-in IDs and passwords. This application meets high standards of security and integrity that is required for storage and transmission of the Board/Committee Agenda.

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

The 39th AGM of the Company was held on Wednesday, August 23, 2017 at 11.00 a.m. The attendance of the Directors at the Board Meetings and AGM held during the financial year ended March 31, 2018 is as under:

Sl. No.	Name of Director	Board Meetings held in Director's tenure	Attendance	
			Board Meeting (including attendance by video conferencing)	Annual General Meeting
1	Mr. Parag Fajal	5	5	Yes
2	Mr. Richard van der Merwe	5	5	Yes
3	Mr. Shreshth M. Pulkarni	5	5	Yes
4	Mr. A.R.R. Reddygarthi	5	4	Yes
5	Mr. Vinod Shrivastava	5	5	Yes
6	Mr. Peter Mueller	5	4	Yes
7	Mr. Ulrich Seiler	5	5	Yes
8	Dr. (Ms.) Meera Colling-Henderson	4	3	Yes

Separate Meeting of Independent Directors:

During the year under review, the Non-Executive Independent Directors of the Company met on February 02, 2018 without the attendance of Executive and Non-Independent Directors and the members of management. During the said meeting the following points were discussed:

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

All the Non-Executive Independent Directors were present throughout the meeting. They expressed satisfaction at the governance process followed by the Company as well as the information provided to them on a timely basis.

CORPORATE GOVERNANCE REPORT (contd.)

Board Evaluation:

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

During the year, in terms of the requirements of the Act and the SEBI Listing Regulations, a Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The evaluation process focused on the various aspects of the functioning of the Board and Committees such as composition, experience and competence, performance of the specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of the individual Directors based on criteria such as attendance, contribution and independent judgement.

Familiarization Programme for Non-Executive Independent Director:

As per the provisions of the SEBI Listing Regulations, the Company has put in place a familiarization programme for its Non-Executive Independent Directors. The programme aims to provide insight into the Company to enable the Independent Directors to understand the Company's business in detail and which also facilitates their active participation in the Board meetings. At the time of appointing Independent Director, a formal letter of appointment is given to him/her which, amongst, explains his/her business, roles, duties & responsibilities and the Board expectations.

On February 01, 2018, the Board members of the Company visited Hesarwad, a small village near Pune wherein the Board members had an opportunity to interact with the local farmers as well as Bayer Hythruvan Resistant 5 Distributors. The Board members interacted with the retailers and distributors and took their feedback as well as inquired about their concerns. The retailers and distributors got opportunity to pose their queries to the Board members. The Board members also visited the field wherein various crops like corn, onion and sugarcane were showcased and they got an opportunity to interact with the farmers and understand their concerns.

The field visit and the interaction with the farmers gave a good perspective to the Independent Directors about the core activities of the Company as well as the efforts taken by the Company towards customer satisfaction i.e. "Farmers".

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

4. COMMITTEES OF THE BOARD

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

The Board has constituted the following Committees which are functioning:

Audit Committee:

The Company's Audit Committee as on March 31, 2018 comprised of four Non-Executive Directors, of which three are Non-Executive Independent Directors and one is a Non-Executive Non-Independent Director. Mr. Sharad M. Kulkarni is the Chairman of the Audit Committee and Mr. A. K. R. Nedungadi, Mr. Vinod Bhandari, Mr. Peter Mueller are its members. The members of the Audit Committee have relevant experience in financial matters.

The Audit Committee met 4 times during the financial year ended March 31, 2018. The meetings were held on May 24, 2017, August 10, 2017, November 27, 2017 and February 02, 2018. Necessary quorum was present at all the meetings. The attendance of the Committee members at the meetings was as under:

Name of Member	Category	No. of Meetings attended during 2017-18
Mr. Sharad M. Kulkarni	Non-Executive Independent Director	4
Mr. A. K. R. Nedungadi ¹	Non-Executive Independent Director	4
Mr. Vinod Bhandari	Non-Executive Independent Director	4
Mr. Peter Mueller	Non-Executive Non-Independent Director	2

¹ Mr. A. K. R. Nedungadi resigned from the Board w.e.f. April 30, 2018.

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

CORPORATE GOVERNANCE REPORT (contd.)

Role of the Audit Committee:

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, re-nomination and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of issue / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval to any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Issuance of undertakings or waivers of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors on matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defects in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Chairman of the Audit Committee, Mr. Ghanshi M. Kulkarni, was present at the 59th Annual General Meeting of the Company held on Wednesday, August 23, 2017.

Stakeholders Relationship Committee:

As per Section 179(5) of the Act and Regulation 20 of the SEBI Listing Regulations, the Company has a duly constituted Stakeholders Relationship Committee. Following are the terms of reference of the Stakeholders Relationship Committee:

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

The Stakeholders Relationship Committee as on March 31, 2018 comprised of Mr. A. R. N. Nadungodil, a Non-Executive Independent Director as the Chairman and Mr. Ghanshi M. Kulkarni, Non-Executive Independent Director, Mr. Richard van der Meer and Mr. Ulrich Böker as the members of the Committee.



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CORPORATE GOVERNANCE REPORT (contd.)

The Committee held 4 meetings during the financial year ended March 31, 2018. The meetings were held on May 24, 2017, August 09, 2017, November 07, 2017 and February 02, 2018. The attendance at the meetings was as under:

Sl. No.	Name of Member	Stakeholders Relationship Committee Meetings held in Member's tenure	No. of meetings attended during 2017-18
1	Mr. A.K.R. Madungai	3	3
2	Mr. Richard van der Merwe	4	4
3	Mr. Shireel M. Kulkarni	4	4
4	Mr. Ulrich Stiller	4	4

Mr. A.K.R. Madungai resigned from the Board w.e.f. April 30, 2018.

Complaints received and resolved by the Company during the financial year ended March 31, 2018 are given below:

Source of complaints	April 01, 2017 to March 31, 2018	
	Received	Resolved
Referred by SEBI SCORES	4	4
Referred by NSDL/Stock Exchange	-	-
Referred by Ministry of Corporate Affairs	2	2

Share Transfer Committee:

In compliance with the Regulation 40 of the SEBI Listing Regulations and in order to establish the process of share transfer, power to approve share transfers has been delegated to officials of the Company.

Further, a sub-committee has been constituted for attending to matters relating to issue of duplicate share certificates, transmission of shares, split and consolidation, etc. The composition of the sub-committee as on March 31, 2018 was as under:

Sl. No.	Name of Member	Designation
1	Mr. Richard van der Merwe Vice Chairman & Managing Director and CEO	Chairman
2	Mr. Ulrich Stiller Executive Director & CFO	Member
3	Mr. Rajiv Wani Head - Legal, Patents & Compliance & Company Secretary	Member

Nomination and Remuneration Committee:

In compliance with Section 176 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has constituted Nomination and Remuneration Committee. The Committee comprised of five Non-Executive Directors as on March 31, 2018, of which three are Non-Executive Independent Directors. The Nomination and Remuneration Committee comprised of Mr. Vinod Bhandari, Non-Executive Independent Director as the Chairman and Mr. A. K. R. Madungai, Non-Executive Independent Director, Mr. Shireel M. Kulkarni, Non-Executive Independent Director and Mr. Peter Mueller, Non-Executive Non-independent Director as members of the Committee.

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

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of the Directors, key managerial personnel and other employees.
- To formulate criteria for evaluation of performance of the Independent Directors and the Board.
- To discuss a policy on Board diversity.
- To identify persons who are qualified to become Directors and who may be appointed in senior management or other similar roles, the criteria laid down, and recommend to the Board their appointment and removal.
- To consider, adopt and adhere to the Nomination and Remuneration Policy.

The Committee met 4 times during the financial year ended March 31, 2018. The meetings were held on May 24, 2017, June 06, 2017, August 09, 2017 and February 02, 2018. The attendance at the meeting was as under:

CORPORATE GOVERNANCE REPORT (contd.)

Sr. No.	Name of Member	Nomination and Remuneration Committee Meetings held in Director's tenure	No. of meetings attended during 2017-18
1	Mr. Vinod Bhargava	4	4
2	Mr. A.K.R. Nedungadi*	4	4
3	Mr. Shreshth M. Kulkarni	4	4
4	Mr. Peter Muster	4	3

* Mr. A.K.R. Nedungadi resigned from the Board w.e.f. April 30, 2018.

Corporate Social Responsibility Committee:

As required under Section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The composition of the Committee as on March 31, 2018 comprised of Mr. Richard van der Merwe as the Chairman and Mr. Vinod Bhargava, Non-Executive Independent Director and Mr. Ulrich Steffes as members of the Committee.

The terms of reference of the CSR Committee are as follows:

- formulating and recommending to the Board, Corporate Social Responsibility Policy and the activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on the activities undertaken;
- reviewing the performance of the Company in the area of Corporate Social Responsibility;
- monitoring Corporate Social Responsibility Policy of the Company;
- formulating policies and procedures based on the requirement of SEBI for Business Responsibility Reporting;
- ensure implementation of all the policies pertaining to Business Responsibility;
- ensure effective communication of all the policies to all relevant stakeholders;
- review and assess the Business Responsibility performance annually;
- review the Business Responsibility initiatives and encourage participation;
- review the Business Responsibility Report and recommend to the Board for approval.

During the financial year ended March 31, 2018, the Committee met once on February 02, 2018. All the members were present at the meeting.

REMUNERATION OF DIRECTORS

Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors during the financial year ended March 31, 2018:

a) Non-Executive Independent Directors:

The details of the sitting fees and commission paid during the financial year ended March 31, 2018 are given in the table below: (₹ in Millions)

Sr. No.	Name of Director	Sitting Fees	Commission	Total
1	Mr. Parag Patel	0.30	0.94	1.24
2	Mr. Shreshth M. Kulkarni	0.70	1.25	1.95
3	Mr. A.K.R. Nedungadi	0.64	1.25	1.89
4	Mr. Vinod Bhargava	0.70	1.25	1.95
5	Dr. Vijay Khajuria	—	0.31	0.31

* Mr. Parag Patel was appointed as director with effect from July 05, 2016.

Dr. Vijay Khajuria resigned as director with effect from June 30, 2016.

Note: Commission paid for the period 2016-17 in the month of September, 2017.

b) Executive Directors:

Mr. Richard van der Merwe, the Vice Chairman & Managing Director and Chief Executive Officer and Mr. Ulrich Steffes, Executive Director & Chief Financial Officer were paid remuneration during the financial year ended March 31, 2018 as per their respective agreements with the Company, which had been approved by the Board as well as the members of the Company.

CORPORATE GOVERNANCE REPORT (contd.)

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

(IN IN Lakhs)

Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
1	Mr. Richard van der Merwe	Vice-Chairman & Managing Director and CEO	85.85	14.32	85.20	February 01, 2014- January 31, 2018
2	Mr. Ulrich Stöckl	Executive Director & CFO	32.21	12.94	44.85	April 01, 2016- March 31, 2021

e) Service contract, notice period and severance fees

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

Mr. Ulrich Stöckl was appointed as Executive Director of the Company with effect from April 01, 2016 by the Board of Directors. The employment contract with Mr. Stöckl is for a period of 5 years, terminable by 6 months' notice on either side.

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

4. POLICIES

Whistle Blower Policy

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

Policy for Prevention of Sexual Harassment

Bayer's quest for competitive excellence consists of its commitment to lawful and ethical conduct and adherence to Bayer values: integrity, honesty and respect for people inherent in all of its core values. The Company is committed to provide a safe & conducive work environment to its employees. The Company has formulated a Policy for Prevention of Sexual Harassment ("Policy") at its workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and reduce possibility of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Code of Conduct for Directors

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

Risk Management

Risk management is an integral part of the overall governance process and comprises all of the organisational rules and actions to early identification of risks in the course of doing business and management of such risks. It includes implementing systems to identify risks at an early stage, take measures to mitigate them and report them to the appropriate authority.

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

The Country Group Head - 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 Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct and Code of Fair Disclosures - For Prevention of Insider Trading ("Code"). It is an important governance Code to prevent any insider trading activities by dealing in shares of the Company. The Code restricts the Directors, designated persons

CORPORATE GOVERNANCE REPORT (CONTD.)

and any other matter is filed in the accounts of the Company in the form of any unpublished price sensitive information available to them by virtue of their position in the Company. During the year, the Company has put in place a mechanism for monitoring of the trading done by the Designated Employees as well as generation of system based disclosures in line with the Code.

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

Dividend Distribution Policy:

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

COMPLIANCE OFFICER

Mr. Raju Ward, Head - Law, Patents & Compliance & Company Secretary is the Compliance Officer of the Company.

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date of AGM : Tuesday, August 21, 2018
 Venue and Time : Vakresandra Chavan Pratishthan Auditorium,
 V. B. Chavan Centre, Near Mulundaya,
 Gen. J. Bhambale Marg,
 Mumbai - 400 021
 at 11.00 a.m.

Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 08, 2018 to Tuesday, August 21, 2018 (both days inclusive).

Proposed Date of Dividend Payment

The next dividend of ₹ 10.00 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 30th Annual General Meeting to be held on Tuesday, August 21, 2018 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 Tuesday August 07, 2018.
- In respect of shares held in dematerialised form, to the beneficial owners of the shares as at the close of business hours on Tuesday August 07, 2018 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Financial Calendar

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

Board Meetings for Quarterly Results

(tentative and subject to change)

First Quarter Results	On or before August 14, 2018
Second Quarter and Half yearly results	On or before November 14, 2018
Third Quarter Results	On or before February 14, 2019
Fourth Quarter and Annual Results	On or before May 30, 2019

Corporate Identity Number (CIN): L24210MH1988PLCN1173

Registered Office:

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



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

Names and Address of Stock Exchange	BSE Limited (BSE) Plot No. 1, Jyoti Bhawan Towers, C-1, Street, Mumbai - 400 001
Stock Code	505205
Stock ID	BAYERCROP
ISIN	INE462A01022 (NSDL & CDSL)

The Company has paid the annual listing fees

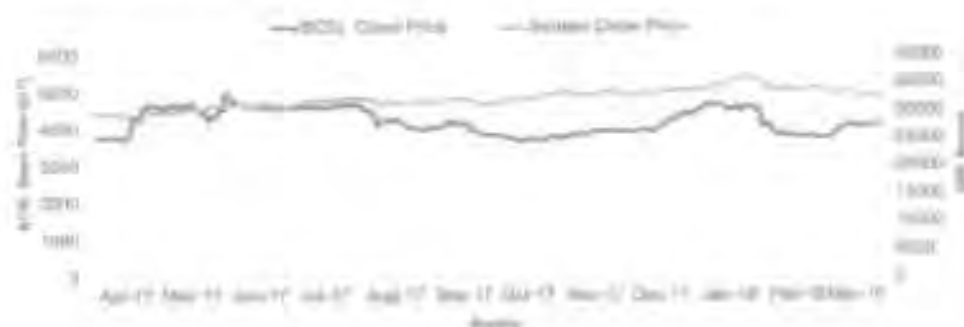
Stock Price Data

The monthly high and low price of the Company's shares on BSE Limited from April 01, 2017 to March 31, 2018 was as under

Month	Share Price (in ₹)	
	High Price	Low Price
April, 2017	4727.50	3138.05
May, 2017	4960.00	4100.00
June, 2017	5050.00	4507.00
July, 2017	4744.75	4601.00
August, 2017	4722.55	3820.10
September, 2017	4300.00	3450.00
October, 2017	3985.00	3685.00
November, 2017	4074.85	3740.00
December, 2017	4480.00	3810.00
January, 2018	4676.80	4420.00
February, 2018	4593.00	3760.05
March, 2018	4250.00	3751.20

Stock Performance

Bayer CropScience Limited (BSE) 5 Share Price vs. & vs. BSE Sensex April 01, 2017 to March 31, 2018

**Registrar & Share Transfer Agent**

TSR Dhanshaw Limited ("TSRD") acts as the Registrar and Share Transfer Agent of the Company. Share transfers, dividend payments, requests for duplicates, revalidation, nomination and other investor related requests are attended by TSRD, at its Registered Office situated at:

TSR DHANSHAW LIMITED (VNI) - Bayer CropScience Limited
B-10, Raji Manna Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Farnesia Studio, Mahalakshmi, Mumbai - 400 011
Tel No.: 022-6855 5484
Fax No.: 022-6855 8894
e-mail: corp+vn1@tsrdhanshaw.com
Website: www.tsrdhanshaw.com
Contact Person: Mr. Adity George

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CORPORATE GOVERNANCE REPORT (contd.)

a) Branch Offices of TSRL

1. **TSR DARASHAW LIMITED**
303, Serfati Centre (3rd Floor)
64, Mahatma Gandhi Road,
Bengaluru - 560 001
Tel No. 080 - 2532 0321
Fax No. 080 - 2558 0010
e-mail: tsrlbeng@tsrdarashaw.com

2. **TSR DARASHAW LIMITED**
"E" Road, Northern Town, Bimpega
Jambhampur - 631 001
Tel No. 0857-242 5816
Fax No. 0857 - 242 6837
e-mail: tsrlbeng@tsrdarashaw.com

3. **TSR DARASHAW LIMITED**
Tata Centre, 1st Floor,
A3, J. L. Nehru Road,
Kolkata - 700 071
Tel No. 033 - 2388 2001
Fax No. 033 - 2388 3056
e-mail: tsrlkcol@tsrdarashaw.com

4. **TSR DARASHAW LIMITED**
242, Sant Vihar,
1st floor, Anand Road, Durgam,
New Delhi - 110 002
Tel No. 011 - 2527 1805
Fax No. 011 - 2527 1502
e-mail: tsrldel@tsrdarashaw.com

b) Agent of TSRL

Shri Consultancy Services Limited
A. Sumathith Comptax
2nd Cross, Petim Nagar Kharadi,
Mumbai - 400 038
Tel No. 079-2627 0338
e-mail: shricomptax@shricomptax.com

Share Transfer System

The shares of the Company being in compulsory dematerialised form, are transferable through the depository system. Shares in physical form should be lodged for transfer with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited, Mumbai or at their branch offices or at the Registered Office of the Company. The transfers are processed if technically found to be in order and complete in all respects. The transfers processed are approved by the Company on weekly basis.

Distribution of shareholding as on March 31, 2018:

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1 - 500	44,758	1,797,088	87.91
501 - 1,000	517	372,975	1.13
1,001 - 2,000	221	308,003	0.49
2,001 - 3,000	89	137,479	6.12
3,001 - 4,000	25	118,688	5.07
4,001 - 5,000	18	81,531	0.04
5,001 - 10,000	41	292,812	0.09
10,001 - 25,000	19	292,469	0.04
25,001 - 99,999,999,999	52	31,031,910	0.11
Total	45,748	34,933,883	100.00

Shareholding Pattern as on March 31, 2018:

Category of Shareholder	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(A) Promoter and Promoter Group			
(1) Indian Body Corporate	8,038,738	8,038,738	23.42
(2) Foreign Body Corporate	15,544,712	15,544,712	45.20
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	23,583,450	23,583,450	68.62



CORPORATE GOVERNANCE REPORT (contd.)

Category of Shareholder	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(B) Public Shareholding			
(1) Institutions			
(a) Mutual Funds / AFI	3,467,764	3,467,824	15.91
(b) Financial Institutions / Banks	20,112	19,768	0.09
(c) Insurance Companies	1,412,550	1,412,402	6.34
(d) Foreign Institutional Investors/ Foreign Portfolio Investors - Cats	1,529,815	1,529,005	6.93
Sub-total (B)(1)	6,429,241	6,428,999	29.27
(2) Non-Institutions			
(a) Bodies Corporate	1,034,477	1,031,850	4.64
(b) Individuals -			
i. Individual shareholders holding nominal share capital upto ₹2 lakh	2,468,743	2,182,748	10.96
ii. Individual shareholders holding nominal share capital in excess of ₹2 lakh	88,160	81,000	0.37
(c) Any Other			
i. HUF	56,372	56,372	0.25
ii. Non-Resident Indian (NRI)	411,282	409,487	1.83
iii. LLP	7,055	7,055	0.03
iv. Trust	52,198	52,198	0.23
v. Clearing Members	20,801	20,801	0.09
vi. Alternate Investment Funds	50,283	50,283	0.22
vii. NBFCs registered with RBI	819	819	0.00
viii. Foreign Nationals	1,440	1,440	0.00
ix. IEPF A/c	85,222	85,222	0.38
Sub-total (B)(2)	4,327,862	4,008,772	18.01
Total Public Shareholding (B) = (B)(1)+(B)(2)	10,757,103	10,437,771	47.28
Total (A)+(B)	24,335,552	24,011,158	100.00

List of Top 10 shareholders as on March 31, 2018:

Sr. No.	Name of Shareholders	Number of shares	Percentage to Total Share Capital
1	Bayer Vepi Private Limited	8,619,738	35.42
2	Green S&P	8,616,108	35.40
3	Bayer CropScience AG	5,394,030	22.16
4	Bayer AG	3,672,577	15.10
5	Aditya Birla Sun Life Trustees Private Limited A/C Aditya Birla Sun Life Advantage Fund	1,952,344	8.03
6	HBFC Standard Life Insurance Company Limited	827,364	3.40
7	Pinebridge Investments GP Mauritius Limited	575,267	2.36
8	Life Insurance Corporation of India	521,170	2.14
9	Franklin Templeton Mutual Fund A/C	471,626	1.94
10	Indus Syntaxis Investments (P) Limited	469,153	1.93

CORPORATE GOVERNANCE REPORT (contd.)

Pledge of Equity Shares

None of the Equity Shares held by the Promoters and / or Promoter Group as on March 31, 2018 have been pledged or otherwise encumbered.

Dematerialisation of Shares and Liquidity

As per the Notification received from Securities and Exchange Board of India, the shares of the Company are traded compulsorily in dematerialised form with effect from March 31, 2006. The Company has signed an Agreement with both the Depositories in the country, viz. National Securities Depositories Limited and Central Depository Services (India) Limited, whereby the shareholders have an option to get the shares dematerialised with any of the Depositories.

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

As of March 31, 2018 – 34,911,188 shares constituting 98.01% 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

501/1 to 75/7, G.I.D.C. Industrial Estate, Vashi-Nagar - 403 001, (Gujarat)

Address for correspondence

Investors can correspond with

1. The Company at the following address:
Bayer CropScience Limited
 Law, Patents & Compliance Department
 Bayer House, Central Avenue,
 Vashi-Nagar Estate
 (Mumbai - 400 037)
 Tel. No. 022 - 2531 4204
 Fax No. 022 - 2545 5063
 e-mail: lc_law@bayer.com
 Website: www.bayer.in

2. TSDRL at their following address:
TSR Darsshaw Limited
 (Unit - Bayer CropScience Limited)
 6-16, 14th Floor, Patil Industrial Estate,
 20, Dr. E. Moses Road, Near Ferrous Bridge,
 Mahalaxmi, Mumbai - 400 011
 Tel. No. 022 - 6856 6484
 Fax No. 022 - 6856 6434
 e-mail: reg-unit@tsrdarsshaw.com
 Website: www.tsrdarsshaw.com

All information / requests for share transfers, dematerialisation, transmissions, change of address, rectification of dividend warrants, illegible/duplicate share certificates and other matters connected therewith be addressed to TSDRL, at the address mentioned above.

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

investor@bayer.com

OTHER DISCLOSURES

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

Year	Venue	Date	Time
2016-2017	Yashwantrao Chavan Pratishthan Auditorium, V B Chavan Centre, Gov. J. Bhambale Marg, Mumbai - 400 021	August 23, 2017	11.30 a.m.
2015-2016	Yashwantrao Chavan Pratishthan Auditorium, V B Chavan Centre, Gov. J. Bhambale Marg, Mumbai - 400 021	September 12, 2016	11.30 a.m.
2014-2015	Yashwantrao Chavan Pratishthan Auditorium, V B Chavan Centre, Gov. J. Bhambale Marg, Mumbai - 400 021	September 15, 2015	11.30 a.m.

Special resolution passed in the previous 3 Annual General Meetings

Adoption of one set of Articles of Association: Passed unanimously at the AGM held on September 12, 2016.

Postal Ballot

During the year under review, a Special Resolution under Section 68 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1991, excluding any amendments thereof, to buyback not exceeding 10,20,000 fully paid-up equity shares of ₹ 10 each equity shares at a price of ₹ 4,300 per equity share was passed by a postal ballot. The Postal Ballot was conducted pursuant to Section 177 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as set out in the



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CORPORATE GOVERNANCE REPORT (contd.)

Notice dated June 06, 2017. The Board had appointed Mr. B. Narasimhan, Practising Company Secretary, as the scrutineer to conduct the Postal Ballot process.

The said resolution was passed by the requisite majority.

Voting Result

Voting	Number of Votes	% of Total Votes
Voted For	30,220,059	99.9
Voted Against	3,900	0.0
Total	30,224,025	100.0

Related Party Disclosures

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior outside 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 of arm's length. All Related Party Transactions are subjected to independent review by a reputed company 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 transactions with its Promoters, Directors, its Management, its 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 of 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. Transactions with the related parties are as per the Board approved policy and are in the ordinary course of business and are of 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 three years.

Means of communication

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

Website: The results are also regularly posted on the Company's website: www.larsen.com. The Annual Report is also available on the website in a user-friendly and downloadable manner along with all the official news releases and Board approved policies.

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

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

(DIN: 0017185)

Mumbai, May 23, 2018

RECOMMENDATIONS TO THE INVESTORS / SHAREHOLDERS

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

CORPORATE GOVERNANCE REPORT (contd.)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To Members
Bayer CropScience Limited

I have examined the compliance of conditions of Corporate Governance by Bayer CropScience Limited ("the Company"), for the year ended 31 March 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither a audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my affirmation and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange.

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

For Nilesh A. Pradhan & Co.
Practising Company Secretary

Nilesh A. Pradhan
Proprietor
C.P. No. 365B
FCS No. 5445

Dated: May 22, 2018



CORPORATE GOVERNANCE REPORT (cont'd.)

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

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

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) 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 those deficiencies;
- D. We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the financial year;
 - (ii) 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
 - (iii) 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 repercussions; and
- F. We further declare that all the listed members and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct for the year under review.

For and on behalf of the Board of Directors

Richard van der Meer
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN 50755355)

Ulrich Stäbe
Executive Director &
Chief Financial Officer
(DIN 52447177)

Wurten, May 22, 2016

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN)	L30210MH1900PLC001573
2. Name of the Company	Bayer CropScience Limited
3. Registered Office Address	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 601 Tel No. : + 91 22 2591 8234 Fax No. : + 91 22 2545 5063 Email : b_csl@bayer.com
4. Website	www.bayer.in
5. E-mail ID	ir_india@bayer.com
6. Financial Year reported	2017-18
7. Sector(s) that the Company is engaged in (Industrial activity code-wise)	NIC Code - 20211 - Manufacture of insecticides, rodenticides, fungicides, herbicides
8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Native VIG Fertis Anticoll
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 (thirty) locations including Registered office, Regional offices and one production site
10. Markets served by the Company	Markets served all across India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	343 Millions
2. Total Turnover (Revenue) (INR)	27,678 Millions
3. Total Profit after taxes (PAT)	3,001 Millions
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	3.87% (of 80.49 Millions spent)

5. List of activities in which expenditures in 4 above has been incurred

- Deewar, Haldi India
- Program for Primary Prevention of Sexual Violence
- Shree Fellowship Program in Agro Science
- Proactive Health and Community Development Programs in and around Viet
- Project Waqar: Water, Agriculture, Sanitation & Hygiene program in Punjab and Andhra Pradesh
- Bayer Scholarship Program to recognize and reward academic excellence in Agriculture, Pharmacy, Medical and Management sectors
- Program for promoting Future Agriculture Leaders of India (FALI): this initiative is focused on BSc & MSc grade students in rural schools
- Bayer Science Talent Program 2018
- Human Program for children suffering from Cancer
- Save Water - Save the Future Campaign
- Support for underserved differently abled girl child through integrated rehabilitation program
- Donation for sponsoring 10 students for academic year in Welfare Society for Deafblind Children

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?
Yes, 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.

BUSINESS RESPONSIBILITY REPORT (contd.)

2. 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%, 30-50%, more than 50%)

We carry with others for raw material procurement which are involved in our manufacturing processes. They frequently participate in BR initiatives and their involvement ranges from 30-50%. Various safety trainings are provided to the employees by the labor agencies such as usage of Personal Protective Equipment (PPE), safe operations, safe handling of substances, first aid, firefighting and safe workdays. Various village developmental projects like construction of roads, installation of LED lights, construction of toilets and laying of sewage lines have also been taken up.

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

Name	DIN	Designation
Mr. Richard van der Meer	08768305	Vice Chairman & Managing Director and CEO
Mr. Ulrich Steffert	57447177	Executive Director & CFO
Mr. Vinod Bhandari	00071318	Non-Executive Independent Director

- b) Details of the BR Head

Sr. No.	Particulars	Details
1	DIN (if applicable)	08768305
2	Name	Mr. Richard van der Meer
3	Designation	Vice Chairman & Managing Director and CEO
4	Telephone Number	+91 22 2501 1234
5	E-mail id	r_van@bayer.com

2. Principle-wise (as per NYGs) BR Policy/ policies (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/Chairman/CEO/ Approver/ Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Directors/Officer 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

BUSINESS RESPONSIBILITY REPORT (contd.)

(10) - 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 in the line of the National Voluntary Guidelines on Social, Environment and Economic Responsibility of businesses established by the Ministry of Corporate Affairs, Government of India in 2011.

(11) - Few statutory policies viz. CSR and Whistle Blower Policy are approved by the Board and other internal policies are approved by lower AGI levels and are implemented as per local laws and regulations.

(12) - All 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.

(13) - We have various kinds of audits carried out like Internal Audit, Global Audit, Compliance Audit which are independent and cover various offices.

If answer to 5a, No, 2 against any principle, is 'No', please explain why.

Not Applicable.

Governance related to BR

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

The Company's CSR Committee looks into the activities of business responsibility and measures to BR performance annually.

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

This is the Company's second Business Responsibility Report which will be published annually along with the Annual Report. It can be viewed at www.bayer.com.

PRINCIPLE-WISE PERFORMANCE

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

World of agriculture is full of surprises, extreme weather conditions, pest infestations and plant diseases occur as a constant threat. Bayer's strong competencies in 'Health care and Agriculture' addresses these challenges with innovative products. The Group's first company established in 1886 in India and has a legacy of 150 years in the land of the subcontinent. The Company's corporate governance is based on four values of Leadership, Integrity, Flexibility and Efficiency (LIFE) and ethical conduct. We, as a responsible organization work towards achieving the social and ethical aims. A good Corporate Governance entails protecting the interests of the employees, shareholders, and society in general. Our Board is responsible for the same and plays a very important role in monitoring the activities of the management following the interests of our shareholders and stakeholders. Our stakeholders are aware of the Company's policies and significant changes in business activities which encourages them to trust the Company and hence ensures transparent communication.

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?

The Bayer Code of Business Conduct and Corporate Compliance Policy ensures that our organization meets highest level of ethical business practices. The Code of Business Conduct includes all its employees, agents and contractors. Our Company believes in responsible procurement and the Supplier Code of Conduct encourages ethical business practices that our suppliers adhere to. Due to commercialization of business relations, all our business partners have to comply with the agreement clause set out in the Code of Conduct. Additionally, the Supplier Code of Conduct discusses the sustainability initiatives taken up by Bayer to build awareness about sustainability to our business partners.

Corporate Compliance Program

Bayer is completely compliant with the statutory requirements of the countries it operates in and ensures integrity in all business activities. The guidelines laid out by our Corporate Compliance Policy (referred as "Policy") affirm our commitment to the conduct activities which would be non-compliant with the Policy framework. Employees of Bayer are expected to comply with the Policy while conducting business and avoid unethical practices. In order to reinforce our values and adherence to legal structures, Bayer conducts regular training courses on internal codes of conduct and behavior. Our in-house Integrated Compliance Management (ICM) compliance program is a methodology providing solutions to cover business specific critical areas involving anti-bribe, anti-corruption, codes of interest, data privacy, foreign trade law, insider trading and fairness & respect at work. The lifecycle of the compliance program is also in process which strengthens the compliance framework.

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.

Our Whistleblower policy establishes the necessary safeguards as defined under Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations for employees to raise concerns and awareness about unethical practices and conduct within the organization. Bayer is committed to maintaining an environment of trust wherein employees are encouraged to reach their supervisors and compliance officers in order to raise concerns and ensure compliance. Further, we have dedicated a hotline including the email bayercompliance@bayerindia.co.uk to ensure efficient and timely redressal. Our Governance Board also includes a dedicated Stakeholder Relationship Committee under the stewardship of Mr. Vinod Bhaidani, a Non-executive Independent Director to address investor concerns.

During the year, we have received 6 (six) investor complaints and all have been resolved at the end of the year.



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BUSINESS RESPONSIBILITY REPORT (contd.)

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

Our mission at Bayer is to solve our clients' most pressing problems by providing them with innovative solutions. At the heart of this mission is our commitment to ensuring potential health and environment issues across the value chain. We adopt a full life-cycle approach to develop responsible product management for all private and public entities engaged in, or associated with production, regulation and management of pesticides.

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

Our products are categorized as:

- **Herbicide Portfolio** (vs. Ready Duo WP, Alabio WP)
- **Fungal Disease Control** (vs. Fitolase WG, Proline WG, Conidia WG)
- **Insecticide Control** (vs. Mowbati Energy, Gaurdia FS, K-Chloro SC)
- **Oil Dispersion** (vs. Mowbati OD, Solomon OD)

We approach product concerns of our customers through innovative features and measures across the product profile. Some of our unique initiatives are as follows:

2D-Anti-Counterfeiting:

We adopted 2D code printing in 2016-17 and we are continuing with the same by introducing more products. The farmers often get misled by purchasing substandard products due to higher number of instances of fraud in the pesticide industry. 2D Anti-Counterfeiting is a unique initiative taken up by Bayer to provide assurance to the farmers on the authenticity of Bayer pesticides. A 2D code is printed on the wrapping of products of all sizes and all the information of the product can be obtained on a smartphone by just scanning the code. The scanned code is sent to the Bayer database and the code is authenticated followed by a confirmation message on user's phone. Farmers who are not equipped with smart phones are sent a similar authentication and confirmation response by sending a message to the help-line number indicated. In cases where no mobile network is available, the user can approach the supplier or photograph of the label and a confirmation will be sent.

Mono dose pack and Measuring cup with products:

Effective crop treatment is dependent on precise volume of product. Since majority of users lack knowledge and awareness on judicious use of the product it is often misused. Bayer packs a range of Mono dose which ensures the farmer does not have to measure the dosage. The users are provided with 2g, 5g and 10g packs which offer easy utilization of the product. We also provide them a measuring cup with each packet of products, attached through a string. This ensures the farmer utilizes the right amount of insecticide every time. These products avoid over dosage which leads to over protection of crops from the pests and extra dosage which is in pesticides wasted money making the product inefficient after 3 years.

Training:

At Bayer, customer safety is our utmost priority. We advocate usage of disposable hand gloves with Fipronil Granule to promote safety and health of the end user.

We have a safety awareness as important as safe and healthy products. Various training programs are conducted to provide education campaigns covering topics related to understanding the guidelines of product usage on the labels, responsible and safe use for crops, human being and environment. Various safety campaigns like field visits are conducted to showcase the methodology and proper safe disposal in collaboration with industry associations. Weather stations have been setup in Jamnagar & Kachchh for early detection of pests/diseases in association with the State Agriculture University. Additionally, conceptual data investigations are carried out to map crop areas and identify soil and water information for product label requirements.

In the recent past, Pink Boll Worm is particularly has gained national prominence because of the significant crop losses in key cotton growing states. Farmers are not aware about proper pest monitoring techniques & Integrated Pest Management (IPM) practices for management of Pink Boll Worm. Against this backdrop, the Bayer Cotton Team has put in massive efforts on Pink Boll Worm Management and has identified hotspots where various on ground initiatives are being implemented. The initiative included mass awareness on Pink Bollworm Management for internal Bayer field colleagues, key channel partners and village-level from seed companies, cooperative building of cotton growers, local language guidelines, and social media alerts (WhatsApp), webinars & collaborations, demonstrations & field days and product awareness.

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BUSINESS RESPONSIBILITY REPORT (Contd.)

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/safety 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 (Metolix and WP Active WP)	0.11	NA
WG Products (Pyridin WG, Confluo WG)	NA	1.0×10^3
SC Products (Monsanto Energy, Gausele FE, S - Chloro AC, Proxima SC, Monocro SC)	0.12	0.2×10^3

We are committed to using green products in our manufacturing processes. Use of Corn oil (20% replacement) and BioSolve oil (25% replacement) as alternatives, helps us reduce our water consumption.

Does the company have procedures in place for sustainable sourcing (including transportation)?

Bayer is honored to be a founding member of TIS (Together for Sustainability) founded in 2011, and for the way for other industries and our peers in develop and implement global supply program to assess and improve sustainable practices within supply chains of the chemical industry. This provides increased visibility of all aspects of the supply chain, stronger assessments on our business partners. Supply assessments and audits are carried out through external partners like EcoVadis and other TIS-approved audit firms who evaluate sustainability performance of our business partners. Suppliers assessed through TIS benefit from a standardized way of assessing their sustainability performance. The outcome helps suppliers to understand strengths and weaknesses in their management approach to ethical, environment and social issues.

The assessment is conducted over 4 steps:

Step 1: Registration: If one or more TIS members request a TIS assessment, the supplier will receive a registration code by email.

Step 2: Data Collection: The supplier has to fill out an online sustainability questionnaire and upload all the relevant documents.

Step 3: Analysis: EcoVadis analyzes the answers and audit documents received from the supplier.

Step 4: Results: The supplier as well as the TIS member companies can access the assessment's assessment online. The supplier can easily manage and update the information with their customers.

The TIS audit has the following steps:



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

The Supplier Code of Conduct is the guiding principle for procurement and all our suppliers have to sign the same which ensures sustainability in supply chain. Bayer has the right to review the sustainability performance of a supplier, either by assessment or by audit conducted by Bayer or a third party.

Audits for Quality, Health, Safety and Environment (QHSE) are carried out to ensure 100% responsible procurement.

Does the company take 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?

There are several advantages in partnerships with vendors and suppliers from the nearby communities like quick delivery and low friction. At Bayer, we aim for strategic partnerships with local vendors and suppliers which ensures meeting our business needs and also provide a means of livelihood to the surrounding communities. We actively procure goods from 83 MSME (Micro, Small and Medium Enterprises) vendors in the financial year 2017-18. Regular training programs for our suppliers and vendors are carried out on topics related to operational safety.

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

As a responsible organization, we are aware of the current global scenario of depletion of natural resources and hence we follow our commitment. Water forms a major raw material for all our manufacturing processes and we ensure effective recycling of water at every stage. With mechanisms in place for wastewater recycling of Suspension Concentrates and Soluble Granule products, 10% of washed water is recycled.



BUSINESS RESPONSIBILITY REPORT (contd.)

The first washing water is collected in (BCs) (Intermediate Bulk Containers) and tested for microbial contamination. If it is approved by Quality Control then the water is reused and if not approved the water is sent to Elites Pollution Control Board approved incineration. Decontaminated (DM) Water is used as media for BC & WG products after each campaign we use DM water to clean the system and recycle the same until approved from Quality Control. In case of WCG plant, wash water is used again for formulating slurry.

Unpacking concept for Raw Material before taking at Shop-floor

We have adopted the concept of unpacking with an objective to prevent the contamination of secondary packing materials and received with the raw materials. The secondary packing materials is removed at issue stage and the raw material is transferred to shop-floor with primary packaging alone. This initiative resulted in reduction of the 24MT quantity of contaminated waste.

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

Various strategies like straining storage and transfer from site to site have been adopted this year. This not only helped us eliminate 3.6MT of contaminated waste but also reduced the consumption of packaging materials.

Sourcing of Raw Materials into Bigger Packs

We have standardized our packing size for Raw material sourcing from small to big pack which has reduced the small packs and generation and ultimately decreasing the production of contaminated waste.

Packing of Finished Goods into Big Packs

In final stages of the process we have adopted a strategy to optimize packing of finished goods by using big packets carrying from 2 pack to 1KL pack, 50KG pack to 800KG pack. It helped us reduce our packing material.

Multiple initiatives have been taken by the Company to reduce/replace packaging material like wooden pallet, strapping tubes etc.

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

Boyer is built solely on the skill, dedication and the commitment of our employees to serve our mission of delivering world class products. Their ability and agility to adapt and learn with the changes in market dynamics are instrumental in helping us cement our status as a leader. Our Human Capital function with its three pillars of HR Business partners, HR Services, and expert organisation works with our management to all employee matters and helps us cater to evolving business requirements.

At Boyer, our high performance culture is driven by our performance management process (PMP) which aligns people, values and goals to facilitate consistent execution. The three phases of the PMP are performance planning, interim review and performance evaluation. We believe that recognizing contribution and performance, accompanied with flexibility in career opportunities, attractive compensation and benefit programs are essential to maintain consistently high performance among employees and to retain and attract the best talent. This financial year we launched an E-Onboarding tool which is a one stop shop for completing all the Onboarding formalities. It's user friendly and integrates compliance which make the onboarding process much smoother. The output is in a sequential format which helps the Onboarding Specialists to better track the status of the documents to be received from the new joiners.

The tool benefits the new joiners in the below mentioned ways:

- It's an internet based tool hence easy to access.
- E-Onboarding integrates all the joining formalities including the mandatory joining forms and personal documents on one platform.
- Saves time of new joiner by eliminating the additional time involved in filling the forms and new joiner information sheet manually.

Our workforce details:

- 1) Please indicate the Total number of employees: 1,148
- 2) Please indicate the Total number of employees hired on temporary/contractual/casual basis: 3,307
- 3) Please indicate the Number of permanent women employees: 154
- 4) Please indicate the Number of permanent employees with disabilities: Nil
- 5) Do you have an employee association that is recognised by management?
Yes, we have Saksharatha Jyoti Manojkar Singh, an employee association that supports collective bargaining amongst our employees.
- 6) What percentage of your permanent employees is members of this recognised employee association? 1%.
- 7) Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, and sexual harassment in the last financial year and pending, as on the end of the financial year.

Boyer emphasises on zero tolerance for sexual harassment. In order to enforce this 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 Complaints Committee (ICC) to address grievances and queries regarding sexual harassment. Furthermore, we have dedicated compliance helpline and have made all our policies available to all employees for their perusal.

BUSINESS RESPONSIBILITY REPORT (contd.)

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

Training and Development:

For a Bayer culture that learning is synonymous for progress, both for our people and us. We strive to provide avenues to enable lifelong learning for our employees by broadening their skill sets and equipping them to face the challenges of evolving business and technology. Employees have to mandatorily complete the stipulated training in the 4 core principles LIFE. In addition to this, Bayer remains committed to inculcating people who are new to the organization by providing them a comprehensive two week induction program. And at the corporate office and then function specific training to assimilate them in our culture and work.

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

Category	Skill-upgradation Training	Safety Training
Permanent Employees	77%	100%
Permanent Women Employees	12%	100%
Casual/Temporary/Contractual Employees	NA	100%

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 marginalized.

Bayer, a broad definition for stakeholders is adopted and we mostly don't confine them to the number of communities and NGOs. We firmly believe that a stakeholder could be just about any person/organization that could be affected by the scope of our work and products. Stakeholder engagement for us is a multi-pronged approach which involves identifying stakeholder concerns and devising products and strategies which are mutually beneficial.

Has the Company mapped its internal and external stakeholders?

Our stakeholder engagement process involves:

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

Our Stakeholder mapping:



Has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

We have also focused on identifying stakeholders coming from those sections of society which are underdeveloped, vulnerable and marginalized. We put in extra effort to engage with these stakeholders through awareness camps, training sessions and safety meetings to help them address their concerns as well as get feedback from them. We have identified them as:

- Women
- Children
- Handicapped/Physicallyabled people
- Farmers from marginalized background

BUSINESS RESPONSIBILITY REPORT (cont.)

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

Principle 8 in this report outlines the various activities and initiatives in place taken to address the concerns of our business marginal stakeholders identified above. Apart from these we also carry out Safe-Use activities for our farmers and consumers we aimed towards improving their skills and efficiency.

Through these activities we impart education on safe and effective use of our products. We also distribute safety kits to the small- and medium-sized farmers for safe handling of the pesticides.

Principle 3 (P3): Businesses should respect and promote human rights

Human rights are the corner stone on which we have built our values. We are determined to respect, foster and report without exception on human rights within Bayer and our extended partners. We are an equal opportunity employer and do not discriminate on the basis of caste, creed, religion, color, age, gender, ethnicity, nationality and disability. We strive to create an atmosphere of dignity and human rights within our organization free of harassment and bias where individuals can realize their potential and help create a tangible positive impact.

- 1) Does the policy of the Company on human rights cover only the Company or extend to the Group/Join Ventures/Suppliers/Contractors/NGOs/Others?

We believe that our values must reflect in the functioning of our partner businesses as well. In order to promote our values, the Code of Conduct lists guidelines to safeguard human rights, and the Whistle Blower policy provides a platform to report violations and policies. Extending to our external suppliers, our Supplier Code of Conduct lays down the expectations with regards to human rights from all the partners in the supply chain. In order to ensure compliance with the Child Labor Prohibition and Regulation, 1986, Bayer put rightly bans the use of child labor in any operation in our business and supply chain. Our LIFE clause and Code of Compliance Policy binds all our employees across geographical as address in fact, ban all contact towards everyone in our organization.

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

There have been no stakeholder complaints with respect to the said Principle.

Principle 8 (P8): Businesses should respect, protect, and make efforts to restore the environment

For Bayer, protecting the environment isn't just an obligation, it is the way we conduct business. The Bayer Global Sustainable Development Policy defines the framework for actions we as to cause minimal ecological impact and advance our environmental goals. We always aim to go the extra mile, and not just merely fulfil legal requirements by ensuring energy efficient and safe processes and thorough analysis of environmental impact in our product life-cycle. Our commitment is reinforced by our adoption of the chemical industry's responsible care initiative.

- 3) Does the policy related to Principle 8 cover only the Company or extend to the Group/Join Ventures/Suppliers/Contractors/NGOs/Others?

Bayer believes that sharing of knowledge among the partners and customers is essential in developing our products in a sustainable manner while making our products resistant to the rigors of the environment like drought and infestive pests. The approach to conduct the most sustainable in our network, especially farmers who need to worry about the yield in the face of such uncertainties. Knowledge sharing involves giving training on Environment, Health and Safety to around 500 members across 5 external organizations on the following list of topics:

- 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 conduct HSE audits in our Suppliers' units, toll manufacturers' units and warehouses to ensure compliance.

BUSINESS RESPONSIBILITY REPORT (contd.)

2. Does the Company have strategic initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, give hyperlink for the webpage etc.

Bayer is an environmentally conscious organisation and multiple initiatives have been taken up in the past and many initiatives have been planned for the future to address the growing concerns related to global environmental issues and climate change. These issues are not only of concern to the community but also to its long-term growth and sustainability. Some of the activities executed and planned in the upcoming year are:

- Implemented new material unpacking as primary level to avoid contamination from shop floor thru to packaging. This has reduced generation of waste sent for incineration and prevented recycling of packing materials like floor based boxes and cartons.
- Installation of hydraulic press to compact the solid hazardous waste which reduces transportation upto three reducing CO₂ emissions.
- Installation of Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) for treatment of domestic waste water.
- PELS - Process Exposure Leakage & Spillage Prevention Project & HACPA - Hazardous Area Classification and Risk Assessment.
- ChemSAFE Industrial Hygiene Program - Successfully completed an audit project for Chemical Exposure measurement in workplace.
- Job Safety Analysis has been successfully implemented.
- Replacement of fog 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.

Activities planned for the next year:

- To reduce the energy consumption, procured required Heat Recovery equipment which will help us reduce our electricity consumption.

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

Our manufacturing locations - Homburg - is certified with Environment Management Systems - ISO 14001:2015. Systems has been help us identify and mitigate the environmental risks our organization 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 developed action plans for their mitigation and look to minimize their effects.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. 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.? If yes, please give hyperlink for webpage etc.

We introduce new innovative techniques throughout our operations and business to help us improve our environmental performance. By introducing new processes we can be more efficient and improve our production while also reducing our environmental impact.

Some initiatives taken up are:

- Optimizing the jet milling operation as a result of which electricity consumption is reduced in the Wettable Powder process line.
- Reducing Wettable Granule product loss.
- Reduction in electricity consumption in plant and street lighting using LED light.
- Installation of high efficiency motors for increased output with lower energy consumption.
- Use of pollution control devices.

Upcoming projects:

- Installation of 30 kW Solar plant for electricity generation which will help us reduce overall electricity consumption.



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BUSINESS RESPONSIBILITY REPORT (contd.)

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

We follow stringent quality control and disposal processes to minimise the impact of waste generated from our production activities. We go the extra mile by actually measuring the toxicity of various effluents in waste water generated and ensure that they are within the permissible limits. While generating hazardous waste, we ensure that all legal requirements are met with respect to disposal which includes correct storage, packing, and transportation. Additional precautions are taken for disposal of biomedical waste which includes specialized handling and disposal, fully compliant with all requirements and processes.

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

In line with regulations issued by the Central Pollution Control Board and State Pollution Control Board, we are proud to mention clear record with no show cause notices in the lastest year - a further testament to our sustainable processes and operations.

Awards & Recognitions

The awards received over the years reflect on our zeal and commitment to protect and preserve our environmental and sustainable. These include:

- GHSE Excellence Award at Himsnagar - 2013 by Bayer Senior Representative
- FICCI Award - 2014 - Sustainability Award for Excellence in Supply
- FICCI Award - 2015 - Best Green Process for Initiative of CR Dispersion (CD) formulation
- GHSE Excellence Award at Himsnagar - 2014 by Bayer Senior Representative
- FICCI Award - 2015 - Sustainability Award for Best Green Process
- HSE Excellence Award at Himsnagar - 2015 by Bayer Senior Representative
- Green CSR Achievement Badge - 2014 & 2015 by EcoVadis
- ISO 9001-2015, 14001-2015 recertification in 2017

These accolades conferred upon us don't make us rest on our laurels, but rather propel us to keep excelling in the environmental and social realm and set an example for our peers. Our continuous prudence with respect to our business activities and its impact help us improve our processes and product offerings, thereby making us more responsible organization.

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

Bayer believes that engaging in constructive discussions with legislative and regulatory bodies is necessary to bring about substantive difference in topics which matter to us. We aim to engage with National level bodies and associations to maintain a healthy ecosystem. We also encourage an open deliberative process and utilize these forums as a platform to advocate the values and causes which we find important for our business and connect with policy makers, regulators, public and private stakeholders to create a lasting impact.

- 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:

- The Federation of Indian Chambers of Commerce and Industry (FICCI) (Agrochemicals & Seeds/Trait)
- CI (Confederation of Indian Industries) - Agrochemicals and Seeds/Trait
- Crop Life India (Agrochemicals)
- AACE - AI (Association of Biotechnology Ltd Enterprises) Agricultural Group (GM Traits)
- Federation of Seed Industry of India (Seeders and Traits)
- National Seed Association of India (Seeders and Traits)

- 2) Have you advocated/led 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 partner with major industry associations and platforms to engage our stakeholders and contribute towards creating enduring change and positive contributions to regulatory systems, policies and business ecosystems. We seek to help shape regulatory process for the adoption of future technologies which shall contribute towards increasing food security for the nation.

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

Our CSR Programs are strategically aligned with our global objectives, with special focus on long-term and inclusive approach that results in sustainable impact in societies. The initiatives have been meticulously conceptualized with our partner NGOs and others in order to ensure compliance with our philosophy. Bayer's multi-focused approach has earmarked three unique strategies as part of providing a comprehensive development plan. The first is Society Progress Plans with innovative ideas on matters of national significance. The second, Science Excellence, focuses on life science talents and being at the frontier of path breaking research. The third, Community development mission, targets at and around our spaces but going to the farthest corners including health hygiene, education and conservation.

BUSINESS RESPONSIBILITY REPORT (contd.)

- Q1 Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes detail thereof

Yes

- Q2 Are the programs/projects undertaken through in-house team/down foundation/external NGO/government structure/s any other organization?

Bayer CSE program are undertaken by

- In-house team
- Bayer Project Association
- Various NGO partners

- Q3 Have you done any impact assessment of your initiative?

For some of the initiatives that have completed their duration, we have initiated the process of impact assessment which would be completed this year.

- Q4 What is your Company's direct contribution to community development projects - Amount in INR 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 Millions)
1	Discovering Hands India	18.75
2	Program for Primary Prevention of Sexual Violence	15.00
3	Bayer Fellowship Program in Agro Science	13.50
4	Preventive Health and Community Development Programs in and around Vapi	10.90
5	Project WASH: Water, Agriculture, Sanitation & Hygiene program in Punjab	8.00
6	Project WASH: Water, Agriculture, Sanitation & Hygiene program in Andhra Pradesh	5.20
7	Bayer Scholarship Program to recognize and reward academic excellence in Agri, Pharmacy, Medical and Management sectors	3.00
8	Program for promoting Future Agriculture Leaders of India (FALI) (the initiative is focused on 8th & 10th grade students in rural schools)	2.19
9	Bayer Science Talent Program 2018	1.00
10	Nutrition Program for children suffering from Cancer	0.70
11	Save Water - Save the Rivers Campaign	0.70
12	Support for underprivileged differently abled girl child through integrated rehabilitation program	0.15
13	Donation for sponsoring 10 students for academic year in Welfare Society for Destitute Children	0.05

- Q5 Have you taken steps to ensure that the community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Our community development initiatives have been received well and have been actively adopted in the regions where they have been taken up. Initiatives such as WASH (Water, Agriculture, Sanitation and Hygiene) have resulted in change in mindset of farmers and encouraged them to try newer techniques in agricultural diversification, increase productivity and focus on livelihood opportunities to improve their economic conditions. Similarly our Comprehensive Community Health programs have increased awareness about maternal health and hygiene in young women.

- Principle 8 (PP): Businesses should engage with and provide value to their customers and consumers in a responsible manner

At Bayer, we ardently believe that responsible business isn't merely limited to charity and being "good". It's recognizing that every business can thrive towards being more responsible and impactful while delivering unmatched value and opportunity for everyone involved. To achieve this, we have initiated sound accountability and governance structures to help us realize our mission and ensure we are doing this well.

- Q6 What percentage of customer complaints/consumer cases are pending as on the end of financial year?

As of March 31, 2018, a total of 54 cases are pending.



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BUSINESS RESPONSIBILITY REPORT (contd.)

- 2) Does the Company display product information on the products label, even and where what is mandated as per local law? Yes/No/N.A. (Remarks (additional information))

At Bayer, transparency is provided in every aspect of our business cycle as we believe customers and partners need to be empowered to make the right choices. We follow the highest mandated standards for labelling of our products and also include Datasheet for each (DPL) to enable our customers to utilize our products in ways that generate maximum value for their enterprises.

The DPL contains information like:

- Symptoms of pest/disease
- Precautions while handling
- First aid instructions in case of accident
- Instructions for storage
- Instructions for disposal

Bayer Advice

Our farmers are the backbone of any business. We seek to empower them through various channels such as providing them with highly experienced field officers, unaffiliated advisors and local network to help them restore their business. In the case of India, recognizing the various issues they face with regards to changing weather patterns, pest attacks and resistance to pesticides and evolving markets. We have established a toll free helpline which can be accessed through telephone and mobile, and display prominently on all packaging. This is intended to help our farmers get access to the best agr. experts for all their queries and technical assistance and thus enabling us to be with them at every step of their journey.

This financial year we have taken special initiatives to amplify our reach to customers by engaging them under "Bayer Go to Antidote" program with various stakeholders like the State Department of Agriculture, Krishi Vigyan Kendras and State Agricultural Universities. This program helps our customers understand ways to use crop protection products responsibly with a focus on open safety, consumer confidence and environment sustainability. Along with this we are also ensuring place-wise availability of Pesticide Protective Equipment (PPEs) at all major counties.

- 3) Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertisement and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

Keeping in line with our reputation for unwavering excellence and fairness, there are no cases pending against us for unfair trade practices, irresponsible advertising and anti-competitive behavior thereby denoting our approach to promoting healthy competition. Our transparency, compliance, controls and honest advertising and marketing go long way in helping us provide class leading solutions. Our participation in chamber meetings is not to seek the advancement of our enterprise, rather help us gauge the problems faced by the industry and align our products to help solve them.

- 4) Did your company carry out any consumer survey/ consumer satisfaction trends?

We carry out continuous brand feedback studies to assess our brand and the level of satisfaction with our customers and we are proud to note that we score highly for almost all our brands. An annual brand equity study is conducted for brands to gauge such as awareness and growth 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.

For and on behalf of the Board of Directors

Pankaj Patel
Chairman
(DIN: 00101000)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW OF INDIAN AGRICULTURE

Indian agriculture is the largest employer in the world with 225 million Indians engaged in farming. In fact India, 60 percent of the workforce works in farms and depends on agriculture as the only source of livelihood. India is currently among the top largest producers of major agricultural commodities such as rice, vegetables, fruits, cotton and sugar. Agricultural export constitutes 10 percent of India's exports and is the fourth-largest exported commodity. With a contribution of roughly one-fifth of India's gross value added (GVA), agriculture is an important contributor to the growth of the Indian economy.

India has 157.25 million hectares under cultivation, which makes it the second largest holder of agricultural land in the world. At 15 major climatic zones in India, with 28 agro-climatic regions in total, Smallholders or small farmers make up 85 percent of India's farmer base. As farmers grow, the role of small landholdings will evolve further. That is why any meaningful solution to solve problems in Indian agriculture needs to revolve around targeted support for smallholders, through contemporary crop production systems, high yielding seeds and modern farming methods.

Food Grain Production in 2017-18

In 2017-18, India's food grain production is expected to reach 277.45 million tonnes, which is 2.36 million tonnes higher than the previous record food grain production of 275.11 million tonnes in 2016-17 (Source: 3rd Advance Estimates for 2017-18 issued by the Ministry of Agriculture & Farmers' Welfare).

The production of rice increased by 1.31 million tonnes in 2017-18, compared to 196.70 million tonnes during 2016-17. It is also higher by 4.71 million tonnes than the five years' average production of 198.28 million tonnes. Production of wheat is estimated at 97.11 million tonnes, which is lower by 1.40 million tonnes as compared to record wheat production of 98.51 million tonnes achieved during 2015-17. However, the production of wheat during 2017-18 is higher by 3.77 million tonnes than the average wheat production.

Production of coarse cereals is estimated at record 65.42 million tonnes, which is higher than the average production by 3.72 million tonnes. Further, it is also higher by 1.85 million tonnes as compared to 43.77 million tonnes achieved during 2016-17. Total pulses production during 2017-18 is estimated at record 23.88 million tonnes which is higher by 0.62 million tonnes than the previous year's production of 23.13 million tonnes. Moreover, the production of pulses during 2017-18 is higher than the five years' average production by 1.10 million tonnes.

Rare oilseed production in the country during 2017-18 is estimated at 29.88 million tonnes, which is lower by 1.38 million tonnes than the production of 31.26 million tonnes during 2016-17. However, the production of oilseeds during 2017-18 is marginally higher by 0.24 million tonnes than the average oilseeds production.

Production of cotton is estimated at 23.92 million bales (of 170 kg each), which is higher than the previous year's production of 22.59 million bales. Further, it is also higher by 0.41 million bales than its average production of 23.50 million bales.

Government Initiatives

Given the importance of the agriculture sector, the Government of India, in its Budget for 2016, announced several steps for the sustainable development of agriculture. Key among these initiatives was the ambitious goal to 'Double Farmers' income by 2022. For this, the government commenced various schemes around irrigation, soil health management, organic farming and crop insurance. Some of the pending schemes were amplified further in 2017-18.

In the Union Budget 2016-18, the government increased the budgetary allocation for the Ministry of Agriculture & Farmers' Welfare to ₹ 34,200 Crores from ₹ 31,576 Crores in 2015-16. The government has been pushing for the implementation of schemes that will shift India's priority from production-led farming to income-led farming. To achieve the ambitious objective of Doubling farmer's income by 2022, the government is envisaging to adopt a multi-dimensional seven-point strategy which includes:

1. Engage in organic along with eco-friendly sustainable modes of resources for 'Per Drop More Crop'
2. Promote of quality seeds and nutrients according to the soil quality of each farm
3. Large investments in infrastructure and credit access to prevent post-harvest losses
4. Promotion of value addition through food processing
5. Implementation of National Agricultural Markets and e-platforms (e-NAM)
6. Introduction of crop insurance scheme at a lower cost
7. Promotion of allied activities such as Dairy Animal Husbandry, Poultry, Beekeeping, Mollusc Pesticide, Horticulture and Fisheries

The Pradhan Mantri Fasal Bima Yojana (PMFBY) is one such initiative towards crop insurance with the lowest-cost premium come for farmers. PMFBY has nearly come to its credit such as national coverage of post-harvest losses due to inundation and unseasonable rain, no cap on government subsidy, and use of technology for early and accurate settlement of claims. Assistance to farmers affected by natural calamities has been increased by 50 percent andrigidly income have been reduced. As announced in the Union Budget 2018-19, the implementation of PMFBY will be made faster and the government is willing to increase the coverage under the scheme to 30 percent of gross cropped area in 2018-19.

Issue of Soil Health Cards in 18 crore farm-holdings by March 2017 is another govt initiative and will result in judicious application of fertilizers, lower input costs and better soil health. Other initiatives such as the Pradhan Mantri Krishi Sinchay Yojana (PMKSY) 'Per Drop More Crop' and 'Jal Sanchay for Jal Sinchay' ensures better irrigation to expand cultivated areas by improving water use efficiency and enabling diversification.

MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

The National Agriculture Market Scheme (NAM) which was launched to connect markets across the entire country is helping India's Old Food zone, Old Country, CropMarket. This will immensely benefit farmers in getting fair and remunerative prices.

2. INDUSTRY DEVELOPMENT

The south-west monsoon, which delivers about 70 percent of India's annual rainfall, is critical for the farm sector. The Meteorological Department (MD) had forecasted a normal monsoon for 2017, but actual rainfall was below normal at the turn of percent of the long period average (LPA). The intermittent, pan-India rainfall coverage and distribution of monsoon left the sector in a difficult situation. Dry spells in the key monsoon months of August and the first-half of September affected the consumption of protection products.

Further, the GST (Goods & Service Tax) implementation post July 2017 brought in some uncertainties among trade and retailers of crop increase for farmers. However, the situation normalized by end of 2017. All these volatilities during the main season led to a up of channel inventories. The crop protection industry recorded small single digit growth (without considering the impact of O Herbicides out-performed average market growth due to increased demand in sugarcane, corn and wheat. Fungicides on their hand distinctly under-performed the average growth mainly due to lower cropped area and low commodity prices for vegetables.

In 2017, there were many acquisitions and divestments in the global seed industry, along with some in-depth restructuring. In the year, a new breeding technique, represented by CRISPR, boomed worldwide. Of late, (Seed) Technology is more focused on AI and both stress related traits to provide quality products and withstand adverse climatic conditions causing losses to farmers. The 50 years have seen many research-driven improvements in seed genetics and technology that have been responsible for over increases in crop productivity worldwide. Technologies such as marker assisted breeding, biotechnology and genomics have been quite mainstream. For the Seeds industry, the focus continues to be on greater efficiencies and lower input prices, safer growing conditions and safer foods and reduced environmental and ecological impact of crop production.

In 2017-18, the Seed market bounced back to normal levels with a growth of mid-double-digit over 2016-17. This was driven by the commodity prices in cotton and timely onset of monsoon in the Western and Southern parts of India. Rice acreage under the 1 grain category increased in Northern India due to better commodity prices and increase in local consumption. Delayed monsoon followed by a long dry spell impacted hybrid rice growth in Eastern India and millet acreage in North-West India. Overall, the relevant field crops segment, the Seeds & Traits market grew by low double digits in 2017-18 compared to the previous year. This largely driven by growth in the largest seed markets of cotton and corn.

In 2016-17, the Company had launched RA 9072, a new short duration millet hybrid with excellent tolerance for Ovary Mosaic Drought. In 2017-18, Bayer initiated Project South-South to promote and establish RA 9072 among smallholder farmers who cultivate millet in rain-fed areas. With this initiative, Bayer covered 128 villages and 900 cotton leader farmers and showcased RA 9072 yield advantage of upto 25 percent over the existing public variety RA 9072. Government officials, trade channel partners and local agricultural Bayer's efforts was recommended the use of Bayer's hybrid millet seed to meet the food and fodder requirement of growers and achieve incremental income.

Environmental Science ("ES") in India, which currently operates in two business areas, Public Health and Professional Pest Management ("PPM") remained flat for 2017-18, mainly due to factors such as GST implementation, continued after-effects of demonetization, slowdown in the real estate sector. Vector-borne diseases such as dengue, malaria and chikungunya continued to affect communities across India. The Public Health market in India is driven through the practice of enviro-spraying and space-spraying. The government health authorities pressure chemicals for enviro-spraying and space-spraying through tenders, which is a lengthy process. But the system is slowly modernizing with tender submissions moving online and the introduction of the Government e-Marketplace (GeM) portal in the PPM segment, termite control, which is one of the fastest growing segments, faced a downturn with reduced pre-commercial activity. Despite this, the PPM business still holds good potential for the future in both commercial and residential segments.

3. REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

The Company's Revenue from Operation was ₹ 27,490 Millions in 2017-18 as compared to ₹ 26,404 Millions in 2016-17. The Company reported a profit for the year of ₹ 3,501 Millions.

The Company enjoys a unique position in the market because of its capability to offer new innovative products, reforming processes, services and business models. Innovation has always been a cornerstone in Bayer's product offerings. In the year 2018, the Company successfully launched five new products in Crop Protection and one new product in Seeds and Fourmolecular Science, each.

The new offerings in Crop Protection include, Ernesto Prime, a seed growth product, SIVANTO prime, Movento QO, Regent Ultra and Sincerus in the insecticides category. The new product from Seeds is Arise AZ 0633, a mid-duration rice hybrid with high yield potential. The new offering from Environmental Science, Mafloc Quantum is an innovative gel bait for ant colony management.

Over the last few years, the Company is working on providing customer-centric solutions to Indian farmers by working closely with them to understand their needs even better. In 2017-18, the Company further strengthened its Regispro program Bayer Latihra which aims to increase per acre earnings and qualitative yield for the progressive farmers & large. Bayer has extended the size and number of demonstrations across multiple crops and geographies, but more importantly also commercialized the concept in the form of Latihra Kite in some key geographies. As of 2017, Bayer Latihra demonstrations were carried out in nearly 2,000 villages.

Another key customer focused initiative, the Food Chain Partnership expresses our belief that together with our partners in the food chain we can build relationships that benefit everyone. Bayer provides farmers with innovative crop protection products, high-quality

MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

seeds and services, as well as advisory on the optimal use of products and applications. Ultimately farmers benefit through better market access, more secure income, better technological solutions, higher yields and sustainability. Sustainable use of agrochemicals in 2017-18, the Company led 53 Food Chain Partnership projects spread across 86,888 hectares covering 66,000 farmers.

Bayer has been working with smallholder farmers in India for many years and has a variety of successful programs such as Bayer Lifehoods, Food Chain Partnerships as well as public-private partnerships in place. In late 2016, Bayer announced a global 'Smallholder Farming Initiative' to support small-scale farmers in emerging and developing countries. The initiative was rolled out in India in May 2016 as a pilot project for green stables in Varanasi, Uttar Pradesh. In 2017-18, the project was covering more than 250 smallholder farmers in India. After the success of the first project, a second pilot project was introduced in Jharkhand for kharif crops. The ongoing project focuses on farmers who have small land holdings of less than 2 hectares and are willing to adopt new technologies. The focus areas for the project are correct application of crop protection products, nutrient management, soil testing, drip irrigation, training on good agricultural practices, product stewardship etc.

Product Stewardship forms an integral aspect of our business operations. Every field / farm training conducted by Bayer begins with a safety training and awareness about safe & responsible use of crop protection products. Under the training programs, Bayer helps farmers learn more about identifying and purchasing authentic seeds and crop protection products, safe & responsible use of products and proper use of Personal Protection Equipment ("PPE") while spraying. In 2017, 454,850 farmers across India were covered under Bayer's safety training and awareness programs. Bayer has also started equipping each of its retail outlets with PPE kits for sale and use by crop operators.

In 2017-18, the ES unit maintained its position as the market leader in the areas of Public Health and PPM. The ES business registered lower sales by 22 percent in comparison with previous year. The major reason for lower sales was the implementation of GST which reduced revenues by 11 percent. In the PPM segment, ES sales in terms of segment declined due to introduction of various legislations in the construction and real-estate sector. The Company's Bayer Network Program, a global certification program for Pest Control Operators (PCOs), grew to cover 47 Bayer Network PCOs across 36 states in India. However, sales from these Bayer Network PCOs declined. In 2017-18, 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.

OPPORTUNITIES, RISKS, CONCERNS AND OUTLOOK

The central challenge for Indian agriculture is low productivity, which is evident in modest average yields. According to the Food and Agriculture Organization (FAO) study, food energy requirements for South Asia will be about 2,700 calories per capita per day by 2025. In India, the current food grain availability is 525 grams per capita per day, whereas the corresponding figures in China and USA are 140 grams and 2,850 grams respectively. Due to an improvement in per capita income, 4 per capita consumption is 650 grams, the food grain requirement will be about 380 metric tons of food grain by 2025. Although low productivity is a challenge, it also presents an opportunity for our industry.

With key resources such as arable land, growing water scarcity and fluctuating weather patterns becoming the new normal, technology can make a huge difference. Cross (and hybrid) seed varieties breed the climate resilient and achieve a turn around in rice production. Hybrid rice seed varieties can adapt to low rainfall, poor soil conditions and can offer farmers up to 50 percent incremental yields. Despite the availability of such science-based solutions, the adoption rate for hybridization in India stands at a dismal 11 percent. This presents a huge opportunity for players in the hybrid seeds segment.

To create awareness on hybridization and the role it can play in achieving food security, Bayer initiated 'Project Sahyog' (hand collaboration) in June 2017 with small rice farmers in Madhri, a prominent rice growing region in Bihar. Project Sahyog is a joint initiative of Bayer with Indian Gramin Services (IGS) and is being implemented under the aegis of the Small Farmers' Agribusiness Consortium (SFAC). The main objective of this initiative is to sensitize farmers and officials from India's Ministry of Agriculture & Farmers' Welfare, about the potential of hybrid rice seeds to enhance food security.

Under Project Sahyog, the Company has reached out to approximately 6,000 farmers across 100 villages in the East Champaran district of Bihar and conducted Arise demonstrations and trainings on integrated crop management solutions, good agronomic practices, nutrient management and weed management. Bayer's Arise brand of hybrid rice seeds offers a broad portfolio of high-yielding hybrid rice varieties adapted to diverse field conditions and the varying needs of farmers. Project Sahyog is also being implemented by the Horticulture Mission of Agriculture & Farmers' Welfare, Shri Rastha Mahan Singh.

Another significant problem that Indian farmers face is poor price realization even when there is a bumper harvest. A bumper harvest causes prices to crash and in the absence of proper storage and processing infrastructure, plenty of produce has to be sold at sub-optimal prices while the input costs for farmers keep pace with overall inflation. This creates both a cost trap for farmers and disengagement with farming. Here too, two technology-enabled solutions can help. The first calls for public-private partnerships in creating efficient farm-to-fork supply chains. The second requires crop diversification based on science and a systematic analysis of future global production trends. Intelligent diversification protects consumers from price shocks (say, a sudden surge in the price of wheat or rice when a crop fails) and allows farmers to hedge their risks.

Water is one of India's most scarce natural resources. India uses 2 to 3 times more water to produce a unit of major food crop compared to China and Brazil. Hence, it is imperative that the country focuses on improving the efficiency of water use in agriculture. Irrigation investments must shift to adopting technologies like sprinkler, drip irrigation and laser-level harrowing. In order to facilitate this shift, the laser irrigation technologies need to be accorded 'infrastructure lending' status and both the center and states need to increase public spending for adoption and deployment of laser irrigation.



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MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

Addressing India's multiple challenges in agriculture requires significant strengthening of the country's national agriculture science and extension systems. India's National Agricultural Research System (NARS) comprising the Indian Council of Agricultural Research (ICAR), state animal research institutes, and national research centres end up by ICAR, together with state agricultural universities, played a key role in India's Green Revolution. However, in more recent years, R&D in agriculture has been plagued by a severe lack of investment.

Agricultural R&D is crucial to sustain agricultural productivity growth in the long-term. As per the Economic Survey in 2011-12, the actual expenditure of the Department of Agricultural Research and Education (Indian Council of Agricultural Research) increased from ₹ 5,300 crores in 2010-11 to ₹ 6,000 crores during 2012-13. The compounded annual growth rate of expenditure has been 4.2 percent over the years, which might well be the industry. To ensure growth, India also needs better quality resources, better infrastructure and a range of innovative products.

Agriculture is a key driver of the Indian economy; but the agriculture sector remains to be seen as an exciting industry rather than a sector that depends on subsidies and hand-outs. Investment in seeds and crop protection can go a long way in addressing the productivity problems affecting Indian agriculture. It will also help farmers fetch good commodity prices which will encourage farmers to spend on qualitative inputs for achieving higher yields and a more desirable return on investment. Bayer with its product-oriented distribution reach and strong network of more than 3,500 field officers is well geared to support Indian farmers.

On the ES front, despite macro-economic shocks over the last two years, the PFM industry is expected to grow in 2013-14. The residential segment is expected to show rapid growth as consumers, particularly in urban markets, become more aware about the benefits of pest control services and start to demand safe and effective solutions. Additionally, while we expect our business segment to recover, this will be closely tied to stabilization of the real-estate sector. Currently the biggest concern for the PFM business is the pressure of generics dominating the PFM segment. The Public Health business is geared for high growth with continued government expenditure to protect against vector-borne diseases. However, since a large portion of this business comes from tender, it is difficult to achieve predictable growth.

5. CORPORATE SUSTAINABILITY

Bayer is committed to the principles of sustainable development. In this context, we are always looking to ways to enable progress along the front of innovation, regardless of where they come from or how much they cost.

Bayer's social commitment is based on education. As education is a star factor in achieving sustainable prosperity, Bayer has been making efforts to make education in science and technology more attractive by way of innovative projects. In many far-flung regions where educational infrastructure is in a poor shape, we are supporting initiatives that focus on making school an attractive place. Skill development is also a vital part of our focus. Many of our initiatives aim to enhance skills that would help young people lead a life of dignity. Our Community Development programs being implemented across the country place emphasis on enhancing awareness about health, hygiene and skill development.

Our sustainable development initiatives are aimed at making a contribution to one of society's greatest challenges: food security. We focus on providing support to farmers in their efforts to increase yields while at the same time protecting the environment and improving the quality of life. Bayer is committed to protecting the environment and is constantly working to reduce environmental impact and to innovative product solutions that improve resistance and energy efficiency.

That is what our mission "Bayer. Science for a better life" is all about. The details about the Corporate Social Responsibility program for the financial year 2012-13 are provided in the Directors' Report.

6. INTERNAL CONTROL SYSTEMS

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

7. CAUTIONARY STATEMENT

This statement in the Management Discussion & Analysis Report describing the Company's objectives, expectations and forward view are 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 financial conditions, government policies and other essential factors.

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

(DIN: 00117052)

Mumbai, May 23, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Bayer CropScience Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Bayer CropScience Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 ascertaining the accuracy of the Company's and for providing and defending audits 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on the audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 131(1) of the Act.

Notwithstanding to the audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act, these Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate to the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS financial statements give a true and fair view in conformity with the provisions of the Act in the financial statements and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transitional date opening balance sheet as at April 1, 2018 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated July 24, 2017 expressed an unqualified opinion.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.



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INDEPENDENT AUDITOR'S REPORT (contd.)**To the Members of Bayer CropScience Limited****Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, based on our audit report, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from examination of these books.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement, Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed in section 133 of the Act.
 - On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director under section 164(2) of the Act.
 - 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.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer note 32.
 - The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. There are no long term derivative contracts as at March 31, 2018.
 - There has been no delay in transferring amounts, 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 142(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 & SELLERS
Chartered Accountants
(Firm's Registration No. 117389W/W-11006)

S. P. Shrivastava
Partner
(Membership No. 014305)

MUMBAI, May 23, 2018

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Annexure 'A' is paragraph 11(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on Ind AS financial statements of Sayer CropScience Limited for the year ended March 31, 2018.

Report on the Internal Financial Controls Over Financial Reporting under clause (j) 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 Sayer CropScience Limited ("the Company") as of March 31, 2018 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 premise control over financial reporting system 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 components include the design, implementation and maintenance of adequate internal financial controls that were operating effectively to ensure 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, as the extent applicable to an audit of internal financial controls. These Standards and the Guidance Note require us to 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

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



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ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (contd.)

(Referred to in paragraph 1(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of the Board of Directors of Bayer CropScience Limited for the year ended March 31, 2018)

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, 2018, based on the criteria for internal financial controls 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 & SULLS LLP

Chartered Accountants

(Firm's Registration No. 117356W/ W-103314)

B. P. Sarda

Partner

(Membership No. 004360)

MUMBAI, May 23, 2018

ANNEXURE "B" TO 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 the financial statements of Bayer CropScience Limited for the year ended March 31, 2018.

In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and values 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 statements and explanations given to us and the records examined by us and based on the examination of the registered tax deed/lease deed/ conveyance deed provided to us, we report that, the fixed assets, 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. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.

The physical verification of inventory (including goods in transit and stocks with third parties) have been conducted at reasonably intervals by the Management during the year. In respect of inventory lying with third parties, this has been substantially confirmed by them as at the year-end. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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 188 of the Act. Therefore, the provisions of clause 3(b), (b)(i), (b)(ii) and (b)(c) of the said Order are not applicable to the Company.

The Company has not granted any loans, made investments or provided guarantees and loans reporting under clause (iv) of the said Order is not applicable.

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.

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have merely 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.

According to the information and explanations given to us, in respect of statutory dues:

- a) The Company is generally regular in discharging undisputed statutory dues in respect of Income Tax and Provident Tax. Though there have been slight delays in few cases, and is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.



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ANNEXURE "B" TO 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 the financial statements of Bayer CropScience Limited for the year ended March 31, 2018)

- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Millions)
Income Tax Act, 1961 ¹	Income Tax Dues	Appellate Authority – up to Appellate Tribunal level	Assessment Years 1992-1993, 2003-2004, 2004-2005, 2015-2016	3
The Central Sales Tax Act, 1958 and Local Sales Tax Act ²	Sales Tax and Value Added Tax liability	Appellate Authority – up to Commissioner's level	Financial Years 1977-1978, 1979-1980 to 1991-1992, 1993-1994 to 1994-1995, 1998-1999 to 2015-2016, 2017-2018	4
		Sales Tax Appellate Tribunal	Financial Years 1989-1990 to 1990-1991, 1991-1992 to 1996-1997, 2001-2002 to 2002-2003, 2005-2016	2
Central Excise Act, 1944 ³	Excise Duty liability	Appellate Authority – up to Commissioner's level	Financial Years 1985-1987 to 1991-1992, 1992-1994 to 1996-1997, 2008-2009 and 2009-2010	
		Customs, Excise and Service Tax Appellate Tribunal	Financial Years 1993-1994, 2000-2001 and 2002-2003	
		High Court	Financial Years 1983-1984 to 1984-1985, 2000-2001	
		Supreme Court	Financial Years 2000-2001 to 2002-2003	
The Finance Act, 1994 ⁴	Service Tax liability	Appellate Authority – up to Commissioner's level	Financial Years 2004-2005 to 2014-2015	3
		Customs, Excise and Service Tax Appellate Tribunal	Financial Years 2005-2006 to 2008-2009	
The Customs Act, 1962	Custom Duty	Appellate Authority – up to Commissioner's level	Financial Years 2013-2014 to 2015-2016	4

1. Net of ₹ 2,354 Millions paid under protest; 2. Net of ₹ 62 Millions paid under protest;

3. Net of ₹ 8 Millions paid under protest; 4. Net of ₹ 1 Million paid under protest.

- (vi) 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.
- (vii) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the said Order is not applicable.
- (viii) 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.
- (ix) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of sections 197 read with Schedule V to the Act.
- (x) The Company is not a Nidhi Company and hence reporting under clause (xii) of the said Order is not applicable.

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT (contd.)

Related to ii paragraph 3, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date on the AS (Special Report) of Bayer CropScience Limited for the year ended March 31, 2018)

- iii. 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, where applicable, 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.
- iv. 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.
- v. 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 185 of the Act are not applicable.
- vi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLIS LLP
Chartered Accountants
(Firm's Registration No. 117386W/ M-100018)

S. P. Shroff
Partner
(Membership No. 034082)

Mumbai, May 23, 2018



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Balance Sheet as at March 31, 2018

	Notes	As at 31.03.2018	As at 31.03.2017
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	1,000	1,000
Capital work-in-progress		12	0
Investment Properties	3	292	27
Intangible Assets	4	47	1
Intangible Assets under development	4	340	25
Prepaid Assets			
- Other Financial Assets	5	174	16
- Income Tax Asset (Net)	6	439	42
Other Assets	7	269	29
Total Non-Current Assets		4,567	478
CURRENT ASSETS			
Inventory	8	7,309	7,800
Financial Assets			
- Investments	9	-	40
- Trade Receivables	10	2,308	1,900
- Cash and Cash Equivalents	11	4,106	6,280
- Bank Balances other than Cash and Cash Equivalents	12	12	0
- Other Financial Assets	13	501	99
Other Assets	7	2,095	67
Total Current Assets		26,731	26,126
TOTAL ASSETS		31,348	32,604
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	343	343
Other Equity	14	17,440	20,113
Total Equity		17,783	20,456
LIABILITIES			
Non-Current Liabilities			
Provisions	15	843	100
Deferred Tax Liabilities (Net)	16	104	0
Total Non-Current Liabilities		947	100
Current Liabilities			
Financial Liabilities			
- Trade Payables	17	2,638	1,814
- Other Financial Liabilities	18	505	27
Other Current Liabilities	19	1,285	1,285
Provisions	20	1,938	7,122
Current Tax Liabilities (Net)	20	82	0
Total Current Liabilities		6,448	10,248
Total Liabilities		7,395	10,348
TOTAL EQUITY AND LIABILITIES		25,178	30,804

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

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A true and correct copy of our report attached.

For Deloitte Haskins & Sells LLP
Chartered AccountantsB. P. Sinoff
PartnerRajiv Wani
Head - Law, Finance & Compliance
& Company Secretary

For and on behalf of the Board

Chairman: Pankaj Patel
DIN 01131852Vice Chairman & Managing Director and CEO: Richard van der Merwe
DIN 05702309Director: Sharad Kulkarni
DIN 00003640Director: Vinod Shandani
DIN 00001310Executive Director & CFO: Ulrich Stehr
DIN 07147117Place: Mumbai
Date: May 23, 2018Place: Mumbai
Date: May 23, 2018

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Statement of Profit and Loss for the year ended March 31, 2018

₹ in Billions

	Notes	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Revenue from Operations	21	27,490	28,484
Other Income	22	388	701
TOTAL INCOME		27,878	29,185
EXPENSES			
Cost of Materials Consumed	23	12,258	15,290
Purchases of Stock-in-Trade		3,105	1,014
Change in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	630	(11,046)
Depreciation		(391)	(1,478)
Employee Benefits Expense	25	2,039	2,428
Finance Costs	26	113	68
Depreciation and Amortisation Expense	27	321	379
Other Expenses	28	4,260	4,872
TOTAL EXPENSES		28,340	29,700
PROFIT BEFORE TAX		4,038	4,475
Tax Expense	29		
Current Tax		946	1,216
Deferred Tax		91	53
		1,037	1,269
PROFIT FOR THE YEAR		3,001	2,910
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(28)	(21)
Tax on remeasurement of defined benefit obligation		7	7
Total Other Comprehensive Income		(13)	(14)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,988	2,896
Earnings Per Share - Basic and Diluted	41	₹ 28.36	₹ 28.31
Price Value per Equity Share ₹ 100/-			

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

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A copy of our report attached.

For Deloitte Haskins & Sells LLP
Chartered AccountantsS.P. Shrivastava
PartnerRajiv Wani
Head - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board

Chairman

Pankaj Patel
DIN 00131852Vice-Chairman &
Managing Director
and CEORichard van der Meer
DIN 00760305

Directors

Shardul Kulkarni
DIN 00003840Nimai Ghoshal
DIN 00001318Executive Director
& CFOUlrich Stehr
DIN 07447127Place Mumbai
Date May 23, 2018Place Mumbai
Date May 23, 2018



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Statement of Changes in Equity for the year ended March 31, 2018

₹ in Million

	Notes	As at 31.03.2018	As at 31.03.2017
A EQUITY SHARE CAPITAL			
Balance as at the beginning of the year		354	354
Changes during the year	18(a)	(11)	-
Balance as at the end of the year		343	354
B OTHER EQUITY	14		
		Reserves and Surplus	Total Other Equity
		Retained Earnings	General Reserve
		Capital Redemption Reserve	
Balance as at 01.04.2016		14,322	3,277
Profit for the year		2,910	-
Other Comprehensive Income for the year		(14)	-
Total Comprehensive Income for the year		2,896	-
Transfer to General Reserve		(201)	201
Transactions with owners in their capacity as owners			
Dividend declared	37(b)(i)	(801)	-
Dividend Distribution Tax on Dividend		(102)	-
Balance as at 31.03.2017		16,544	3,078
Profit for the year		3,901	-
Other Comprehensive Income for the year		(10)	-
Total Comprehensive Income for the year		3,891	-
Transfer to General Reserve		(290)	290
Transfer to Capital Redemption Reserve	19(a)	(11)	-
Transactions with owners in their capacity as owners			
Dividend declared	37(b)(i)	(801)	-
Dividend Distribution Tax on Dividend		(122)	-
Premium paid on Buyback of Equity Shares	13(c)	(4,580)	-
Transaction cost for Buyback of Equity Shares	13(b)	(40)	-
Balance as at 31.03.2018		13,520	3,868

The accompanying notes are an integral part of these financial statements. **Page 41**

in terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Rajiv Wad
Head - Law, Finance & Compliance
& Company Secretary

For and on behalf of the Board
Chairman

Pankaj Patel
DIN 00131683

Vice Chairman &
Managing Director
and CEO

Richard van der Merwe
DIN 08752315

Directors

Shardul Kulkarni
DIN 00039040

Vinod Shandani
DIN 06013116

Executive Director
& CFO

Ulrich Stefer
DIN 07447977

Date: Mumbai
Date: May 23, 2018

Place: Mumbai
Date: May 23, 2018

Cash Flow Statement for the year ended March 31, 2018

₹ in Millions

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
A. Cash Flow from Operating Activities:		
Profit Before Tax	4,838	4,276
Adjustments for:		
Depreciated and Amortisation Expenses	321	289
Finance Cost	113	98
Interest Income	(188)	(205)
Dividend Income	(71)	(80)
Gain Income on Investment Properties (Refer Note 3(a))	(84)	(39)
Loss (Profit) on Tangible Assets sold/disposed (Net)	1	(5)
Profit on sale of Intangibles	(3)	(8)
Debtors/Advances written off	8	-
Bad Debts	-	16
Provision for Expected Credit Loss (Net)	25	31
Provision for Income Taxes and Other Commercial Matters (Net)	-	(3)
Inventory write off/write down	178	121
Unrealised (gain)/loss on investments measured at Fair Value through Profit or Loss (FVPL)	-*	(1)
Unrealised foreign exchange (gain)/loss (Net)	12	1
	378	34
Operating Profit before Working Capital changes	4,416	4,233
Adjustments for changes in Working Capital:		
(Increase)/Decrease in Trade Receivables	(1,834)	(1,810)
(Increase)/Decrease in Financial Assets	882	(104)
(Increase)/Decrease in Other Assets	(1,489)	(88)
(Increase)/(Decrease) in Inventories	107	(1,760)
Increase/(Decrease) in Trade Payables	(85)	348
Increase/(Decrease) in Financial Liabilities	1	326
Increase/(Decrease) in Provisions and Other Liabilities	(186)	363
Cash generated from Operations	2,188	3,000
Taxes Paid	(854)	(7,477)
Net Cash from Operating Activities	1,214	(1,573)
B. Cash Flow from Investing Activities:		
Purchase of Tangible and Intangible Assets	(437)	(55)
Proceeds from Sale of Other Tangible/Intangible Assets	18	58
Loan given to Related Party	-	(1,500)
Loan repaid by Related Party	-	1,500
Purchase of Investments	-	(587)
Proceeds from Sale of Investments	500	800
Dividend Received	183	820
Gain retained on investment Properties	48	39
Dividend Received for Current Investments	71	88
Net Cash from/(used) Investing Activities	282	(84)
C. Cash Flow from Financing Activities:		
Proceeds from Short term borrowings	9,635	-
Repayment of Short term borrowings	(8,825)	-
Buyback of Equity Shares including Premium and Transaction cost (Refer Note 3(b))	(5,048)	-
Interest Paid	(41)	(52)
Dividend Paid	(569)	(688)
Dividend Distribution Tax Paid	(122)	(122)
Net Cash (used) in Financing Activities	(5,811)	(762)
Net (Decrease)/Increase in Cash and Cash Equivalents	(4,214)	716
Cash and Cash Equivalents at the beginning of the year	8,380	7,624
Cash and Cash Equivalents at the end of the year	4,166	8,380

* Refer Note below the founding of term adopted by the Company



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Cash Flow Statement for the year ended March 31, 2018 (contd.)

₹ in Millions

Notes	As at 31.03.2018	As at 31.03.2017
Cash and Cash Equivalents comprise		
Balances with Banks	1,034	0.36
Short-term highly liquid investments	1,112	2.02
	<u>4,188</u>	<u>0.38</u>

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" laid out in Ind AS 7 - Statement of Cash Flows.
- 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 are an integral part of these financial statements.

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in terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered AccountantsB. A. Shroff
PartnerRajiv Wani
Head - Law, Finance & Compliance
& Company SecretaryPlace: Mumbai
Date: May 23, 2018

For and on behalf of the Board

Chairman: **Penkaj Patel**
DIN 00131452

Vice Chairman & Managing Director and CEO: **Richard van der Merw**
DIN 08766305

Directors: **Sharan Kulkarni**
DIN 00003540

Vinod Bhandari
DIN 00011218

Executive Director & CFO: **Ulrich Steffer**
DIN 07447177

Place: Mumbai
Date: May 23, 2018

Notes to the financial statements for the year ended March 31, 2018

(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 Plot No. 10, Connaught Avenue, Hinemangal Estate, Thane (West) - 401 007, India. The Company is engaged in 'Agri Care' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicides and various other agrochemical products, and sale and distribution of hybrid seeds. Out of the total paid-up share capital of the Company, ₹8.38% 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 plant at Hinemangal in the state of Gujarat.

SIGNIFICANT ACCOUNTING POLICIES

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 Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

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 classifying its 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.

Use of Estimates and Judgements

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 and sales deductions.

The estimates and judgements 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 reviews these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

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 gain/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.

Revenue Recognition

Revenues are recognised in the Statement of Profit and Loss when the significant risks and rewards of ownership of the goods have been transferred to the customer, the Company retains neither continuing managerial involvement in the degree usually associated with ownership nor effective control over the goods sold, the amount of revenues and costs incurred or to be incurred can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenues are measured at the fair value of the consideration received or receivable inclusive of sales duty and net of returns, trade discounts, rebates, discounts, value added taxes, goods and services tax. Appropriate provisions are recorded for returns and discounts which are estimated on the basis of historical experience, specific contractual terms and future expectations. It is unlikely that the discount other than those could materially affect sales deductions of the Company.



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Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(v) Revenue Recognition (contd.)

The Company operates loyalty programs where direct indirect customers accumulate points for purchases made, which can be redeemed for free or discounted goods, other than Company's goods or specific services. The revenue received is attributable allocated between the goods supplied and award credits granted. Revenue related to the award credits are deferred and recognised when the points are redeemed by the customers. The revenue related to the award credit is measured by reference to their fair value.

The Company assumes sales and distribution arrangements with supplier whether it is acting as a principal or an agent, the supplier, considering its exposure to the significant risk and reward, and based on factors such as primary obligation, providing goods or services to customer, credit risk, inventory risk and pricing latitude. Where the supplier retains significant risk and rewards associated with the product and the Company performs the function of selling and distribution for a customer with no change by acting as an agent, it recognises only the margin (i.e. sales less material cost) as its revenue from such transaction.

- (vi) Recoveries from Orico Companies and Triet Parties include recoveries towards common facilities/ resources, internet 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.

(vi) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, if 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 applied, 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 considering all the contractual terms of the financial instrument.

Income from export incentives is recognised on accrual basis to the extent that ultimate realisation is reasonably certain.

(vii) 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 existing requirements 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 amount of assets and liabilities in the Balance Sheet prepared according to Ind AS and their tax bases.

Deferred tax assets relating to deductible temporary differences, tax credits or tax loss carryforwards are recognised when 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 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, 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 not deferred tax assets and liabilities are generally accounted for in the period when 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.

(viii) Leases

A lease is an agreement whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in return for payment or series of payments. A lease is classified at the inception date as a finance lease or an operating lease. Leases transferred that transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other lease agreements are classified as operating leases. Whether an agreement constitutes a lease or a purchase is determined at the inception of the lease.

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

31. Leases (contd.)**As a lessee:**

In case of finance lease, the leased asset is capitalised at the lower of fair value of the leased asset and the present value of the minimum lease payments at the inception of lease. The leased asset is depreciated by the straight-line method over the shorter of its estimated useful life or the lease term.

In case of operating lease, the lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lease is expected inflationary cost increases.

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 rentals are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

32. 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 changes 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.

33. Inventories

Inventories comprises 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 work-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.

34. 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.

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 movement 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 as other gains (losses). Interest income from these financial assets is included in Other Income using the effective interest rate method.



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Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ millions, unless otherwise stated)

(i) Investment and Financial Assets (contd.)

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 (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 (investment losses (and reversal of impairment) based on equity investments measured at FVOCI are not reported separately for 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 for financial assets measured at amortised cost. The Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss for trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If amounts for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amount 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.

(ii) Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks which are designated as hedges. Such derivative financial instruments are initially recognised at fair value on the date on which a contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Gains/losses are carried in financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gain or losses and their changes in the fair value of derivatives are recognised immediately in the Statement of Profit and Loss.

(iii) Property, Plant and Equipment

Freehold land is carried at historical cost. Property, plant and equipment is carried at the cost of acquisition or construction, 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 borrowings 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 can be shown that the asset recognisable criteria as per Ind AS 10 - Property, Plant and Equipment.

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 recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference. If the reasons for a previous 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. 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 Roofs)	10 to 60
Plant and Equipment	7 to 18
Furniture and Fixtures	10
Vehicles	8
Office Equipment (including Electrical Installation)	5 to 10
Computers	3 to 5

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(i) Property, Plant and Equipment (contd.)

Depreciation on assets costing ₹ 5,000/- or less is provided at the rate of 100% in the year of acquisition.

Land under leasehold lease is amortised over the period of lease except for the lease with perpetual rights.

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.

(ii) 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.

(iii) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance such as technical knowhow, software or marketing rights. It is recognised 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 & impairment loss, if any. Those with determinable useful life are amortised on a straight-line basis over a period of up to three years 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 indicator 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.

(iv) Financial Liabilities

Financial liabilities are initially recognised at face 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.

(v) 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 Contingent Assets. 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 entirely 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 expense items 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.



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Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(v) 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 authorized trustees. The Company contributes to a Government authorized Provident Fund, Employees' Deposit Linked Insurance Scheme and Family Pension Fund on behalf of its employees and has no further obligation beyond making contribution. Under Superannuation Fund, applicable to certain employees, the Company makes contributions to Manager 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 Secured Gratuity-cum-Life Assurance Scheme and Kotak Group Gratuity Fund which is administered by LIC 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 Projection 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 benefit structure and the economic environment. This includes the determination of the discount rate, salary escalation, mortality rate, which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the yield rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximates 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 liability.

The effects of re-measurements of the net defined benefit obligation are reflected in the Statement of Comprehensive Income as Other Comprehensive Income. They consist of actuarial gains and losses and the return on plan assets, less the respective amounts reported as 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 of that year in which it arises.

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

(vi) Recent Accounting Pronouncements**Standards issued but not yet effective**

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018 (the 'Amendment Rules') on March 28, 2018 whereby Ind AS 115 - Revenue from Contracts with Customers, Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration has been notified and changes (if various applicable Ind AS) have been made. These amendments are applicable to the Company from April 1, 2018.

(i) Ind AS 115 - Revenue from Contracts with Customers

The new standard establishes a five-step model related to revenue recognition from contracts with customers. Under Ind AS 115 - Revenue from Contracts with Customers, revenue is recognised at amounts that reflect the consideration that an entity expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is recognised when (or as) the entity transfers control of goods or services to a customer either over time or at a point in time.

The Company will implement Ind AS 115 - Revenue from Contracts with Customers retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application i.e. April 1, 2018. The aggregate amount of adjustment effects will be accounted by way of an adjustment to retained earnings as of April 1, 2018, and presenting in comparative period in line with previous rules. The new standard is not expected to materially affect the timing of revenue in its impact financial statements of the Company.

(ii) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the corresponding asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipt of advance consideration.

There is no impact of the Appendix on the financial statements.

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

PROPERTY, PLANT AND EQUIPMENT [Refer Note 32(a)]

Assets	Cost Less Cost				Accumulated Depreciation				Net Carrying amount
	As at 01.04.2017	Additions	Deletions	As at 31.03.2018	As at 01.04.2017	For the year	On disposals	As at 31.03.2018	As at 31.03.2018
Buildings	188	-	-	188	-	-	-	-	188
	(100)	14	13	(99)	11	13	13	37	(146)
Land under Future Use	7	-	-	7	7	7	-	14	-
	(7)	21	13	(7)	27	17	13	31	(34)
Leasehold	1,897	8	-	1,905	32	43	-	154	1,891
	(1,798)	(10)	14	(1,894)	82	(40)	13	(33)	(1,798)
Plant and Equipment**	468	62	4	534	89	88	8	199	345
	(305)	(133)	13	(425)	(97)	(52)	17	(132)	(289)
Intangible and Patents	174	8	7	185	27	25	7	48	139
	(104)	(11)	(14)	(129)	(18)	(10)	(4)	(32)	(155)
Others	818	142	25	985	97	14	14	127	471
	(500)	(217)	(23)	(740)	(57)	(85)	(27)	(169)	(427)
Other Expenses (including Cranes)	297	66	15	378	148	188	8	344	205
	(275)	(113)	(11)	(399)	(204)	(24)	(11)	(239)	(239)
Total	2,952	367	43	3,362	479	288	24	340	3,000
	(3,118)	(495)	(87)	(3,600)	(238)	(201)	(28)	(467)	(3,600)

* Depreciated cost of leasehold improvements as on April 1, 2015 is ₹ 161 i.e. fully-depreciated over a period of time and hence the same has not been presented in the above table.

** Figures shown in brackets are in respect of previous year.

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

** Amounts in Buildings, Plant and Equipment represent amount of expenditure incurred in the course of its construction.

INVESTMENT PROPERTIES

Assets	Cost Less Cost				Accumulated Depreciation				Net Carrying amount
	As at 01.04.2017	Additions	Deletions	As at 31.03.2018	As at 01.04.2017	For the year	On disposals	As at 31.03.2018	As at 31.03.2018
Land	34	-	-	34	-	-	-	-	34
	(36)	14	13	(35)	17	17	13	47	(14)
Buildings	184	-	-	184	15	5	-	20	169
	(205)	14	14	(205)	(8)	(2)	13	(15)	(210)
Total	312	-	-	312	17	5	-	12	302
	(317)	(24)	(14)	(355)	(20)	(15)	(13)	(48)	(355)

* Figures shown in brackets are in respect of previous year.

The Company had given Land and portion of a Building on operating lease under cancellable lease arrangement. Investment properties are distinguished from owner-occupied property leased on non-cancellable lease arrangements. Refer Note 33 for disclosure of contractual obligations to purchase, construct or develop investment properties and for its repair, maintenance or improvements obligations.



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Notes to the financial statements for the year ended March 31, 2018 (cont.)

(All amounts in ₹ lakhs, unless otherwise stated)

1 INVESTMENT PROPERTIES (cont.)

(c) Amount recognised in Statement of Profit and Loss for investment properties

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Rental Income (Refer Note 22)	44	
Direct operating expenses from property that generated rental income (including Depreciation)	32	
Direct operating expenses from property that did not generate rental income		

(d) Fair value

	As at 31.03.2018	As at 31.03.2017
Investment properties	534	

Estimation of fair value

The fair value of investment properties has been determined by an external independent property valuer having recognised professional qualifications for Land and based on internal valuation for Building. The current prices in an active market for similar properties have been used to determine fair value of investment properties. The fair value measurement of investment properties has been categorised as Level 3 based on the inputs in the valuations.

4 INTANGIBLE ASSETS (Refer Note 33(a))

Assets	Cost/Deemed Cost				Accumulated Amortisation				Net Carrying Amount
	As at 01.04.2017	Additions	Deletions	As at 31.03.2018	As at 01.04.2017	For the year	On deletions	As at 31.03.2018	As at 31.03.2017
Software	86	1	2	87	25	38	2	61	81
	(34)	(52)	(1)	(87)	(25)	(18)	(1)	(63)	(81)
Leasing Rights	-	8	-	8	-	2	-	2	2
	(1)	(1)	(2)	(4)	(1)	(1)	(1)	(3)	(3)
Total	86	1	2	87	25	38	2	61	81
	(34)	(52)	(1)	(87)	(25)	(18)	(1)	(63)	(81)

Assets	Cost/Deemed Cost			
	As at 01.04.2017	Additions	Transfer Adjustment	As at 31.03.2018
Copyrights (refer note 33(b)(i))	221	127	8	356
	(102)	(182)	(50)	(234)

(i) Deemed cost of Goodwill and Technical Knowhow as on April 1, 2015 is Nil i.e. fully amortised over a period of five and hence same has not been presented in the above table.

(ii) Figures shown in brackets are in respect of previous year.

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

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

5 OTHER FINANCIAL ASSETS

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered good unless otherwise stated)				
Debt by Deposits				
Considered Good	172	100	19	30
Considered Doubtful	3	7	-	-
	175	107	19	30
Loan Provision for Expected Credit Loss (Refer Note 36(a)(i))	3	7	-	-
	173	100	19	30
Advanced Interest Receivable	-	-	1*	18
Advance recoverable in cash	-	-	262	701
Other Receivables (includes due from a Private Company in which a Director is a Director 4 (Previous Year 4))	7	1*	120	170
	174	100	501	809

* Amount is less than the amount of work adopted by the Company.

6 INCOME TAX ASSET (NET)

	Non-Current	
	As at 31.03.2018	As at 31.03.2017
Advance payment of Income Tax (Net of Provision for Taxation ₹1,793 (Previous Year ₹1,248))	438	432
Foreign Dividend Tax (Net of Provision for Taxation ₹15 (Previous Year ₹25))	5	3
	438	435

7 OTHER ASSETS

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(Unsecured, Considered good unless otherwise stated)				
Capital Advances	-	3	-	-
Other Advances				
Advances to Vendors	-	-	115	50
Rebates with Government Authorities	-	-	-	-
Considered Good	244	231	1,931	1,072
Considered Doubtful	-	-	90	-
	244	231	2,021	1,072
Loan Provision for Doubtful Advances	-	-	90	-
	244	231	1,931	1,072
Prepaid Expenses	8	8	48	55
Advance to Employees	17	16	-	-
	269	255	2,005	1,127



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Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

8. INVENTORIES

(Lower of Cost and Net Realisable Value)

	As at 31.03.2018	As at 31.03.2017
Raw Materials (includes in transit ₹ 288 (Previous Year ₹ 59))	3,802	3,500
Packing Materials	147	6
Work-in-progress	344	10
Finished Goods (includes in transit ₹ 21 (Previous Year ₹ 2))	2,788	3,490
Stock-in-Trade (includes in transit ₹ (Previous Year ₹ 3))	328	20
Stores and spares	20	5
	7,389	7,021

9. INVESTMENTS

	Current	
	As at 31.03.2018	As at 31.03.2017
At Fair value through profit or loss		
Unquoted*		
Investments in Mutual Funds		
Nil (Previous Year 6,104,834) units of ₹ 10.65 each in DHFL Pramerica Arbitrage Fund Direct Plan - Dividend Option	-	6
Nil (Previous Year 7,643,123) units of ₹ 10.61 each in Edelweiss Arbitrage Fund Direct Plan - Dividend Option	-	8
Nil (Previous Year 4,337,838) units of ₹ 10.75 each in IDFC Arbitrage Fund Direct Plan - Dividend Option	-	4
Nil (Previous Year 6,888,887) units of ₹ 14.59 each in ICICI Prudential Equity Arbitrage Fund Direct Plan - Dividend Option	-	10
Nil (Previous Year 3,272,867) units of ₹ 10.78 each in Reliance Arbitrage Advantage Fund Direct Plan - Dividend Option	-	13
Nil (Previous Year 68,796) units of ₹ 1,528.74 each in Reliance Liquid Fund Treasury Plan Direct Plan - Dividend Option	-	10
	-	40
Aggregate value of Unquoted Investment	-	40

* As Mutual Funds investments are not listed on stock exchange, they are considered as unquoted investment.

10. TRADE RECEIVABLES (Refer Notes 38 and 40)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Secured, considered good	-	-	66	50
Unsecured, considered good (includes due from a Private Company in which a Director is a Director 27 (Previous Year 29)) (Refer Note (a) and (b) below)	-	-	8,522	8,500
Unsecured, considered doubtful	189	197	37	-
	189	197	8,589	8,550
Less: Provision for Expected Credit Loss (Refer Note 30(a)(i))	189	197	37	-
	-	-	8,552	8,550

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(all amounts in ₹ Millions, unless otherwise stated)

46 TRADE RECEIVABLES (contd.)

- a) The Company is the distributor of Bayer BioScience Private Limited (BSPL) operating in the territory of India and Nepal for distribution of seeds. As the Company is a limited risk distributor in the contractual arrangement, BSPL recognises the risk of seed receivables in its account. As of March 31, 2018, the Company has certain overdue outstanding receivables towards cultivation of seeds in third parties aggregating ₹ (Previous Year 354). The Company has recovered this amount from BSPL towards recognition of loss arising out of the third party overdue for which recovery is less probable. As and when the Company receives any amount against such overdue or any part thereof, from the respective customers, the Company is required to pay to BSPL, such amounts so recovered. Accordingly, the amount recovered from BSPL is recognised as 'Other Financial Liabilities' in Note 18.
- b) It includes receivable from Bayer AG 507 (Previous Year 500) which exceeds 5% of total trade receivables.

47 CASH AND CASH EQUIVALENTS

	As at 31.03.2018	As at 31.03.2017
Balances with Banks		
- In Current Accounts	544	527
- In Fixed Deposits (less than 3 months maturity)	110	1,875
Short term highly liquid investments (Refer Note 48 below)	3,112	2,078
	<u>4,166</u>	<u>4,480</u>
a) Investment in Liquid Mutual Funds		
Unquoted*		
	As at 31.03.2018	As at 31.03.2017
4,013,379 (Previous Year Nil) units of ₹ 100.18 each in Aditya Birla Cash Plus Direct Plan - Dividend Option	303	-
3,014,186 (Previous Year Nil) units of ₹ 100.30 each in DHFL Prudence India Cash Plus Fund Direct Plan - Dividend Option	303	-
1,02,024 (Previous Year 300,743) units of ₹ 1,000.81 each in DSP Blackrock Liquidity Fund Direct Plan - Dividend Option	136	301
145,075 (Previous Year 298,914) units of ₹ 1,000.56 each in HSBC Cash Fund Direct Plan - Dividend Option	146	300
3,004,503 (Previous Year 1,000,703) units of ₹ 100.07 each in ICICI Prudential Liquid Direct Plan - Dividend Option	301	100
300,792 (Previous Year Nil) units of ₹ 1,001.67 each in IDFC Cash Fund Direct Plan - Dividend Option	301	-
102,561 (Previous Year 312,030) units of ₹ 1,000.79 each in Invesco India Liquid Fund Direct Plan - Dividend Option	303	303
54,198 (Previous Year Nil) units of ₹ 1,222.81 each in Kotak Liquid Fund Direct Plan - Dividend Option	116	-
298,420 (Previous Year 298,754) units of ₹ 1,012.68 each in L&T Liquid Fund Direct Plan - Dividend Option	303	303
130,064 (Previous Year 129,832) units of ₹ 1,528.74 each in Reliance Liquid Fund Treasury Direct Plan - Dividend Option	303	196
299,383 (Previous Year 300,431) units of ₹ 1,000.51 each in Reliance Liquidity Fund Direct Plan - Dividend Option	300	301
270,630 (Previous Year Nil) units of ₹ 1,114.52 each in Tata Liquid Fund Direct Plan - Dividend Option	303	-
Nil (Previous Year 198,604) units of ₹ 1,019.45 each in UTI Liquid Cash Plan Direct Plan - Dividend Option	-	200
Nil (Previous Year 74,722) units of ₹ 1,003.59 each in UTI Money Market Fund Direct Plan - Dividend Option	-	75
	<u>3,112</u>	<u>2,078</u>
Aggregate amount of Unquoted Investments	<u>3,112</u>	<u>2,078</u>

* As Mutual Funds investments are not listed on stock exchanges, it is considered as unquoted investments.



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Notes to the financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31.03.2018	As at 31.03.2017
Subsidiary company bank balances in Unpaid Dividend Accounts	12	10
	12	10

13. EQUITY SHARE CAPITAL

	As at 31.03.2018	As at 31.03.2017
Authorized:		
46,300,000 (Previous year 46,300,000) Equity Shares of ₹ 10/- each	463	463
Issued, Subscribed and Paid-up:		
34,333,593 (Previous year 35,354,001) Equity Shares of ₹ 10/- each, fully paid-up	343	354

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 annual 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 31.03.2018		As at 31.03.2017	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	35,354,001	354	35,354,001	354
Less: Shares bought back during the year (Refer Note (c) below)	1,020,408	11	-	-
Balance as at the end of the year	34,333,593	343	35,354,001	354

- c) Pursuant to the approval of the Board of Directors on June 6, 2017 and Shareholders of the Company through postal ballot results of which were declared on July 21, 2017, the Company bought back 1,020,408 equity shares (representing 2.89% of its equity capital) at a price of ₹ 4,900/- per equity share aggregating ₹ 4,999,999,200/- through the tender offer route, in limited public repurchase/direct July 25, 2017. After extinguishment of 1,020,408 equity shares on September 26, 2017, the Issued, Subscribed and Paid-up Equity Capital of the Company reduced from 35,354,001 equity shares to 34,333,593 equity shares. Accordingly: (i) the face value of issued, subscribed and paid-up equity share capital was reduced by 11; (ii) 11 had been transferred from Retained Earnings to Capital Redemption Reserve as per the provision of section 68(1) the Companies Act, 2013; (iii) the premium aggregating to 3,966 had been adjusted from the Retained Earnings during the year ended March 31, 2018.

d) Shares bought back during 5 years immediately preceding the Balance Sheet:

	Number of Shares	
	01.04.2013 to 31.03.2018	01.04.2012 to 31.03.2017
Aggregate number of Equity Shares bought back	6,185,154	6,144,748

Notes to the financial statements for the year ended March 31, 2018 (contd.)

All amounts in ₹ millions, unless otherwise stated.

EQUITY SHARE CAPITAL (contd.)

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

	Number of Shares	
	As at 31.03.2018	As at 31.03.2017
Ultimate Holding Company: Bayer AG, Germany	3,572,577	3,575,380
Subsidiaries of (Ultimate Holding Company): Bayer Vapi Private Limited, India	8,039,736	8,248,312
Bayer S.A.S., France	6,818,105	6,810,388
Bayer CropScience AG, Germany	5,354,838	5,308,893

f) Shareholders holding more than 5% of the aggregate Equity Shares of the Company:

	Number of Shares	
	As at 31.03.2018	As at 31.03.2017
Bayer AG, Germany	3,572,577	3,575,380
Bayer Vapi Private Limited, India	8,039,736	8,248,312
Bayer S.A.S., France	6,818,105	6,810,388
Bayer CropScience AG, Germany	5,354,838	5,308,893
Ajmera Bina Sui Life Trustee Private Limited, India	1,852,344	-

OTHER EQUITY

	As at 31.03.2018	As at 31.03.2017
Reserves and Surplus:		
Capital Redemption Reserve [Refer Note (i) below]	52	41
General Reserve [Refer Note (ii) below]	3,888	3,878
Retained Earnings [Refer Note (iii) below]	13,520	16,584
	17,440	20,213
(i) Capital Redemption Reserve [Refer Note (a) below]		
Balance as at the beginning of the year	41	41
Add: Transfer from Retained Earnings [Refer Note 13(c)]	11	-
Balance as at the end of the year	52	41
(a) It represents transfer from Retained Earnings on buyback of equity shares by the Company as per the provision of section 80(1) of the Companies Act, 2013.		
(ii) General Reserve [Refer Note (a) below]		
Balance as at the beginning of the year	3,878	3,877
Add: Transfer from Retained Earnings during the year	290	201
Balance as at the end of the year	3,888	3,878
(a) It represents transfer from Retained Earnings		
(iii) Retained Earnings		
Balance as at the beginning of the year	16,594	14,722
Profit for the year	3,001	2,810
Items of Other Comprehensive Income recognised directly in retained earnings		
Reversal/reversal of defined benefit obligation [Refer Note 15(a)(B)(2)(i)]	(26)	(21)
Tax on reversal/reversal of defined benefit obligation [Refer Note 16]	7	7
Appropriations		
Dividend [Refer Note 37(a)(i)]	(601)	(601)
Dividend Distribution Tax on Dividend	(122)	(1,225)
Transfer to General Reserve	(290)	(201)
Transfer to Capital Redemption Reserve [Refer Note 13(c)]	(11)	-
Premiums paid on buyback of Equity shares [Refer Note 13(c)]	(4,000)	-
Transaction cost for buyback of Equity shares	(48)	-
Balance as at the end of the year	13,520	16,584



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Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ billion, unless otherwise stated)

18. PROVISIONS

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits				
Gratuity (Refer Note (a) below)	149	206	48	61
Compensated Absences (Refer Note (b) below)	146	140	11	17
Others (Refer Note (c) below)	162	113	144	60
Other Provisions (Refer Note (d) & (e) below)				
Direct Tax Matters (Net of Advance Tax of 158 (Previous Year 183))	14	15	-	-
Indirect Tax Matters	57	57	-	-
Commercial and Other Matters (Net of Payment 5 (Previous Year 5))	306	375	-	-
Anticipated Sales Returns	-	-	288	0
Discounts/Incentives/Compensation payable to Customers	-	-	1,243	1,400
	842	831	1,839	1,467

a) Employee Benefits 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 contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Employer's contribution to Provident Fund	79	79
Employer's contribution to Superannuation Fund	26	26
Total (Included in Note 28 - Employee Benefits Expense)	104	104

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 at 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. Quantum of gratuity benefits may vary depending on the employee's date of joining and salary grade.

The plan asset for the funded gratuity plan is invested in income managed fund administered by Life Insurance Corporation of India (LIC) and Kotak Life Insurance Limited (Kotak) independently. 84% of the plan asset is invested in debt securities and 16% of the plan asset is invested in equity instruments.

les to the financial statements for the year ended March 31, 2018 (contd.)
amounts in ₹ millions, unless otherwise stated

PROVISIONS (contd.)

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 31.03.2018	As at 31.03.2017
Present value of defined benefit obligation	858	802
Fair value of plan assets	482	325
Net defined benefit obligation	194	247

2. The expenses for defined benefit plan for gratuity comprise the following components:

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
A) Expenses recognised in the Statement of Profit and Loss		
Current service cost (included in Note 25 - 'Employee Benefits Expense')	37	39
Net interest cost (included in Note 26 - 'Finance Costs')	18	16
	55	49
B) Expenses recognised in the Other Comprehensive Income (OCI)		
(Refer Note 14(i))		
Actuarial losses on obligation	13	25
Return on Plan Assets, excluding interest income	7	(2)
	20	21

3. The net defined obligation developed as follows:

i) Change in the present value of defined benefit obligation		
Opening present value of defined benefit obligation	802	533
Current service cost (included in Note 25 - 'Employee Benefits Expense')	37	39
Interest cost (included in Note 26 - 'Finance Costs')	45	12
Transfer of employees (Net)	2	8
Benefit paid from the fund	(43)	(38)
Actuarial (gains)/ losses due to:		
- change in financial assumptions	(13)	12
- experience adjustment	26	(1)
Closing present value of defined benefit obligation	858	602
ii) Change in the fair value of plan assets		
Opening fair value of plan assets	555	325
Interest income (included in Note 26 - 'Finance Costs')	28	26
Contributions by the employee	(31)	39
Benefit paid from the fund	(43)	(38)
Expected return on plan assets (excluding interest income)	(7)	2
Closing fair value of plan assets	482	355
iii) Change in net defined benefit obligation		
Opening net defined benefit obligation	247	208
Current service cost (included in Note 25 - 'Employee Benefits Expense')	37	39
Interest cost (Net) (included in Note 26 - 'Finance Costs')	18	16
Transfer of employees (Net)	2	8
Contributions by the employee	(121)	(38)
Actuarial (gains)/ losses due to:		
- change in financial assumptions	(13)	12
- experience adjustment	26	(1)
Expected return on plan assets (excluding interest income)	7	(2)
Closing net defined obligation/ deficit of funded plan	194	247

Notes to the financial statements for the year ended March 31, 2018 (cont.)

(All amounts in ₹ Millions, unless otherwise stated)

15 PROVISIONS (cont.)

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 primary 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. Changes in attrition rate or mortality assumptions as compared to actual rate may result in change in benefit obligations, benefit expense and payments than previously anticipated.

(ii) Investment risk:

If the actual return on plan assets was below the return anticipated in the table 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 or Kotak.

(iii) Interest rate risk:

A decrease in prevailing market yield on Government securities may increase the defined benefit obligation. This effect would be at least partially offset by the ensuing increase in the market value of the debt instruments held.

5. Measurement parameters and their sensitivities:

(i) The following parameters were used to measure the obligation:

	As at 31.03.2018	As at 31.03.2017
Discount rate (per annum)	7.82%	7.51%
Expected rate of return on plan assets (per annum)	7.82%	7.51%
Attrition rate (per annum)	5 - 10%	5 - 10%
Salary escalation rate (per annum)	10% for next 1 year and 8% thereafter	10% for next 2 years and 8% thereafter

The estimates of future salary escalations, considered at 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 increased (decrease) in defined benefit obligation:

	As at 31.03.2018	As at 31.03.2017
Delta effect of +0.5% change in discount rate	(21)	(20)
Delta effect of -0.2% change in discount rate	22	22
Delta effect of +0.5% change in salary escalation	22	21
Delta effect of -0.6% change in salary escalation	(21)	(20)
Delta effect of +0.2% change in attrition rate	(1)	(1)
Delta effect of -0.5% change in attrition rate	1	1

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) as 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.

Notes to the financial statements for the year ended March 31, 2018 (contd.)

Rs in Lakhs, unless otherwise stated

1. PROVISIONS (contd.)

2. Defined benefit obligation and employer's contribution

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
a) Expected employer's contribution for the next year	48	41
	As at 31.03.2018	As at 31.03.2017
b) The weighted average duration of the defined benefit obligation (years)	8	8
iii) Projected benefits payable in future years from the date of reporting:		
1st Following Year	71	68
2nd Following Year	83	38
3rd Following Year	85	64
4th Following Year	71	52
5th Following Year	67	50
Sum of 1st to 10th Following Year	443	418

b) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and 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 present 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 and 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 recognized 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	Anticipated Sales Returns	Discounts/ incentives/ Compensation payable to Customers
Balance as at the beginning of the year	15	87	278	121	1,496
	(24)	(88)	(253)	(202)	(1,260)
Add: Additions (provision) (net)	-	-	26	288	3,791
	(1)	(4)	(28)	(121)	(4,589)
Less: Provision utilized	-	-	-	121	3,854
	(1)	(12)	(1)	(202)	(4,393)
Less: Provision adjusted	1	-	-	-	-
	(28)	(1)	(1)	(1)	(1)
Balance as at the end of the year	14	87	395	388	1,243
	(15)	(87)	(278)	(121)	(1,496)

Figures shown in brackets are in respect of previous year.



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Notes to the financial statements for the year ended March 31, 2018 (cont.)

All amounts in T MBZB, unless otherwise stated

15. PROVISIONS (cont.)

a) Other Provisions represent:

- i) Provision for estimates made for probable judicial claims arising out of pending disputes, litigation-commercial transactions with statutory authorized third parties. The outflow with regard to the said matters depends on the estimation 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 expended litigation is considered as more than 1 year.

During the year, 26 (Previous Year 26) is recognised under the head Finance Costs (included in Note 26) as an additional provision towards Commercial and Other Matters.

- ii) Provision for anticipated sales return. This is recognised on a real basis at the gross margin on the sales. Revenue is collected for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned. It is expected to be utilized within 12 months from the end of the year.

- iii) Provision for trade discount, cash discount, incentive schemes and compensation. It is expected to be utilized within 12 months from the end of the year.

16. DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

	Deferred Tax Asset					Deferred Tax Liability	Total (Net)
	Provision for Expected Credit Loss on Trade Receivables and Security Deposits	Liabilities allowed on payment basis	Provision for Defined Benefit Obligation	Disallowances u/s 43a(i) and 43a(ii) of the Income Tax Act, 1961	Indebtedness of Fixed Asset	Others Depreciation and Amortisation of Assets	
Balance as at 31.03.2016	38	00	71	58	9	(340)	28
Changes during the year							
To Statement of Profit and Loss	91	8	8	(10)	2	671	860
To Other Comprehensive Income	-	-	7	-	-	-	7
Balance as at 31.03.2017	130	08	79	48	11	(269)	107
Changes during the year							
To Statement of Profit and Loss	81	(14)	(28)	(17)	4	(3)	(27)
To Other Comprehensive Income	-	-	7	-	-	-	7
Balance as at 31.03.2018	211	(6)	51	31	15	(272)	110

17. TRADE PAYABLES

	Current	
	As at 31.03.2018	As at 31.03.2017
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note (a) below)	14	10
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Notes 18 and 20)	2,824	2,804
	2,838	2,814

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

17. TRADE PAYABLES (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 31.03.2018	As at 31.03.2017
(i) Principal amount due and remaining unpaid to any supplier at the end of accounting year (includes payables for Capital Purchases 0.32 (Previous Year 21))	14	12
(ii) Interest amount due and remaining unpaid to any supplier at the end of accounting year*	-	-
(iii) 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	82	48
(iv) 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 ending the interest specified under the MSMED Act beyond the appointed date	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of future interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

* Current Year Nil (Previous Year 0.21)

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

18. OTHER FINANCIAL LIABILITIES

	Current	
	As at 31.03.2018	As at 31.03.2017
Unpaid Dividends (Refer Note 19a) below	12	10
Deposits from Customers	95	102
Payable for Capital Purchases (Refer Note 17a)	26	82
Foreign-exchange forward contracts	-	89
Other liabilities (Refer Note 10a)	390	284
	503	573

- a) There are no arrears as at year-end which are due for payment to Investor Education and Protection Fund under section 123 of the Companies Act, 2013.

19. OTHER CURRENT LIABILITIES

	As at 31.03.2018	As at 31.03.2017
Advances from Customers	658	138
Deferred Revenue (Refer Note 9a) below	474	298
Payable towards Statutory Liabilities	116	129
Others	37	37
	1,285	1,209

- a) It relates to the merit credit granted on loyalty programs and would be recognized when the points are redeemed by the customers.

20. CURRENT TAX LIABILITIES (NET)

	As at 31.03.2018	As at 31.03.2017
Provision for Income Tax (Net of Advance Tax of 2.878 (Previous Year 1.462))	52	52



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Notes to the financial statements for the year ended March 31, 2018 (cont.)

(All amounts in ₹ millions, unless otherwise stated)

	31.03.2017 to 31.03.2018	31.03.2017 to 31.03.2017
21 REVENUE FROM OPERATIONS		
Sale of Goods (including Excise Duty) (Refer Note (a) and (b) below)	26,502	26,534
Other Operating Revenue		
Revenues from Group Companies and Third Parties	884	843
Scrap Sales	4	3
	<u>27,400</u>	<u>29,404</u>
a) It includes sales in accordance with a sales and distribution arrangement, net of material cost ₹ 223 (Previous Year ₹ 0.18)		
b) The Government of India introduced the Goods and Service tax (GST) with effect from July 1, 2017. Rates for the period from July 1, 2017 is presented net of GST. Sales of earlier periods up to June 30, 2017 included Excise duty. Sales for the year ended March 31, 2018 includes Excise duty for the quarter ended June 30, 2017.		
22 OTHER INCOME		
Other Income		
Interest Income from Financial Assets at amortised cost	182	217
Interest on Income Tax refund	3	73
Dividend Income from investments measured at fair value through profit or loss	71	98
Export Incentives	68	126
Rental Income (Refer Note 3(c) and Note 3(b)(i))	79	98
Miscellaneous	3	3
	<u>385</u>	<u>600</u>
Other Gains		
Profit on Tangible Assets sold/ disposed (Net)	-	9
Profit on sale of investments measured at fair value through profit or loss	1	4
Fair value gain on investments measured at fair value through profit or loss	-	1
	<u>1</u>	<u>12</u>
	<u>386</u>	<u>600</u>
23 COST OF MATERIALS CONSUMED		
Raw Materials		
Opening Stock	3,378	3,505
Add: Purchases	11,956	12,144
	<u>15,334</u>	<u>15,649</u>
Less: Closing Stock	3,893	3,378
Cost of Raw Materials consumed (Refer Note (a) below)	<u>11,441</u>	<u>12,271</u>
Packing Materials consumed (Refer Note (a) below)	576	720
	<u>12,017</u>	<u>12,991</u>
a) It includes write back ₹ 27 (Previous Year write down ₹ 25) in carrying return of Raw Materials and Packing Materials		

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock:		
- Finished goods	3,495	2,572
- Work-in-progress	158	162
- Stock-in-trade	328	191
	<u>3,980</u>	<u>2,925</u>
Closing Stock:		
- Finished goods	3,768	3,493
- Work-in-progress	248	158
- Stock-in-trade	328	378
	<u>4,344</u>	<u>4,029</u>
Decreased (Increased) in inventories (Refer Note 24) (net)	<u>858</u>	<u>(1,040)</u>
a) i) includes 202 (Previous Year 15) (net of amount recovered from insurance company Nil (Previous Year 1)) as amount of write off/write down in carrying value of inventories.		
25 EMPLOYEE BENEFITS EXPENSE (Refer Note 30)		
Salaries and Wages	2,365	2,227
Contributed to Provident and Other Funds (Refer Note 15(a)(A))	104	95
Gratuity (Refer Note 15(a)(B)(2)(i))	37	31
Staff Welfare Expenses	133	117
	<u>2,639</u>	<u>2,470</u>
26 FINANCE COSTS		
Interest Expense (Refer Note 15(a)(B)(2)(i) and 15(c)(i))	113	89
	<u>113</u>	<u>89</u>
27 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation Expense:		
- on Property, Plant and Equipment (Refer Note 2)	380	290
- on Investment Properties (Refer Note 3)	8	9
- on Intangible Assets (Refer Note 4)	29	10
	<u>417</u>	<u>309</u>



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2 Notes to the financial statements for the year ended March 31, 2018 (cont.)

(All amounts in ¥ billions, unless otherwise stated)

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
22 OTHER EXPENSES (Refer Note 36)		
Consumption of Stores and Spare Parts	20	23
Power and Fuel	88	88
Sent (Refer Note 33(b))	154	160
Repairs and Maintenance		
- Buildings	16	18
- Plant and Equipment	1	1
- Others	87	84
	164	192
Resourses	32	27
Rates and Taxes	11	27
Job Work Charges	380	385
Freight Outward and Clearing Charges	837	828
Traveling and Conferences	485	388
Communication	138	140
Advertisement, Publicity and Sales Promotion	1,538	1,212
Legal and Professional Fees	548	378
Dividends	75	84
Royalty	10	8
Goodwill	-	15
Less: Utilization of Provision for Expected Credit Loss on Trade Receivable	-	15
	-	-
Provision for Expected Credit Loss on Trade Receivable (Refer Note 36(a)(i))	25	105
Disposal Activities-related	4	-
Less: Utilization of Provision for Expected Credit Loss on Disposal	4	-
	-	-
Provision for Expected Credit Loss on Disposal (Refer Note 36(a)(i))	-	1
Loss on Tangible Assets sold/ discarded (Net)	8	-
Foreign Exchange Fluctuations (Net)	54	12
Fair value loss on investments measured at fair value through profit or loss	-	-
Miscellaneous (Refer Note (a) to Note 40(i))	175	182
	4,380	4,972

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

4) Payments to Auditor (included in Miscellaneous expenses)

(i) As Auditor		
- for statutory audit	4	-
- for limited review	3	2
- for tax audit	1	1
- for certification	-	-
(ii) In other capacities		
- Audit of Group Reporting Package	1	1
- Others	-	-
(iii) Reimbursement of out-of-pocket expenses	-	-
	1	3

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

Certification fees of ¥ (Previous Year ¥8) paid to Auditors related to buyback of Equity shares is included in Note 14(3) Other Equity Transaction cost for buyback of Equity shares.

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
15 TAX EXPENSES		
a) Current Tax Expenses		
Current tax on profit for the year	1,323	1,514
Adjustments for current tax of prior periods	(377)	-
Total Current Tax Expenses	946	1,514
b) Deferred Tax Expense (Refer Note 14)		
Decreases (increases) in deferred tax assets	38	(44)
Increase in deferred tax liabilities	52	87
Total Deferred Tax Expenses	91	43
Tax Expense	1,037	1,558
c) Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Profit Before Tax	4,838	4,479
Tax at the tax rate of 34.800% (Previous Year 34.800%)	1,681	1,559
Tax effect of amounts which are not deductible (disallow) in calculating taxable income:		
Corporate social responsibility expenditures	38	44
Dividend income	(25)	(21)
Weighted deduction on research and development expenditures	(2)	(9)
Adjustment on completion of assessment for earlier years	(377)	-
Change in tax loss B	5	-
Other items	15	18
Tax Expense	1,037	1,558
* The change in tax rate from 34.800% to 34.944% is based on the enacted tax rate by Union Budget 2018.		
20 Expenses towards activities relating to Corporate Social Responsibility in compliance with section 135 of the Companies Act, 2013 (Included in Operating Activities under Cash Flow Statement)		
a) Gross amount required to be spent by the Company during the year	101	100
b) Amount spent during the year on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above		
Donations	76	94
Employee Benefits Expense	2	2
Other Expenses	2	2
	80	98
21 RESEARCH AND DEVELOPMENT EXPENSES		
Research and Development Revenue Expenses (Net of income tax)	295	204

Notes to the financial statements for the year ended March 31, 2018 (cont.)

(All amounts in ₹ Millions, unless otherwise stated)

32. CONTINGENT LIABILITIES

	As at 31.03.2018	As at 31.03.2017
Claims against the Company not acknowledged as debts received:		
- Direct Tax Matters (Rider Note (a) below)	340	331
- Indirect Tax Matters (Rider Note (b) below)	784	763
- Litigation claims filed by customer against third party (Rider Note (c) below)	48	48
- Litigation demands issued by other Statutory Authorities (Rider Note (d) below)	177	172

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

- a) The disputed demands for direct tax matters are mainly due to disallowance for certain expenses and for indirect tax matters are mainly due to product classification and related to forms.
- b) It mainly includes demand for stamp duty.
- c) It mainly includes demand raised for shortfall of stamp duty related to a property.

33. COMMITMENTS

	As at 31.03.2018	As at 31.03.2017
a) Capital Commitments		
Property, Plant and Equipment	32	5
Intangible Assets	20	23
	52	28

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. Lease rent amounting to 22 (Previous Year 18) has been recognised under the head Other Expenses—Rent under Note 28 to the Statement of Profit and Loss.

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

Period	As at 31.03.2018	As at 31.03.2017
Not later than one year	8	17
Later than one year and not later than five years	1	2
Later than five years	-	-

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

The Company has entered into cancellable leasing arrangements for office, residential, guest house and warehouse premises. The lease rent of 132 (Previous Year 142) which are equivalent to minimum lease payments has been recognised under the head Other Expenses—Rent under Note 28 to the Statement of Profit and Loss.

Further, the Company has recovered sub-lease rental of 7 (Previous Year 6) which has been recognised under the head Other Income—Rent Income under Note 22 to the Statement of Profit and Loss.

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 28 (Previous Year 28) has been recognised under the head Other Income—Rent Income under Note 22 to the Statement of Profit and Loss.

	As at 31.03.2018	As at 31.03.2017
33 Other Commitments		
Contingent obligation for future repairs and maintenance on investment properties	1	2
Value of outgoing duty in respect of export obligation (against advance licence) remaining to be met as per need	1	1

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

34. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Rider Note 37 (i) 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, 2018 (contd.)

(If amounts in ₹ Lakhs, unless otherwise stated)

6. FAIR VALUE MEASUREMENT

Financial instruments by category:

	Notes	As at 31.03.2018			As at 31.03.2017		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial Assets							
Investment	9	-	-	-	497	-	-
Trade Receivables	70	-	-	8,528	-	-	8,365
Cash and Cash Equivalents	11	-	-	-	-	-	-
Short-term highly liquid investments		-	-	3,113	-	-	2,078
Balances with Banks		-	-	1,054	-	-	8,302
Bank Balances other than Cash and Cash Equivalents	12	-	-	12	-	-	10
Other Financial Assets	8	-	-	675	-	-	1,140
		-	-	11,441	497	-	18,103
Financial Liabilities							
Trade Payables	17	-	-	2,838	-	-	3,874
Derivative Financial Liabilities	18	-	-	-	29	-	-
Other Financial Liabilities	18	-	-	505	-	-	548
		-	-	3,343	29	-	4,422

Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- measured 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

	Notes	Level 1	Level 2	Level 3	Total
Financial Assets as at March 31, 2017					
Financial Investments at FVPL					
Investment	9	497	-	-	497
		497	-	-	497
Financial Liabilities as at March 31, 2017					
Derivatives					
Derivative Financial Liabilities	18	-	29	-	29
		-	29	-	29

Level 1: Level 1 hierarchy 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 (Foreign exchange forward contracts) is determined using valuation techniques which maximize 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.



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Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

35. FAIR VALUE MEASUREMENT (contd.)

Level 3: If one or more of the significant inputs is not based on observable market data (Bidding Process), 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 bidding rate.

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

	Note	Carrying Amount	Fair Value (Level 3)
Financial Assets			
Security Deposits			
As at March 31, 2018	5	192	192
As at March 31, 2017		190	190

The carrying amounts of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Accrued Interest Receivables, Advance Receivables 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.

36. 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 risk 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 risk.

a) Credit Risk:

Credit risk arises 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 mitigate credit risk 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 collateralized and the same is used according to conditions. These could include advance payments, security deposits, pre-dated cheques etc. Credit limits for the trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risk 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 measure 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. ECL for deposits are measured considering 12-month ECL.

ies to the financial statements for the year ended March 31, 2018 (cont.)
(continued in T-Matrix unless otherwise stated)

FINANCIAL RISK MANAGEMENT (cont.)

Trade Receivables

The Company provides ECL based on following provision matrix:

Credit Risk Category	Description of Category	As at 31.03.2018		As at 31.03.2017	
		Gross Trade Receivables	ECL	Gross Trade Receivables	ECL
No Risk	There is no risk of default	827	-	1,167	-
Negligible Risk	The risk of default is negligible	2,559	1	2,590	1
Low Risk	The probability of default is low	2,111	10	1,088	2
Moderate Risk	The probability of default is moderate	1,132	25	762	12
Doubtful Assets	There is no reasonable expectation of recovery	189	189	175	175
		6,814	225	5,792	197

Following is the movement in Provision for ECL on Trade Receivables:

	As at 31.03.2018	As at 31.03.2017
Balance as at the beginning of the year	197	197
Add: Additional provisions (reversal) (Note)	29	105
Less: Provision utilized	-	(125)
Balance as at the end of the year	226	177

Deposits

The Company provides ECL based on following provision matrix:

Credit Risk Category	Description of Category	As at 31.03.2018		As at 31.03.2017	
		Gross Deposits	ECL	Gross Deposits	ECL
No Risk	There is no risk of default	181	-	(9)	-
Financial Assets	There is no reasonable expectation of recovery	3	3	7	7
		184	3	197	7

Following is the movement in Provision for ECL on Deposits:

	As at 31.03.2018	As at 31.03.2017
Balance as at the beginning of the year	7	9
Add: Additional provision	-1	1
Less: Provision utilized	(4)	-
Balance as at the end of the year	2	7

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

B) 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 B) above from initial recognition. Accordingly, no provision for ECL has been recognised.

III) 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.



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Notes to the financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

36 FINANCIAL RISK MANAGEMENT (Contd.)

The Company's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligations 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 maintains flexibility in funding by maintaining availability under committed credit lines set up with the banks. These include, in particular, an undrawn credit facility of as at March 31, 2018 of 1,806 (Previous Year 1,257).

The payment obligations from financial instruments are explained below:

The table below analyses 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 31.03.2018			As at 31.03.2017		
	Less than 3 months	3 to 12 months	Total	Less than 3 months	3 to 12 months	Total
Trade Payables	2,798	78	2,876	2,753	31	2,814
Derivative Financial Liabilities	-	-	-	29	-	29
Other Financial Liabilities	505	-	505	543	-	543
	<u>3,263</u>	<u>78</u>	<u>3,341</u>	<u>3,365</u>	<u>31</u>	<u>3,491</u>

Balance due within 12 months equals their carrying balance as the impact of discounting is not significant.

(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 fluctuations, receivables and payables in foreign currencies which arise from export and import of goods and services are hedged on net basis through forward exchange contracts. From January' 18 onwards, majority of Company's import and export transactions are denominated in INR currency thereby reducing foreign exchange risk to large extent.

Sensitivities were determined on the basis of a hypothetical adverse scenario in which the INR depreciated by 2% (March 31, 2017: 5%) against USD compared with the year-end exchange rates. In this scenario, the estimated hypothetical loss of cash flows from financial instruments would have increased/decreased earnings as at March 31, 2018 by 0.5 (as at March 31, 2017 by 53) on net payable exposure of 27 (USD 0.11 Million) as at March 31, 2018 (on net payable exposure of 1,253 as at March 31, 2017 (USD 19 Million)). The Company's exposure to changes in foreign currency other than USD 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 mitigated by negotiating fixed coupon market rate from banks for the short term. The Company has surplus cash position and does not have any borrowings as at Balance Sheet date.

(iii) Price Risk:

The Company is mainly exposed to the price risk due to its investment in mutual funds. In order to manage the 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.

Notes to the financial statements for the year ended March 31, 2018 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

7 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

Dividend declared for the year ended March 31, 2017 is ₹ 11.00 (March 31, 2016 ₹ 17.00) per fully paid equity share

01.04.2017 to
31.03.2018

01.04.2016 to
31.03.2017

881

604

As at

As at

31.03.2018

31.03.2017

(ii) Dividends not recognised at the end of the reporting period

Since year end, the Directors of the Company have recommended a payment of final dividend of ₹ 16.00 per fully paid equity share (March 31, 2017 ₹ 17.00) and dividend distribution tax amount 127 (March 31, 2017 122). The proposed dividend is subject to approval of shareholders in ensuing Annual General Meeting.

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8 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table represents the recognised financial instruments that are offset in the Balance Sheet based on legally enforceable right and intention to settle or realise on a net basis:

	As at 31.03.2018	As at 31.03.2017
Trade Receivables		
Gross Amount	6,588	6,563
Amount set off in the Balance Sheet	-	19
Net amount presented in the Balance Sheet (Note Note 10)	6,588	6,582
Trade Payables		
Gross Amount	2,838	2,852
Amount set off in the Balance Sheet	-	19
Net amount presented in the Balance Sheet (Note Note 11)	2,838	2,833

9 SEGMENT REPORTING

The Vice Chairman & Managing Director and CEO, and Executive Director & CFO are identified as Chief Operating Decision Makers of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have identified '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, 2018.



Notes to the financial statements for the year ended March 31, 2018 (cont.)

(All amounts in ₹ Millions, unless otherwise stated)

39 SEGMENT REPORTING (cont.)

Geographical information

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
a) Revenue from external customers		
(i) attributed to the Company's country of domicile, India	36,765	29,031
(ii) attributed to all foreign countries		
- Germany	2,201	3,834
- Others	922	619
	27,490	29,464
b) Revenues from transactions with a customer (Bayer AG) exceeding 10% of revenue	2,042	2,916
	As at 31.03.2018	As at 31.03.2017
c) Non-current assets (excluding Deferred/ Current Tax and Financial Assets)		
(i) located in the Company's country of domicile, India	3,974	3,817
(ii) located in all foreign countries	-	-
	3,974	3,817

40 RELATED PARTY TRANSACTIONS

	Name of the related party	Country of Incorporation	% Equity interest	
			As at 31.03.2018	As at 31.03.2017
i)	Ultimate Holding Company: Bayer AG	Germany	100%	100%
ii)	Entities under Common Group Control:			
	Bayer (China) Limited, China			
	Bayer (Pharmaceutical) Limited, South Africa			
	Bayer (South East Asia) Pte. Ltd., Singapore			
	Bayer BioScience Private Limited, India			
	Bayer Business Services GmbH, Germany			
	Bayer Business Services Philippines Inc., Philippines			
	Bayer Business and Technology Services LLC, U.S.A.			
	Bayer CropScience AG, Germany			
	Bayer CropScience Ltd, Korea			
	Bayer CropScience Inc., Philippines			
	Bayer CropScience LP, U.S.A.			
	Bayer CropScience Limited, Bangladesh			
	Bayer Direct Services GmbH, Germany			
	Bayer East Africa Ltd., Kenya			
	Bayer Holding Ltd., Japan			
	Bayer HealthCare Pharmaceuticals Inc., U.S.A.			
	Bayer Intellectual Property GmbH, Germany			
	Bayer Middle East FZE, UAE			
	Bayer Pakistan (Private) Limited, Pakistan			
	Bayer Pharmaceuticals Private Limited, India			

Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

1. RELATED PARTY TRANSACTIONS (contd.)

(i) Entities under Common Group Control[†] (contd.)

Bayer S.A.S., France

Bayer Seeds Private Limited, India (Formerly Nupharma India Private Limited, India)

Bayer Sp. z o.o., Poland

Bayer Thai Company Limited, Thailand

Bayer Vapi Private Limited, India (The Enterprise in respect of which, the Company is an Associate effective April 28, 2014)

Bayer Zyclus Pharma Private Limited, India

Genetec India Private Limited, India (upto May 4, 2018)

PT Bayer Indonesia, Indonesia

United Breweries Limited, India (upto June 30, 2016)

[†] 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.

A. The transactions with related parties:

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Sale of goods				
Bayer AG	1,878	214	-	-
Bayer CropScience AG	-	-	-	2,968
Bayer Vapi Private Limited	-	-	152	52
Bayer BioScience Private Limited	-	-	23	36
Others	-	-	880	823
Recoverables made				
Bayer AG	54	36	-	-
Bayer CropScience AG	-	-	-	48
Bayer Vapi Private Limited	-	-	270	239
Bayer BioScience Private Limited	-	-	133	136
Others	-	-	332	446
Rent Income				
Bayer Vapi Private Limited	-	-	7	7
Bayer BioScience Private Limited	-	-	6	7
Others	-	-	68	82
Purchase of Goods				
Bayer AG	10,181	1,083	-	-
Bayer CropScience AG	-	-	-	8,565
Bayer Vapi Private Limited	-	-	1,286	257
Bayer BioScience Private Limited	-	-	4,258	4,020
Others	-	-	13	247
Professional/Support Charges incurred				
Bayer AG	8	7	-	-
Bayer CropScience AG	-	-	-	8
Bayer Vapi Private Limited	-	-	8	8
Bayer BioScience Private Limited	-	-	-	-
Others	-	-	342	161



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Notes to the financial statements for the year ended March 31, 2018 (cont.)

(All amounts in ₹ Millions, unless otherwise stated)

40. RELATED PARTY TRANSACTIONS (cont.)

A. The transactions with related parties: (cont.)

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Rent Expense				
Bayer Vapi Private Limited	-	-	2	7
Bayer BioScience Private Limited	-	-	14	14
Royalty Expense				
Others	-	-	19	-
Dividend paid				
Bayer AG	82	82	-	-
Bayer CropScience AG	-	-	34	34
Bayer Vapi Private Limited	-	-	140	140
Others	-	-	116	110
Sale of Fixed Assets				
Bayer BioScience Private Limited	-	-	2	-
Purchase of Licenses of Drug Credit Scripts				
Bayer Vapi Private Limited	-	-	119	51
Purchase of Fixed Assets (including Capital work-in-progress)				
Others	-	-	-	11
Recoupment of losses towards overdue trade receivables (Refer Note 10(a))				
Bayer BioScience Private Limited	-	-	8	104
Employee related liability paid/ payable on transfer of employees				
Bayer Vapi Private Limited	-	-	1	-
Bayer BioScience Private Limited	-	-	1	4
Others	-	-	-	-
Employee related liability taken over on transfer of employees				
Bayer Vapi Private Limited	-	-	5	1
Bayer BioScience Private Limited	-	-	3	18
Others	-	-	2	1
Short-term loan given to (Refer Note (a) below)				
Bayer BioScience Private Limited				
Outstanding at beginning of the year				
Loans advanced			-	1,500
Loans repayment			-	(1,500)
Interest charged			-	125
Interest received			-	(125)
Outstanding at end of the year			-	-

§ The amount is disclosed on gross basis, against which revenue is recognised as Margin (sales less material cost) since the Company is acting as an agent in substance.

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

Notes to the financial statements for the year ended March 31, 2018 (contd.)

All amounts in ₹ Millions, unless otherwise stated

9 RELATED PARTY TRANSACTIONS (contd.)

A Transactions with related parties (contd.)

- a) During the previous year, the Company had given loan to Bayer BioScience Private Limited for working capital which was repaid during the year. This loan was given in compliance with section 186 of the Companies Act, 2013 and in accordance with the terms and conditions of agreement entered with the party.

B Outstanding balances of related parties:

	As at 31.03.2018	As at 31.03.2017
Party referred to in (i) above		
Outstanding Receivables	887	593
Outstanding Payables	1,714	1,554
Parties referred to in (B) above		
Outstanding Receivables		
Bayer Vapi Private Limited	48	103
Bayer BioScience Private Limited	47	88
Others	142	203
Outstanding Payables		
Bayer Vapi Private Limited	237	104
Bayer BioScience Private Limited	358	780
Others	77	491

(iii) Key management personnel:

Name	Designation
Dr. Vijay Malviya	Chairman (upto June 30, 2016)
Mr. Parul Patel	Chairman (from July 1, 2016)
Mr. Richard van der Merwe	Vice Chairman & Managing Director and CEO
Mr. Ulrich Stäfel	Executive Director & CFO (from April 1, 2018)
Mr. Shashi Kulkarni	Non-executive Director
Mr. A. S. R. Nijalingam	Non-executive Director (upto April 30, 2018)
Mr. Vinod Stander	Non-executive Director

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Remuneration to key management personnel		
Short term employee benefits	114	88
Other long-term employee benefits	16	10
	130	98
Directors' Sitting Fees (included in Note 28-Other Expenses - Miscellaneous expenses)	2	2
Commission to Non-Executive Directors (included in Note 28-Other Expenses - Miscellaneous expenses)	5	5

(iv) Terms and conditions

There have been no guarantees provided or received by 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, 2018 and March 31, 2017.



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Notes to the financial statements for the year ended March 31, 2018 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

41. EARNINGS PER SHARE

Earnings per share are determined according to Ind AS 23 - 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.

	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Profit for the year	3,061	3,810
Weighted average number of equity shares outstanding at year end	34,831,217	35,354,001
Normal Value Per Equity Share (in ₹)	10	10
Earnings Per Share (net of tax) (Basic and Diluted) (in ₹)	88.18	82.31

Signature to Notes 1 to 41

Rajiv Vaid
Head - Law, Finance & Compliance
& Company Secretary

For and on behalf of the Board
Chairman

Pankaj Patel
DIN 00121852

Vice Chairman &
Managing Director
and CEO

Richard van der Meer
DIN 08703305

Directors

Shardul Kulkarni
DIN 00003540

Vinod Dhanraj
DIN 00001312

Executive Director
& CFO

Ulrich Steier
DIN 07447977

Place : Mumbai
Date : May 23, 2018

2018

Facts

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
₹ in Millions										
Revenue from Operations (Net)	14,828	17,241	21,373	22,723	27,258	32,453	37,233	38,894	29,884	27,490
Profit Before Tax	1,886	1,864	1,886	2,044	15,832	4,406	5,735	4,818	4,478	4,028
Net Cash from Operating Activities	346	834	1,223	1,067	1,582	2,818	2,004	2,065	1,573	1,214
Dividend (including interim dividend) for the year	111	158	158	158	187	251	289	301	301	318
Dividend %	38%	40%	40%	42%	85%	35%	210%	170%	170%	100%
Share Capital	385	385	385	389	395	396	386	334	334	343
Reserves and Surplus	4,115	5,205	5,338	7,532	19,818	17,897	19,963	18,040	20,213	17,440
Borrowings	422	1,140	1,388	-	-	-	-	-	-	-
Other Stock	4,519	5,077	3,531	4,738	5,414	6,958	4,345	3,628	4,168	4,917
Net Worth	2,701	3,208	3,537	2,588	3,457	4,446	3,234	3,384	3,681	3,705
Net Current Assets	1,860	2,835	5,304	4,667	15,882	12,893	15,917	14,995	19,911	18,142
Employee Benefits Expense	1,843	1,471	1,588	1,553	1,310	2,040	3,269	2,207	2,451	2,638
Number of Employees	1,329	1,351	1,102	1,147	1,181	1,217	1,043	1,027	1,129	1,148
₹										
Earnings Per Share (on the basis of profit after tax)	23.81	22.23	33.30	35.19	294.11	75.14	104.59	67.34	82.21	84.18
Book Value per Share	114.17	141.32	178.38	200.76	888.38	475.79	535.15	528.28	581.74	517.98
Share Price at Stock Exchange—High	343.00	685.00	1,175.00	868.00	1,241.80	1,825.20	3,519.90	4,234.00	4,827.00	6,090.00
— Low	180.20	224.80	825.18	672.00	748.00	1,065.00	1,584.55	3,115.00	3,020.00	3,738.00
Number of Shareholders	18,853	19,324	21,251	21,431	20,885	19,138	20,847	29,412	22,178	48,744

Notes:

- Figures from the year 2015-16 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- Figures have been regrouped wherever necessary.

Bayer CropScience Limited

59th

ANNUAL REPORT

April 2016 – March 2017

Certified True Copy
Am Bayer CropScience Limited

[Signature]
Rajiv Wad
Head of Legal, Patents & Compliance
and Company Secretary



Dr. Neel, a student from the 2015 – 2017 Batch of the Senior PGU (Paramananda Vignani) Agricultural School, received hands-on training at a vegetable farm in the village of Mundan Nagar, Telangana State.

PRODUCT LAUNCHES: 2016 – 2017



Crop Protection



Luna® Experience

Luna® Experience is a new fungicide for Powdery Mildew Management in grapes. With Luna® Experience, grape growers can achieve excellent harvest quality, while minimizing post-harvest losses. Luna® Experience is safe and doesn't cause rotting as it maintains the health and freshness of grapes for a longer time by controlling powdery mildew diseases.



Movento® Energy

Movento® Energy is the most powerful systemic insecticide ever developed for sucking pests. This revolutionary insecticide immediately is at work in the plant and goes straight to root protection, providing frontal control in the fruit maturing period. Vegetative growth that supports a more productive canopy for harvest.

Seeds



Arizo® AZ 8433 DT

A top of the line mid-season Hybrid Seed which offers protection from both Bacterial Leaf Blight (BLB) and Downy Mildew (DM) with excellent yield potential.



Arizo® AZ 6453

A mid-early duration Rice Hybrid Seed with High Blast tolerance. It has medium slender grain with excellent cooking quality and great yield.



Arizo® AZ 6508

A short duration Rice Hybrid Seed with long slender grain and high yield weight. Its long grain offers excellent cooking quality and taste.



Proagro PA 9072

A good duration Mid-Hybrid Seed for heavy segment with excellent tolerance for Downy Mildew and drought. It offers good yield and cooks quickly.

Environmental Science



Temprid™

Temprid™ is a highly active insecticide for household Pest Control. It is a systemic compound found in both household and commercial areas of household and commercial premises. It has a lesser (residual rate, 10-15 days) and a longer (residual rate, 10-15 days) residual formulation than a water-soluble formulation for effective pest management.

SOCIAL COMMITMENT

Bayer's Corporate Social Responsibility (CSR) initiatives focuses on people embarking on new approaches to problem-solving in life sciences in the key areas of health, education and basic social needs, with the goal of sustainably improving living conditions. With our support programs we see ourselves as investors, trailblazers and partners for initiatives and projects that have a model character, a long-term effect and thus the potential to achieve systemic change.

To us, sustainability means future viability and as part of our corporate strategy, sustainability is integrated into our everyday procedures. We at Bayer are convinced that we can achieve lasting commercial success only if we increase our contribution to overcoming global challenges in the fields of food security and health, meet our responsibility to the environment, and on the basis of this also ultimately promote our economic growth. That's what our mission "Bayer: Science For A Better Life" is all about.

We consider the maintenance of constant contact and continuous dialogue with our stakeholders at a global and local level to be very important. Bayer is a part of society and of public life. Society's acceptance and appreciation of our corporate activities are therefore essential to Bayer's reputation and business success.

In India, Bayer CropScience Limited has rolled out its CSR policy in accordance with India's legislation. The policy focuses on four thematic areas:

- Fostering Education
- Fostering Rural Development
- Empowering Women
- Preventive Health & Sanitation

Some of our key CSR projects from 2016 – 2017 include:



Educational Initiatives in Telangana

Comprehensive educational interventions are being introduced with an objective of forming a healthy socio-economic culture where the deprived class of society can avail quality education. This project is being implemented in select villages of South India. Some of the activities include scholarships for the school-going children, financial support to the deserving students to pursue higher education, upgrade and maintain the educational set up of targeted schools, improve the education delivery process in the local schools, create IT-enabled smart classes, skill development programs, school facility upgradation including libraries, science labs, sports, cultural facilities and coaching.



Agriculture Fellowship Program

Agriculture requires innovation and sustainable mechanisms to cater to an ever-increasing vast and diverse population. To encourage research and development activities in agriculture, Bayer is supporting Masters in Science and Ph.D. students with Fellowships in leading AgroScience Universities in Gujarat, Karnataka, Punjab, Tamil Nadu, Telangana, Uttarakhand and West Bengal. Till date 49 Fellowships have been awarded.

Agricultural Productivity & Livelihood Support

Farm labor is an important aspect of agriculture in India. To support alternative sources of income for these laborers, other livelihood options such as sheep, goat rearing and low cost poultry farming are being encouraged among women laborers through Self Help Groups (SHGs). This approach combines access to low-cost financial services with process of self-management and development for women. This project titled Agricultural Productivity & Livelihood Support being implemented in the state of Bihar is also focusing on helping small and marginal farmers move away from sustenance farming to smarter, commercial agriculture through the use of technology.



Village Training Program

In order to build a strong relationship with rural communities, Bayer has taken up activities that are focused on improving livelihood and enhancing income generation opportunities for villagers that would help them lead a life of dignity. The main focus of Village Training Program (VTP) is providing intensive training to rural youth on best practices and newer technologies in areas such as goat rearing, low cost poultry, animal husbandry, tailoring, plumbing and crop production etc. Seen in the picture is a VTP field demonstration session in a model farm near Mangalgutta village in Karnataka.



WASH (Water, Agriculture, Sanitation & Hygiene)

This program mainly focuses on public health through improving sanitation and conservation of pure natural resources. Preventive health care situation can be improved in the target villages if cleanliness is enhanced and natural resources are protected from pollutants. The methodology mainly involves intensive training of the rural communities in order to change mindsets and habits.

Discovering Hands

Preventive breast cancer diagnosis is either offered through mammography, which is expensive or by a tactile breast examination performed by doctors. As a result of the impersonal and often stressful experience, many women choose not to undergo preventative diagnosis. As prevention is critical in the fight against breast cancer, Dr. Frank Hoffmann, a renowned medical expert from Germany has pioneered a unique program "Discovering Hands" that trains and deploys visually impaired women with their highly developed sensory skills to detect the early signs of breast cancer.





Program for Primary Prevention of Sexual Violence (PPPSV)

Moving towards pioneering the concept of innovative Corporate Social Engagement, Bayer India is working in active collaboration with King Edward Memorial Hospital Research Centre, Pune; Institute of Sexology, Charité, University Clinic of Berlin, and an advisory council of experts from India to envision Program for Primary Prevention of Sexual Violence (PPPSV). Using proven expertise and knowhow from years of treatment experience, Bayer and its partnering institutions are developing strategies to implement primary preventive measures, which protect women and children from sexual violence and its after-effects.

Incidents of sexual violence are not only criminal acts, but a major social health issue. The objective of PPPSV is to introduce innovative strategies of primary prevention to create ways and means for the benefit of public health. Primary Prevention approach is it means to prevent the incident before it happens. This approach brings to fore strategies that utilize knowledge about typologies of potential offenders as well as potential victims that influence sexual offended situations before they occur.

Taking on the opportunities the PPPSV team developed a three-pronged approach that focuses on:

- Research on primary prevention strategies in India
- Primary prevention of child sexual abuse through treatment
- Primary prevention of sexual violence against women through deterrence



Chennai Floods Disaster Relief

Implemented in two well-planned phases, a holistic intervention approach was put in place by the NGO - Concern India, in close collaboration with Bayer. The relief measures were planned based on visits to flood affected areas and attending community & school staff meetings and understanding the requirements of the urban and semi-urban areas:

Hygiene emerged as a significant area of concern and therefore, the intervention programs unravelled a significant sanitation drive that covered 20 villages. Nearly 4,500 families affected by floods were covered in the sanitation drive. Awareness on self-hygiene and public sanitation was imparted to 4,200 school students. Awareness programs included proper usage of toilets, methods to keep drainage clean and ways to separate compostable and non-compostable waste. The general response to the camps has been positive and 340 volunteers proactively participated in the sanitation drive programs.





ROUTE MAP TO THE VENUE OF THE 59TH ANNUAL GENERAL MEETING OF BAYER CROPSCIENCE LIMITED

Day & Date : Wednesday, August 23, 2017

Time : 11.00 A.M.

AGM Venue : "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre,
Near Mantrelaya, Gen. J. Bhonsale Marg, Mumbai - 400 021.



Legend:

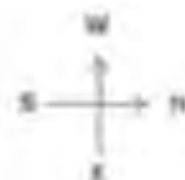


AGM Venue



Sachivalaya Gyrnichana

Please note that this map is not to actual scale





Bayer CropScience Limited
Annual Report 2016 - 17

Directors	Pankaj Patel	(DIN 00151852)	- Chairman
(As on June 06, 2017)	Richard van der Merwe	(DIN 06766306)	- Vice Chairman & Managing Director and CEO
	Sharad M. Kulkarni	(DIN 00003840)	
	A. K. R. Nedungadi	(DIN 00103214)	
	Vinod Brundari	(DIN 00001318)	
	Peter Munier	(DIN 03582162)	
	Ulrich Stefer	(DIN 07447177)	- Executive Director & CFO
	Dr. Miriam Colling-Hendelkars	(DIN 07659049)	

**Head - Law, Patents & Compliance &
Company Secretary**

Rajiv Wani

Bankers	Bank of America BNP Paribas Citibank N.A. Deutsche Bank HDFC Bank Limited State Bank of India
Auditors	Pricewaterhouse
Solicitors	Crawford Bayley & Co.
CIN	L24210MH1958PLC011173
Registered Office	Bayer House, Central Avenue, Hiraniwadi Estate, Thane (West) - 400 607. Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2546 5053 Email: ir_bcsi@bayer.com
Registrar & Share Transfer Agent	TSR Darashaw Limited (TSRDL) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011. Tel. No.: + 91 22 6656 6464 Fax No.: + 91 22 6656 6464 Email: csq-unli@tsrdarashaw.com
Factory	Plot Nos. 66/1 to 75/2 G.I.D.C. Industrial Estate, Himmatnagar - 383 001, Gujarat.

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Members are requested to:

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



NOTICE

NOTICE is hereby given that the 52nd Annual General Meeting of Bayer CropScience Limited will be held on Wednesday, August 23, 2017 at 11.00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Marolliya, Gen. J. Bhonsale Marg, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Statement of Profit and Loss for the financial year ended March 31, 2017 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Peter Mueller (DIN: 03582162), who retires by rotation and being eligible offers himself for re-appointment.

4. Appointment of Statutory Auditors:

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117386W/W-100018) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. Price Waterhouse, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the conclusion of 52nd Annual General Meeting of the Company till the conclusion of 56th Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every Annual General Meeting) on such remuneration plus taxes as applicable, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Vice Chairman & Managing Director and Chief Executive Officer or Executive Director and Chief Financial Officer or the Company Secretary of the Company be and are hereby authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

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

5. Appointment of Dr. (Ms.) Miriam Colling-Hendelkens (DIN: 67839849) as a Director of the Company:

As an Ordinary Resolution:

"RESOLVED THAT Dr. (Ms.) Miriam Colling-Hendelkens (DIN: 67839849) who was appointed as an Additional Director of the Company with effect from June 06, 2017 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. (Ms.) Miriam Colling-Hendelkens for the office of Director, be and is hereby appointed as 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 authorized to sign and file the prescribed forms, returns, documents, applications and deeds with all authorities including the Registrar of Companies, Maharashtra, along with the requisite fees in respect of the said appointment."

6. Ratification of Remuneration to Cost Auditor:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 145(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. Deve & 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, 2016, being ₹ 0.58 Millions (Rupees point five five millions 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 authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

7. Approval of transaction with Bayer AG:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s)/arrangement(s)/transaction(s) with Bayer AG, a Related Party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(2b) of the SEBI Listing Regulations, for purchase of goods, sale of goods, professional and support services, recoveries and other obligations, if any, on such terms and conditions as

may be mutually agreed upon between the Company and Bayer AG and as given under the statement setting out the material facts annexed to this Notice, for Item No. 7.

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

8. Approval of transaction with Bayer Vapi Private Limited:

As an Ordinary Resolution:

***RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s)/arrangement(s)/transaction(s) with Bayer Vapi Private Limited ("BVPL"), a Related Party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI Listing Regulations, for purchase of goods, sale of goods, professional and support services, recoveries, rent income/expenses and other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and BVPL and as given under the statement setting out the material facts annexed to this Notice, for Item No. 5.

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty (50) members holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument appointing a proxy in order to be effective shall be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of companies, institutions, societies etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation. The proxy holder shall prove his identity at the time of attending the Meeting. The proxies shall be available for inspection during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
3. The details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Directors seeking approval for appointment/re-appointment at the Annual General Meeting, forms part of the annexure to this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 09, 2017 to Wednesday, August 23, 2017 (both days inclusive).
5. The dividend of ₹ 17.00 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 88th Annual General Meeting to be held on Wednesday, August 23, 2017 will be paid on or after Monday, August 28, 2017
 - (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, August 08, 2017, after effecting the transfers (dated 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, August 08, 2017 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
6. Members are requested to direct all shares related correspondence to TSRDL at the following address:
TSR Darashaw Limited (TSRDL),
Unit - Bayer CropScience Limited,
S-1D, Haji Moses Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mandla, Mumbai - 400 011
Tel. No.: +91 22 6656 6484
Fax No.: +91 22 6656 6494
e-mail id: cog-unit@tsrdarashaw.com
7. Members holding shares in physical form are requested to notify / send the following to TSRDL on or before Tuesday, August 01, 2017, in order to facilitate better service:



- (i) any change in their address / mandate / bank details;
 - (ii) particulars of their core bank account number in case the same have not been sent earlier; and
 - (iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
9. Members holding shares in the dematerialised form are requested to intimate all changes pertaining to their bank details including their Core Banking Account No., MICR and IFSC Code, nominations, power of attorney, change of address / name etc. to their Depository Participant only and not to the Company / TSDDL. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and TSDDL to provide efficient and better service to the members.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSDDL for assistance in this regard.
11. 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 application to the IEPF Authority in 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 TSDDL, the Registrar and Share Transfer Agent of the Company 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.

12. Members are requested to note that the dividend declared in September, 2016 is due to be transferred to IEPF in November, 2017.
13. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN details to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to TSDDL.
14. 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 TSDDL, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
15. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days during normal business hours up to and including the date of the Annual General Meeting.
16. 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 TSDDL, 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.

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

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

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

The remote e-voting period commences on Saturday, August 19, 2017 (IST 9:00 a.m.) and ends on Tuesday, August 22, 2017 (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 Wednesday, August 16, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participant(s)) :
 - i. Open email and open PDF file viz. "Bayer remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password. (NOTE: Shareholders already registered with NSDL for e-voting will not receive the pdf file "Bayer remote e-voting.pdf".)
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - iii. Click on "Shareholder - Login"
 - iv. Put user ID and password as initial password noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digital characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycle.
 - vii. Select "EVEN" (E-voting Event Number) of Bayer CropScience Limited which is 105465. Now you are ready for remote e-voting as Cast Vote page opens.
 - viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - x. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bayer@nlsb.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s)) :
 - i. Initial password is provided in the enclosed attendance slip: EVEN (Remote e-voting Event Number), User ID and password
 - ii. Please follow all steps from SL No. (i) to SL No. (xi) above, to cast vote.
- C. Other instructions:
 - i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1600-222-999.
 - ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
 - iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, August 16, 2017.
 - v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, August 16, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
 - vi. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1600-222-999.
 - vii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - viii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
 - ix. Mr. N.L. Ghalia, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting conducted at the AGM venue in a fair and transparent manner.
 - x. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting electronically for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - xi. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the



Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- vi. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.bayer.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors

Rajiv Wani
Head - Law, Patents & Compliance
& Company Secretary

Thane, June 06, 2017

Registered Office:
Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) - 400 607
CIN: L24210MH1998PLC011173

ANNEXURE TO NOTICE:**INFORMATION ON DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI LISTING REGULATIONS:**

Mr. Peter Mueller (DIN: 03332162)

Mr. Peter Mueller (Age: 57 years) who retires by rotation being eligible has offered himself for re-appointment.

Brief Profile:

Mr. Mueller joined Bayer AG as a commercial trainee in 1978 and spent two years in Corporate Auditing thereafter. He then moved to Japan where he worked for seven years with three Bayer subsidiaries in the field of Finance & Accounting. After a further period of three years at the German Bayer headquarters in Central Controlling, Mr. Mueller became the Deputy General Manager of Bayer's newly founded holding company in Beijing, China. In the following five years, he established the administrative country platform and helped to negotiate and finance twelve joint venture companies. Mr. Mueller joined the Finance Division at Bayer AG as Head of Corporate Financial Controlling in 1999 before being appointed the Head of Corporate Finance in 2002 and Head of Finance in 2011.

Mr. Mueller is a Director on the Board of Bayer Nordin SE. He is member of the Supervisory Board of Bayer Pensionskasse, Paulas Versicherung AG, Bayer CropScience AG, Bayer Pharma AG and member of the Shareholders Committee of Bayer Real Estate.

He does not hold any shares in the company in which he is a Director.

Dr. (Ms.) Miriam Colling-Hendelkens (DIN: 07839648)

Dr. (Ms.) Miriam Colling-Hendelkens (Age: 45 years) had been appointed as an Additional Director of the Company with effect from June 06, 2017. She holds office till the ensuing Annual General Meeting and being eligible, offers herself for appointment.

Brief Profile:

Dr. (Ms.) Miriam Colling-Hendelkens started her professional career in the year 2002 and joined Bayer as a trainee in the Patent Department of Bayer Chemicals AG which later on had been carved-out as Lanxess GmbH. In 2005, she moved back to Bayer and joined the IP team of the Bayer affiliated company H.C. Starck GmbH where she was responsible for the conductive polymer IP portfolio.

In 2006, she took over a Senior Patent Counsel position within the IP team of Bayer MaterialScience AG supporting the business unit polyurethanes and polycarbonates and later on working as the strategic IP key account for the functional films organization. After restructuring of the Germany based IP Community and foundation of the Bayer IP GmbH in 2012 she took over the role as Head of Patents Diverso Control within the CropScience group. Since May 2016 she is heading department - Patents CropScience with global responsibility for Bayer's CropScience IP organization. She is qualified as a German and European Patent Attorney.

She does not hold any shares in the company in which she is a Director.

THE FOLLOWING EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT") SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED IN ITEM NO. 4 TO 8 IN THE ACCOMPANYING NOTICE DATED JUNE 06, 2017:

Item No. 4: This Explanatory Statement is provided as additional information though not mandatory as per Section 102 of the Act.

Pursuant to the provisions of Section 139 of the Act read with the applicable rules framed thereunder, M/s. Pricewaterhouse, the present Statutory Auditors of the Company complete their term as the Statutory Auditors of the Company at the ensuing 59th Annual General Meeting of the Company.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, having ICAI Firm Registration No. 117356WV-190216, has been appointed as the Statutory Auditors of the Company for a term of five years commencing from the conclusion of the 59th Annual General Meeting till the conclusion of the 64th Annual General Meeting, subject to ratification by the members at every Annual General Meeting till the period as mentioned above on a remuneration plus applicable taxes, out of pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

The Board recommends the resolution at Item No. 4 for the approval of the members.

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

Item No. 5:

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee of the Company had appointed Dr. (Ms.) Miriam Colling-Hendelkens (DIN: 07839648) as an Additional Director of the Company with effect from June 06, 2017. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 153 of the Articles of Association of the Company, Dr. Colling-Hendelkens holds office of Director upto the date of the 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. Colling-Hendelkens as a candidate for the office of director.

Except Dr. Colling-Hendelkens, none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution.

The Board of Directors recommends the appointment of Dr. Colling-Hendelkens as a Director of the Company and passing of the Ordinary Resolution set out at Item No.5 of the Notice for approval by the members.

**Item No. 6:**

The Board, on the recommendation of the Audit Committee, had 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, 2016 for a remuneration of ₹ 0.55 (Rupees point five five Millions only) plus taxes as applicable and out of pocket expenses incurred by them for the purpose of audit for the financial year 2015-16. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered Office of the Company during business hours on all working days till the date of the Annual General Meeting and shall also be available at the Meeting.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

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

The Board recommends the ratification of the remuneration payable to M/s. D.C. Dave & Co., Cost Accountants, for the Cost Audit and passing of the Ordinary Resolution as set out at Item No. 6.

Item No. 7:

Bayer AG is the ultimate holding company of Bayer CropScience Limited. Bayer AG is focusing entirely on its Life Sciences Business, with the three divisions Pharmaceuticals, Consumer Health and Crop Science. In this context, the existing Bayer structure of strategic management holding company Bayer AG with operational subgroups such as Bayer CropScience AG ("BCS AG") is currently replaced by an integrated organization, in which Bayer AG will directly control the operating business of all the three divisions.

Bayer AG and BCS AG have signed a Business Lease Agreement (the "Agreement"). Business Lease allows Bayer AG to operate in the market under a single Bayer brand. The said Agreement authorized Bayer AG to conduct BCS AG's operational business and to receive all proceeds, in lieu of Bayer AG paying the lease fee. In view of this Agreement, all the transactions of BCS AG stand transferred to Bayer AG with effect from January 01, 2017.

The Shareholders have approved the related party transaction with BCS AG to the extent of ₹ 18,000/- Millions at the Annual General Meeting dated September 15, 2015. In view of the structural changes as mentioned above, all the transactions currently undertaken by BCS AG would now move to Bayer AG and hence the transaction with Bayer AG are likely to exceed 10% of the annual turnover of the Company as per the last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the SEBI Listing Regulations. Thus, in terms of the said Regulations, these transactions would require the approval of the members by way of an Ordinary Resolution.

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

Particulars	Information
Name of the related party	Bayer AG
Name of the Director or Key Managerial Personnel who is related, if any	None
Nature of relationship	Ultimate Holding company
Material Terms of contract/arrangements/transaction	Purchase of goods, Sale of goods (exports), recoveries, professional and support services and other obligations, if any
Monetary value of the Contract	Not exceeding ₹ 18,000 Millions in each financial year
Whether the transactions have been approved by the Audit Committee	Yes
Are the transactions in the ordinary course of business	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing consultants	Yes
Any other Information relevant or important for the members to make a decision on the proposed transaction	None

The Board of Directors is of the opinion that the aforesaid transactions are in the interest of the Company and therefore recommends the Ordinary Resolution as set out in Item No. 7 of the Notice for approval of unrelated members of the Company in terms of Regulation 23 of the SEBI Listing Regulations.

Name of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution:

Item No. 8:

Bayer Vero Private Limited ("BVPL") is engaged in the manufacture of active ingredients and its intermediates for use in a wide array of agriculture and environment protection products. BVPL has the state of art facility for manufacture of various active ingredients and is also the single largest Synthetic Pyrethroid production facility in the world.

BVPL has necessary good manufacturing practices to meet the requirements for quality, technology, safety and purity as per the group standards.

Currently, the Company is purchasing certain active ingredients from BVPL. Considering the expertise and technical knowledge possessed by BVPL, the Company would also be procuring formulations from BVPL, which is manufactured under its overall supervision and control.

In view of the above arrangement, the transaction with BVPL, are likely to exceed 10% of the annual turnover of the Company as per the last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the SEBI Listing Regulations. Thus, in terms of the said Regulations, these transactions would require the approval of the members by way of an Ordinary Resolution.

BVPL is a party related to the Company as per the definition of Section 2(76) of the Companies Act, 2013 and Regulation 23(b) of the SEBI Listing Regulations.

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

Particulars	Information
Name of the related party	Bayer Vapi Private Limited (BVPL)
Name of the Director or Key Managerial Personnel who is related, if any	None
Nature of relationship	Related Party as per Section 2(76) of the Companies Act, 2013
Material Terms of contract/arrangements/transaction	Purchase of goods, sale of goods, professional and support services, recoveries, rent income/expenses, services, loan and other obligations if any
Monetary value of the Contract	Not exceeding ₹ 5,000 Millions in each financial year
Whether the transactions have been approved by the Audit Committee	Yes
Are the transactions in the ordinary course of business	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing consultants	Yes
Any other information relevant or important for the members to make a decision on the proposed transaction	None

The Board of Directors is of the opinion that the aforesaid transactions are in the interest of the Company and therefore recommends the Ordinary Resolution as set out in Item No. 6 of the Notice for approval of unrelated members of the Company in terms of Regulation 23 of the SEBI Listing Regulations.

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

By Order of the Board of Directors

Rajiv Wani
Head - Law, Patents & Compliance
& Company Secretary

Dated: June 06, 2017

Registered Office:
Bayer House, Central Avenue,
Hirakandam Estate,
Thane (West) - 400 607
CIN: L24210MH1956PLC013373



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 59th Annual Report on the business and operations of the Company together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2017. These financial statements for the financial year ended March 31, 2017 are the first financial statements with comparatives prepared under Indian Accounting Standard (Ind AS).

Financial Performance:

(₹ in Millions)

Particulars	2016-17	2015-16
Revenue from Operations	29,484	28,894
Other Income	701	817
Total Income	30,185	29,711
Profit before Finance Costs, Depreciation and Taxation	4,837	5,183
(Less) Finance Costs	(68)	(100)
(Less) Depreciation and Amortisation Expenses	(288)	(247)
Profit Before Tax	4,479	4,816
(Less) Tax Expense	(1,569)	(1,555)
Profit for the year	2,910	3,151
(Less) Other Comprehensive Income	(14)	(12)
Total Comprehensive Income for the year	2,896	3,139
Add: Retained Earnings at the beginning of the year	14,722	17,817
Amount available for Appropriation	17,618	20,956
Appropriations:		
Dividend	601	623
Dividend Distribution Tax on Dividend	122	127
Transfer to General Reserve	301	383
Premium paid on Buy back of Equity shares	-	3,048
Transfer to Capital Redemption Reserve	-	12
Transaction Cost for Buyback of Equity shares	-	41

Operations:

Your Company's Revenue from Operation for the financial year 2016-17 is ₹ 29,484 Millions vis-à-vis ₹ 28,894 Millions in 2015-16.

Profit before Taxation is ₹ 4,479 Millions for the financial year 2016-17.

Dividend:

The Board of Directors of the Company had approved the Dividend Distribution Policy in line with the parameters laid down by the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Dividend Distribution Policy is uploaded on the Company's website at www.bayer.in.

In line with the said Policy, the Board of Directors have recommended a final dividend of ₹ 17.00 per Equity Share of ₹ 10 each amounting to ₹ 601 Millions for the financial year ended March 31, 2017, subject to the approval of the members.

The Register of Members will remain closed from Wednesday, August 09, 2017 to Wednesday, August 23, 2017 (both days inclusive).

Transfer to Reserves:

The Company proposes to transfer an amount of ₹ 301 Millions to the General Reserve.

Indian Accounting Standards (Ind AS):

The Ministry of Corporate Affairs (MCA) notified its phase-wise roadmap for the adoption of Indian Accounting Standards ("Ind AS"), converged with the International Financial Reporting Standards (IFRS) vide its notification dated February 16, 2015, announcing the Companies (Indian Accounting Standards) Rules, 2015, for the application of Ind AS.

Accordingly, your Company has adopted Ind AS with effect from the financial year 2016-17 (along with comparative for the financial year 2015-16), since it is covered under phase-I based on net worth criteria. Your Company believes in highest standards of corporate governance and recognizes that financial statements are an important source of information to the shareholders and other stakeholders.

The financial statements for the year ended March 31, 2017 are the first financial statements with comparatives prepared under Ind AS.

DIRECTORS' REPORT (contd.)

Reconciliations and explanations of the effect of the transition from previous GAAP to Ind AS on your Company's Total Equity, Total Comprehensive Income and Statement of Cash Flows are provided in Note 42 to the Financial Statements.

Exports:

Your Company is a recognised Export House. The export sale for the year ended March 31, 2017 was ₹ 4,257 Millions as compared to ₹ 5,462 Millions during the previous year.

Insurance:

The Company's assets continue to be adequately insured against the risk of fire, riot, earthquake, terrorism and the risk of loss of profits also stands insured, amongst other things. In addition, adequate coverage has been taken to cover public liability, environmental liability and product liability claims. Also, all the employees are covered against the risk of loss of life, hospitalisation and personal accident.

Foreign Exchange Management:

The Company's exposure to foreign exchange risk comprises the risk of a foreign currency versus the local currency. The goal is to reduce the negative impact of the risks arising from fluctuations in exchange rates in the earnings. The majority of the forex transactions are denominated in US dollar. To mitigate the currency fluctuations, the net exposure of the Company 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 Board of Directors, to the best of their knowledge and belief, confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the financial year ended March 31, 2017;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively and;
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

Responsible Care and Quality:

Your Company observed National Safety Week and Fire Prevention Week during the year and conducted various activities throughout the week to spread awareness on safety amongst employees. September 06, 2016 was observed as the Bayer Safety Day. Various activities were conducted at sites and offices to promote safety. Your Company observed World Environment Day at the Hiralnagar Site during the year. A "Road Safety Campaign" was conducted in 2016 to increase awareness on road safety amongst Bayer employees in India.

Your Company, covering all the manufacturing sites, all India business operations and supporting services, was audited for ISO 9001:2008 Quality Management System by TÜV India Pvt. Ltd. (TUV) and the Company continued certification for 2016-17. The ISO 14001:2004 Environmental Management System for Hiralnagar Site was audited by TÜV and the certification continued for 2016-17.

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

Corporate Sustainability and Social Responsibility:

Bayer is a Life Sciences company with more than 150 years history and core competencies in the areas of health care and agriculture. With its innovations, Bayer is contributing to finding solutions to some of the major challenges of our time.

To us, sustainability means safeguarding our future viability and, as part of corporate strategy, is integrated into everyday procedures. We underline our mission as a company that acts sustainably through our commitment to the U.N. Global Compact, and through our active global involvement in leading initiatives such as the World Business Council for Sustainable Development (WBCSD). Our innovations, products and services make a contribution to overcoming some of the biggest global challenges, including the Sustainable Development Goals (SDG) of zero hunger and good global health care in particular.

In India, within the scope of our social commitment, Bayer makes targeted strategic investments in the areas of science, education, health, social needs and community projects.

We meet our responsibility to protect the environment in many different ways. We are continuously working to reduce the environmental impact of our business activities and develop product solutions that benefit the environment. For us, an efficient approach to raw materials and energy makes both ecological and economic sense. Our measures help reduce environmental impact and at the same time cuts the costs associated with materials, energy, emissions and disposal.



DIRECTORS' REPORT (contd.)

Our objective is to safeguard and boost the Company's success, creating entrepreneurial value while also respecting social values. We are developing products that will be of great social benefit in the future and are safe in both manufacturing and applications.

Corporate Social Responsibility:

In India, Bayer CropScience Limited ("the Company") has rolled out a comprehensive well-planned approach for executing Corporate Social Responsibility (CSR) projects. Since the introduction of the Section 135 of the Companies Act 2013, Bayer CropScience Limited has envisaged a portfolio of projects that focusses on three essential pillars: Society Progress Pilots for pioneering ideas and topics of nationwide importance, Science Excellence – that focusses on life science talents and frontier research and Community development – for neighbourhood projects on topics such as health and education. On all the three fronts, Bayer CropScience Limited has achieved significant milestones. In addition, the Company also took up disaster relief operations for rehabilitating areas in and around the city of Chennai and the State of Tamil Nadu which was ravaged by floods and incessant rains in the last quarter of 2015. Society Progress Pilots is now in the second phase of implementation. Science Excellence initiatives have been implemented successfully. Community development projects have been extended to cover newer approaches that focus on increasing participation through stakeholder engagement on key aspects such as science, health, sanitation, hygiene, vocational training and education.

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 500 listed entities based on market capitalization, shall include a Business Responsibility Report (BRR). A separate section on Business Responsibility forms part of this Annual Report.

Human Resources:

At Bayer, we believe that competent and engaged employees are key to the Company's success. Our LIFE (Leadership, Integrity, Flexibility, Efficiency) Values and organizational culture provide employees with a guideline for their daily work and for sustainable performance. In the past year, your Company launched several initiatives with a special focus on Competency Based Training programs.

Since the roll out of the Bayer Competency Model, the Bayer Competencies – Core and Leader, remain linked to all People Processes, Performance Management, Talent Development initiatives across the employee life cycle.

In line with the strategy, the Company has decided on emphasizing and amplifying four focus behaviors - Customer Focus, Experimentation, Collaboration and Trust in our organization, so that we can ensure that our culture supports our strategy and purpose.

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

To stay connected with external talent, your Company established its presence on Facebook by launching the Bayer India Career Page. The aim of the page is to present in an engaging manner, the proof points which make Bayer an Employer of Choice. Internships and the Bayer Scholarships keep our connect with the student community high.

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

The Company has been awarded AOH Best Employers in India 2017 and was one of the 16 companies to be recognised out of total 113 companies across 12 key industries.

Employee relations during the year were harmonious and cordial.

Directors:

Pursuant to the relevant provisions of the Companies Act, 2013 ("the Act") and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Dr. Miriam Colling-Handelkens as an Additional Director with effect from June 06, 2017.

In accordance with Section 161 of the Act, Dr. Colling-Handelkens holds office upto the date of the forthcoming Annual General Meeting of the Company and being eligible after her candidature for appointment as Director. Your approval for the appointment of Dr. Colling-Handelkens as a Non-Executive Non-Independent Director has been sought in the Notice convening the Annual General Meeting of the Company.

Dr. Regina Juergens, Non-Executive Non-Independent Director ceased to be a Director of the Company with effect from June 06, 2017. The Board of Directors placed on record its warm appreciation for the valuable contribution made by Dr. Juergens during her tenure as Director of the Company.

At the forthcoming 59th Annual General Meeting (AGM) of the Company and in accordance with the provision of the Act, Mr. Peter Mueller retires by rotation and being eligible offers his candidature for re-appointment. The resolution for the said re-appointment along with the brief profile forms a part of the Notice of the AGM and the resolution for his re-appointment is recommended for your approval.

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

DIRECTORS' REPORT (contd.)

In accordance with the provisions of Section 149(7) of the Act, Mr. Parthaj Patel, Mr. Sharad M. Kulkarni, Mr. A.K.R. Madhuganti and Mr. Vimal Shander, the Independent Directors of the Company as on March 31, 2017 have given declaration to the Board that they meet the criteria of independence as laid down under Section 149(8) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Meetings of the Board:

During the financial year ended March 31, 2017, five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report.

Audit Committee:

During the financial year ended March 31, 2017, four Audit Committee Meetings were convened and held. The composition of the Audit Committee is given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

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 collectively evaluated the Board's as well as Committee's performance based on various parameters. The individual Directors were also evaluated by their peers based on the parameters provided by the SEBI Listing Regulations. The results of the evaluation were discussed at the Nomination & Remuneration Committee and were also placed at the Board Meeting for the Chairman's review. The Evaluation process primarily focused on the criteria with respect to the overall functioning of the Board as well as the Committees, the composition of the Board and Committees, governance aspects, etc. The criteria applied in the evaluation process is explained in the Corporate Governance Report.

Nomination and Remuneration Policy:

The Company has in place a Nomination and Remuneration Policy which is framed in accordance with Section 176 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 Policy is available on the website of the Company at www.bayer.in.

Whistle Blower Policy (Vigil Mechanism):

The Company has adopted a Whistle Blower Policy, as a part of vigil mechanism to provide appropriate avenues to the employees as well as any third parties to bring to the attention of the management any issue which 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 established vigil mechanism helps employees to report concerns about any unethical conduct, financial malpractices or any unhealthy practice prevalent in the Company. The employees are encouraged to voice their concerns or issues by way of whistle blowing and all the employees have been given the access to the Audit Committee. The Company has also provided dedicated email address bayercompliance@apcointl.co.uk for reporting such concerns. The Corporate Compliance Team looks into the whistle blower complaints and places the status of such complaints at the Audit Committee Meeting on a quarterly basis.

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

Code of Conduct:

The Company has in place 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 which is expected to be followed by the Directors and employees in their business dealings and in particular on matters relating to integrity in the work place, dealing with stakeholders and in business practices. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

Risk Management Policy:

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

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

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

Corporate Social Responsibility Policy:

During the year under review, the terms of reference of the Corporate Social Responsibility ("CSR") Committee were widened to include the Business Responsibility Reporting parameters.

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



DIRECTORS' REPORT (cont.)

Internal Control System:

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

Internal Financial Controls:

The Companies Act, 2013 introduced regulations with focus on control and compliance requirements in light of which the Company has laid down Internal Financial Controls across various processes prevalent in the organisation. These controls have been established at the entity as well as process level and are designed to ensure compliance to internal control requirements, regulatory compliance and enable appropriate recording of financial and operational information. The Company has reviewed sustained effectiveness of internal financial controls by adopting a systematic approach to assess design and its operating effectiveness.

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

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

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

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

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

During the financial year ended March 31, 2017, the Company gave loan to one of its group company. As on March 31, 2017 no loan is outstanding. Particulars of the loans are given under Note No. 40(i)(A)(a) in Financial Statement. The Company did not give any guarantee or provide security in connection with any loan or acquired any securities during the financial year ended March 31, 2017.

Related Party Transactions:

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

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

Prevention of Sexual Harassment at Workplace:

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 Company policy on prevention of sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

No. of complaints received	Nil
No. of complaints disposed off	Nil

Extract of Annual Return:

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

Corporate Governance:

Your Company is committed to maintaining highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities and Exchange Board of India (SEBI). As required by Regulation 24 of the SEBI Listing Regulations, a detailed Corporate Governance Report is given as an Annexure to this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate from a Company Secretary in whole-time practice confirming compliance of the Corporate Governance requirements by the Company is attached to the Corporate Governance Report. Also a Certificate of the CEO and CFO of the Company in terms of the SEBI Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of internal control measures forms a part of the Corporate Governance Report.

Management Discussion & Analysis Report:

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

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

Pursuant to 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' is required to be audited. Your 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, 2018. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a resolution for seeking members ratification for the remuneration payable to M/s. D.C. Dave & Co. is included at Item No. 6 of the Notice convening the Annual General Meeting.

Statutory Auditors:

As per the provisions of Section 139 of the Companies Act, 2013, the term of office of M/s. Price Waterhouse, as Statutory Auditors of the Company will expire from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s. Price Waterhouse as the Statutory Auditors of the Company.

Subject to the approval of the members, the Board of Directors of the Company has recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117368WW-100018) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. The resolution for appointment of M/s. Deloitte Haskins & Sells LLP as Statutory Auditors is included at Item No.4 of the Notice convening the Annual General Meeting.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BNP & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2018. The Secretarial Audit Report is enclosed as Annexure "F" hereto.

Acknowledgements:

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

For and on behalf of the Board of Directors

Richard van der Horst
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 05796305)

Ulrich Stefer
Executive Director &
Chief Financial Officer
(DIN: 07447177)

Thane, June 08, 2017



ANNEXURE "A"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

For more than 150 years, as the inventor of Aspirin, Bayer has contributed to longer and healthier lives, with pioneering developments in science and technology. Bayer CropScience Limited ("BCSL") as a market leader is committed to innovation and societal development. It is the spirit of innovation that is at the core of our Corporate Social Responsibility endeavors as well.

Bayer has implemented Corporate Social Responsibility (CSR) Policy in accordance to the legislation. As per the stipulation, the Board level CSR Committee that comprises of Managing Director and two other Directors (one independent) met during the last quarter of the financial year to review the progress of the projects and approve new ideas. The Bayer Group level, CSR Steering Committee comprising representatives from all Bayer companies and areas service functions formulated to further steer CSR activities met twice during the year to assess the headway of current projects and approve budgets for upcoming ones.

Bayer CSR Policy has delineated three approaches as a part of providing a comprehensive developmental goal. The first approach focuses on Society Progress Pilots with pioneering ideas on topics of national importance, the second, Science Excellence – concentrated on life science talents and frontier research and the third, Community development – for projects in and around our facilities that underscore vital topics such as health, hygiene, conservation of resources and education.

BCSL CSR programs are aligned with global objectives of Bayer while pursuing a long-term, well-planned, multi-stakeholder participatory approach that would result in creating a measurable impact on the conditions of the targeted communities. These initiatives have been conceptualized after frequent discussions with various internal stakeholders and NGOs in order to ensure alignment with the business philosophy. These programmes, as of now, cover a part of the CSR budget for 2016 and 2017.

Below is a short summary for programmes under implementation:

- i. **Program for Primary Prevention of Sexual Violence:**

Program for Primary Prevention of Sexual Violence (PPPSV). Using proven expertise and knowhow from years of treatment experience, Bayer and its partnering institutions are developing strategies through the Project for Primary Prevention of Sexual Violence project to implement primary preventive measures, which protect women and children from sexual violence and its after effects. This initiative is being implemented in partnership with King Edward Memorial Hospital, Pune, and Charité (University Clinic of Berlin). In 2016-17, a feasibility study for implementing public health and clinical treatment services in light of medico-legal conflicts, social acceptance and practical strategic challenges has been completed in addition to various awareness generation programs.

- ii. **Discovering Hands:**

Discovering Hands aims to make a positive difference to the arse of breast cancer as well as lend a helping hand for the visually-challenged. Discovering Hands trains and deploys visually impaired women with their highly developed sensory skills to detect the early signs of breast cancer. The project has entered the second phase implementation wherein the training is being provided for the visually impaired women. This project is a partnership initiative with Indian Cancer Society, National Association for the Blind and Rajiv Gandhi Cancer & Research Centre.

- iii. **Bayer Fellowship Program in Agro Science:**

Bayer has a strong stake in helping to improve science education and to ensure that all individuals are scientifically literate. We want to help awaken and promote an interest in science, technology and medicine through initiatives for school children and scholarship programs. The objective of the project is to encourage research in agriculture. Scholarships are awarded to M.Sc and Ph.D students with following objectives: Support young and talented minds to better the standards of agriculture, develop technology in India that will be adopted by farmers to increase their profitability. The project locations are at state-level Agriculture Universities.

- iv. **Tel-Health Project:**

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

- v. **Health & Educational Programmes:**

Comprehensive community health program is implemented to bridge the gaps in existing framework in the field of rural health and hygiene. The program aims at improving the overall health status in the target locations by providing a very high quality holistic healthcare approach including health screening, treatment of cases diagnosed during the screening and health education. The program is being implemented in Karnataka, Maharashtra, Rajasthan and Telangana.

- vi. **Making Science Makes Sense:**

Bayer's Making Science Make Sense is a company-wide initiative that aims to advance science literacy through hands-on, inquiry-based science learning, employee volunteerism and public education. The program provides school students with an insight into everyday natural science phenomena with the help of all kinds of fascinating experiments. The programme has been designed for students of Class V and VI as it is in these years that science is introduced in schools as a full-fledged subject.

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

2. The composition of the CSR Committee:

Sr. No.	Name	Designation
1.	Richard van der Merwe Vice Chairman & Managing Director and CEO	Chairman
2.	Vinod Bhandari Non-Executive Independent Director	Member
3.	Ulrich Staler Executive Director & CFO	Member

3. Average Net Profit of the Company for last 3 financial years: ₹ 5,011.27 Millions

4. Prescribed CSR Expenditure (2% of this amount as in item 3 above): ₹ 100.23 Millions

5. Details of CSR spent during the year:

a. Total amount spent during the financial year: ₹ 100.23 Millions

b. Amount Unspent: Nil

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

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project/ programs Subdivide: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
1.	Research & Prevention Center on Sexual Violence against Women & Children. The Program has 3 main goals: 1. Empiric research on causes and impact of sexual violence on Indian society and individual victims (generate evidence-based results to find new solutions and actions) 2. Social Emergency response office for at-risk people (mobile solution: 'Help me!') 3. Preventive sexual medical treatment offer for potential child sexual abuse (voluntary based).	CSR activity, under item (ii) promoting gender equality, empowering women, setting up homes and houses for women and widows, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Maharashtra	27.34	DE= 26.20 OH=1.14	27.03	Public Health Foundation of India, ICER Hospital & Research Center Pune, Scientific partner: Charité Berlin & World Health Summit



Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
2.	Naval training center for Blind Women to become Medical Tissue Examiners (MTEs) in early Breast Cancer Detection. This way, a handicap becomes a gift for society. They support as personal assistants to medical doctors in early detection of breast cancer in the context of the existing touchless system by using their extraordinary tactile capabilities.	CSR activity under item II) Promoting education, including special education and employment, enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	New Delhi	19.64	DE=18.29 OH=0.79	20.92	CISHA Foundation
3.	Swast Fellowship Program in Agro Sciences. The program aims at encouraging research and development activities in agriculture. M.Sc and Ph.D students in leading AgriScience Universities of India will be given financial assistance to pursue their education that will benefit them and the agricultural sector.	CSR activity under item (v) Promoting education, including special education and employment, enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Tamil Nadu, Telangana, Karnataka, Uttarakhand, Punjab, Assam, West Bengal and Gujarat	9.51	DE= 6.16 OH=0.36	13.82	Akshay Agricultural University, Tamil Nadu Agricultural University, University of Agricultural Sciences, Bihar, Chandra Keshi Vastwaidyalaya, Kalyani, West Bengal (BKV), Assam Agricultural University, Acharya N.G. Ranga Agricultural University, Mahatma Phule Krishi Vidyapeeth, Punjab Agricultural University, Osmania University of Agriculture and Technology

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project/ Programs: 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent Direct/through implementing agency
1.	Comprehensive community health program to bridge the gaps in existing framework in the field of rural health and hygiene. The program aims at improving the overall health status in the target locations by providing a very high quality holistic healthcare approach including health screening, treatment of cases diagnosed during the screening and health education.	CSR activity under farm (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh and making available safe drinking water.	In total 5 villages in in the states of Maharashtra, Rajasthan, Telangana & Karnataka	4.68	DE= 4.6 OH= 0.10	0.01	School Health Annual Report Program (SHARP)
2.	WASH (Water, Agriculture, Sanitation and Hygiene) mainly focuses on public health through improving sanitation and conservation of our natural resources. Preventive health care situation can be improved in the target villages if cleanliness is enhanced and natural resources are protected from pollutants. The methodology mainly involves intense trainings of the rural communities in order to change mind-set and habits.	CSR activity under farm (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh and making available safe drinking water.	Selected villages of Kullarni district in Andhra Pradesh and Badli and Fardes Districts of Haryana	18.44	DE= 17.67 OH= 0.77	18.45	EFFORTS (A Society for the Development of Agriculture and Youth)



Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project/ Programme 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programme wise. (₹ in Millions)	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project or programme (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
6.	Bayer Science Talent: The international fellowship program of Bayer supports extraordinarily gifted students in order to help them realize individual study and research projects abroad. Bayer supports 5 school students who show special commitment to the subject of science. The Program supports Scholarships for teenagers aged between 14 and 18, who are interested in science participate at the Bayer Science Camp in Denver, Colorado (USA).	CSR activity under item (i) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Pan India	1.08	DE= 1.68 OH= 0.08	3.04	Direct implementation
7.	To provide specialized care and treatment at Primary Health Centers (PHC) using Tele-Health technology of ECHO (Extension for Community Healthcare Outcomes Model). Kanara Trust in partnership with the state government of Karnataka will manage 18 PHCs in villages near Heggolur city. The project aims to empower individuals, families and communities with essential knowledge that help them lead better, healthier lives. Also Kanara Trust with the help of ECHO will develop Tele-Health facility to run Primary Health Centers (PHCs) for management of diseases which need Specialists.	CSR activity under item (ii) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh and making available safe drinking water.	Karnataka	0.52	DE=0.50 OH=0.02	0.73	Kanara Trust

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project/ Programme: 1. Local area/ where: 2. Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
E	The Program aims at improving agricultural productivity & financial support to small and marginal farmers through agriculture diversification. The main objectives of the program are to improve productivity of small and marginal farmers to help them sustain their livelihoods. To help marginal farmers move away from subsistence agriculture to smarter commercial agriculture through the use of agricultural technology. To bridge gap between government services, markets and farmers. To address the gaps in information flow and inadequate extension services.	CSR activity, under item (x) Rural Development projects.	Purvi Champaran (Mithila), in the state of Bihar	8.74	DE=8.38 OH=0.36	14.11	BM Sehgal Foundation
F	Future Agriculture Leaders of India (FALI) Initiative has been conceptualized under the theme - Agriculture Education to the High School Students. The main objectives of the program are to impart minimum basic scientific, technical and practical knowledge on agriculture sciences and programmes to the students.	CSR activity under item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and skill-based enhancement projects.	Madhya Pradesh	1.67	DE=1.8 OH=0.07	1.83	Geetha Research Foundation



Sr. No.	CSR project activity identified	Sector in which the Project is covered	Project/ Programs 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount budget (budget) project/ programme wise (₹ in Millions)	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
16.	Comprehensive educational interventions aimed at covering the need of forming a healthy socio-economic culture where the underprivileged can avail quality education. Project will be implemented in select villages of South India. Some of the activities include scholarships for the school-going children, financial support to the deserving students to pursue higher education, upgrade and maintain the educational set-up of lagged schools, improve the education delivery process in the local schools, create IT-enabled art and classes, skill development programs, school facility up-gradation including libraries, science labs, sports & cultural facilities and canteen. Bayer will also provide support by giving notebooks, uniforms, shoes and sports gear. Vocational trainings and creating self-employment opportunities to the youth beyond school-going age will also be a part of the program.	CSR activity under aim (i) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	In Telangana, Andhra Pradesh and Karnataka	5.13	DE= 3.00 OH = 2.13	14.15	Aspirita Foundation

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project/ Programs 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
11	The Program is focused on promoting self-employment among the rural communities so as to enable them to secure and grow their own livelihood on sustainable basis. To provide support to help scale up the existing facilities. To create awareness on best practices, providing training on improved technologies, help access markets and create market linkages.	CSR activity, under item (a) Rural Development projects.	Karnataka	0.74	DE= 0.71 OH = 0.03	0.74	Bayer Prayas Rural Development Association
12	Preventive Health Program twenty two industrial area would include a general health screening, organizing specialised health camps for early detection of various ailments like diabetes, hypertension, other health issues typical to an industrial township with a relatively high exposure to toxic chemicals and gases. This program will make provision for safe drinking water, offer support to the communities for better sanitation, toilets and also help improve the solid waste management practices. This is expected to positively impact the overall health of the community.	CSR activity, under item (i) Eradicating extreme Hunger poverty and malnutrition, spreading preventive health care and sanitation including contribution to the Swachh Bharat Kosh and making available safe drinking water	Vijay, Gujarat	5.22	DE= 5.00 OH = 0.22	5.22	Adarsh Foundation



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

Not Applicable

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

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

For and on behalf of the Board of Directors

Richard van der Marwe
Chairman - CSR Committee and
Vice Chairman & Managing Director and CEO
(DIN: 06786306)

Ulrich Stefer
Member - CSR Committee and
Executive Director & CFO
(DIN: 03447177)

(Date: June 05, 2017)

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, 2017.

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

- * Electricity consumption is reduced in Wettable Powder (WP) Products by optimization of jet milling operation.
- * Electricity consumption is reduced in Wettable Granules (WG) Products by optimization of slurry feed rate and concentration of slurry.
- * Saving of electricity in Seed Mill operation through optimization of Suspension Concentrates (SC) Process.

(b) Capital Investments on Energy conservation equipments

- * We have replaced lighting installation/Fixtures with LED lighting at Site. This has increased the efficient lighting & save the Energy consumption.
- * Installation of High efficient pumps in the utility area of the site.

II. TECHNOLOGY ABSORPTION:

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

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

As the leader in Innovation and Excellence, your Company continues to provide novel, innovative and effective crop protection products and solutions greatly benefiting the Indian farming community to keep pace with the dynamic scenario and enhancing productivity. As a part of ongoing research and development activities, your Company is evaluating in India the feasibility of a number of early phase compounds which are under global development with the prospect of introduction of some of the promising compounds in future in India. Further, new molecules and mixtures are also being evaluated for use in variety of agricultural and horticultural crops covering a wide spectrum of pest and disease segments to assess the suitability of product for marketing business.

Your Company successfully secured key product registrations viz.

Crop Protection

- * Movento 150 OD, a two way systemic insecticide moving both upward as well as downward within the plant system to control every hidden pest. It offers a long duration efficacy against developmental stages of multiple sucking pest. This formulation is registered for use on Chili for the control of Thrips and Aphids.
- * Ernesto Prime 240 FS is a novel seed treatment fungicide containing Penflufen as an active ingredient belonging to the chemical class of pyrazoles with new mode of action for the control of Rhizoctonia infections. The product is registered for control of black scurf disease caused by Rhizoctonia solani in Potato crop.
- * Sivanto Prime 200 SL, a novel and safe systemic insecticide, belongs to a new chemical class - butenolide. It is an innovative pest control product derived from nature. The product is approved for use on Ono for control of Jassid and White fly.
- * Regard 0.6 GR provides highly effective insect control with its unique mode of action. The product is approved for use on Rice for control of Stem borer and Leaf folder.

Environmental Science

Your Company has got approval of key product Maxforce Quantum for household use. The product gives excellent efficacy for ant control.

On the R&D front, your Company was successful in obtaining approvals for extending the use of existing products for management of insect pests and diseases on many crops viz. Nativo 75 WG on Apple, Banana, Cotton, Rice, Cabbage and Maize; Seclin 60 WG on Tomato; Decis 100 EC on Tea; Fame 480 SC on Soybean and Gaucho 600 FS on Rice.

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

Further, in order to continue to provide innovation and effective solutions to the farmers, your Company will soon be submitting registration application for new insecticide product which will help Indian farmers for the control of insect pests in key crops like Rice and Soybean which causes lot of damage reducing crop yields.

Besides this, 10 new applications for label extensions of existing key products were submitted for approval on various crops like Blackgram, Chili, Tea, Soybean, Groundnut, Potato, Mango and Rice.

With the focus on improving productivity, quality and return on investment of farmers, your Company is developing total package solution from seed to harvest in key agriculture and horticulture crops like rice, cotton, fresh fruits and vegetables. Your Company continuously provides guidance and inputs to farming community on safe and judicious use of pesticides through various Stewardship and Sustainable Agriculture Projects. Your Company also provides a helpline dedicated to the farming community for seeking clarifications on appropriate use of its products.



2. Future Plans:

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

The year 2017 has an interesting line-up with expected approval/launch of 7 globally renowned products in Crop Protection – two new insecticides for the control of sucking pests in Okra and Chili respectively and a new insecticide for the control of lepidopteran pests in Rice, a new fungicide for the control of late blight in Potato, a new non-selective herbicide for the control of weeds in Tea, two new seed treatment products for use in Potato crop and Soybean and Groundnut crops respectively. In Environmental Science, a new product for the control of household pest (ant control) will be launched.

3. Expenditure on R & D

(₹ in Millions)

(a)	Capital	133
(b)	Recurring	204
(c)	Total	337
Total R&D Expenses are 1.14 % of the Revenue from Operations		

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ in Millions)

Particulars	
Value of Imports on C.I.F. Basis	11,383
Expenditure in Foreign Currency	484
Earnings in Foreign Exchange	
Export of Goods calculated on FOB Basis	4,241
Recoveries from Group Companies	158

ANNEXURE "C"

FORM NO. AOC-3

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 5(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 185 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereof.

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 transaction with its related parties which is not at arm's length during the financial year 2016-17.

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

(II)	
Name of the Related Party and nature of relationship	Bayer CropScience AG ("BCS AG") is an indirect 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, necessities, 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

Richard van der Marwe
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 06768005)

Ulrich Meier
Executive Director &
Chief Financial Officer
(DIN: 07447177)

Thana: June 08, 2017



ANNEXURE "D"

FORM NO. MGT-8

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

(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	L24210MH1958PLC011171
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, Hirebendall Estate, Thane (West) - 400 607 Tel. No.: + 91 22 2531 1334
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	TSR Darshaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Ch. E. Moosa Road, Near Famous Studio, Mahabaleshwar, Mumbai - 400 611 Tel. No.: + 91 22 6566 8484 Fax No.: + 91 22 6566 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	90

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/CLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1.	Bayer AG, Leverkusen, Germany	NA	Holding	10.40	2(40)
2.	Bayer CropScience AG, Monheim, Germany	NA	Holding	15.58	2(40)
3.	Bayer SAS, Lyon, France	NA	Holding	19.20	2(40)
4.	Bayer Vapi Private Limited, Plot No. 30A/3, II Phase, GIDC, Vapi - 356 196	U99999GU1900PTC048322	Holding	23.33	2(40)

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

(i) Category-wise Share Holding:

Category of Shareholders		No. of Shares held at the beginning of the year (April 01, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(i)	Indian									
(a)	Individual / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Body Corporate	8,248,312	0	8,248,312	23.32	8,248,312	0	8,248,312	23.32	0.00

Category of Shareholders		No. of Shares held at the beginning of the year (April 01, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)		8,248,312	0	8,248,312	23.33	8,248,312	0	8,248,312	23.33	0.00
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	15,996,372	0	15,996,372	45.25	15,996,372	0	15,996,372	45.25	0.00
(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)		15,996,372	0	15,996,372	45.25	15,996,372	0	15,996,372	45.25	0.00
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)		24,244,684	0	24,244,684	68.58	24,244,684	0	24,244,684	68.58	0.00
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	2,967,813	290	2,968,103	9.35	3,488,584	290	3,488,684	9.87	1.42
(b)	Financial Institutions / Banks	9,444	3,468	12,912	0.04	6,906	3,468	10,374	0.03	-0.01
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	724,690	350	725,040	2.06	843,440	350	843,790	2.67	0.62
(f)	Foreign Institutional Investors	753,001	918	753,919	2.13	181,992	818	182,810	0.52	-1.62
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
	Foreign Portfolio Investors (Corporate)	2,479,001	0	2,479,001	7.01	2,506,725	0	2,506,725	7.08	0.09
Sub-Total (B) (1)		6,963,379	5,054	6,958,432	18.58	7,128,384	5,054	7,134,438	20.18	0.98
(2)	Non-Institutions									
(a)	Bodies Corporate	1,310,475	4,128	1,314,603	3.72	1,152,126	4,128	1,156,254	3.37	-0.45
(b)	Individuals -									



Category of Shareholders		No. of Shares held at the beginning of the year (April 01, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i	Individual shareholders holding normal share capital upto ₹ 1 lakh	1,978,481	411,825	2,390,306	6.75	1,981,441	353,836	2,335,277	6.56	-0.18
ii	Individual shareholders holding normal share capital in excess of ₹ 1 lakh	417,648	27,160	444,808	1.28	410,802	27,160	438,962	1.24	-0.02
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	1,250	114	1,364	0.00	25,150	86	25,236	0.07	0.07
i	Trusts	1,250	86	1,336	0.00	25,150	86	25,236	0.07	0.07
ii	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
iii	Director	0	53	53	0.00	0	0	0	0.00	0.00
Sub-Total (B) (2)		3,707,882	445,033	4,152,915	11.74	3,549,800	425,200	3,975,000	11.24	-0.50
Total Public Shareholding (B) = (B)(1)+(B)(2)		10,681,231	448,086	11,129,317	21.42	10,878,973	438,344	11,317,317	21.42	0.00
TOTAL (A)+(B)		34,905,915	448,086	35,354,001	100.00	34,923,857	438,344	35,362,201	100.00	0.00
(C)	Shares held by Custodians and agents which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)		34,905,915	448,086	35,354,001	100.00	34,923,857	438,344	35,362,201	100.00	0.00

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2016)			Shareholding at the end of the year (March 31, 2017)			% 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	5,509,593	15.58	0.00	5,509,593	15.58	0.00	0.00
2.	Bayer AG	3,676,380	10.40	0.00	3,676,380	10.40	0.00	0.00
3.	Bayer SAS	8,810,399	19.26	0.00	8,810,399	19.26	0.00	0.00
4.	Bayer (usa) Private Limited	8,248,312	23.33	0.00	8,248,312	23.33	0.00	0.00
	TOTAL	24,244,684	68.58	0.00	24,244,684	68.58	0.00	0.00

(iii) Change in Promoters' Shareholding:

There was no change in the promoters shareholding during the Financial Year 2016-17.

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, 2016)		Shareholding at the end of the year (March 31, 2017)		Net Changes	% to Capital
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
1.	Birla Sun Life Trustees Company Private Limited	1,320,661	3.74	1,534,211	4.34	213,550	0.60
2.	Finetbridge Investments Of Mauritius Limited (formerly known as Finetbridge Investments Asia Limited A/C Finetbridge Investments Of Mauritius Ltd.)	752,428	2.13	811,728	2.30	59,300	0.17
3.	HDFC Standard Life Insurance Company Limited	186,190	0.53	524,291	1.48	338,101	0.96
4.	Indian Systems Investments (P) Ltd.	481,238	1.38	481,238	1.36	0	0.00
5.	DSP Blackrock Mutual Fund	186,358	0.56	424,170	1.20	237,812	0.64
6.	Meerakshi Narayanan Investments (P) Ltd.	408,910	1.18	408,910	1.18	0	0.00
7.	Sundaram Mutual Fund	15,816	0.04	356,298	1.01	342,482	0.97
8.	Kotak Mutual Fund	38,668	0.08	275,954	0.78	249,386	0.71
9.	Bajaj Allianz Life Insurance Company Ltd.	322,485	0.91	252,878	0.71	-69,607	-0.20
10.	L & T Mutual Fund Trustee Ltd.	256,540	0.73	215,582	0.61	-40,958	-0.12

(iv) Shareholding of Directors and Key Managerial Personnel as on March 31, 2017

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. Parag Patel, Chairman	-	-	-	-
(b) Mr. Sharad M. Kulkarni, Director	-	-	-	-
(c) Mr. A.K.R. Nedungadi, Director	-	-	-	-
(d) Mr. Vimal Bhaidar, Director	-	-	-	-
(e) Mr. Peter Mueller, Director	-	-	-	-
(f) Dr. Regine Juergens, Director *	-	-	-	-
(g) Mr. Richard van der Merwe (KMP) Vice Chairman & Managing Director and Chief Executive Officer	-	-	-	-
(h) Mr. Ulrich Sieler (KMP) Executive Director & Chief Financial Officer	-	-	-	-
(i) Mr. Rajiv Vani (KMP) Head - Law, Patents & Compliance & Company Secretary	-	-	-	-

* Resigned w.e.f. June 06, 2017

V. INDEBTEDNESS

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



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Mr. Richard van der Marwe	Mr. Ulrich Stefer	Total Amount
		Vice Chairman & Managing Director and CEO	Executive Director & CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46.21	30.44	76.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.71	15.04	29.75
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Share Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	61.92	45.48	108.40
	Ceiling as per the Act	₹ 486 Millions (being 10% of the Net Profits of the Company as calculated as per Section 196 of the Companies Act, 2013)		

B. Remuneration to other Directors

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Pankaj Patel	Mr. Shreed M. Kulkarni	Mr. A. K. R. Nadungatti	Mr. Vimal Bhandari	Dr. Vijay Malliya*	
(1)	Independent Directors						
	Fee for attending Board and committee meetings	0.24	0.56	0.70	0.70	0.06	2.26
	Commission ¹	1.25	1.25	1.25	1.25	-	5.00
	Others, please specify	-	-	-	-	-	-
	Total (1)	1.49	1.81	1.95	1.95	0.06	7.29
(2)	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	1.49	1.81	1.95	1.95	0.06	7.29
	Ceiling as per the Act	₹ 42 Millions (being 1% of the Net Profits of the Company as calculated as per Section 196 of the Companies Act, 2013)					
	Total Managerial Remuneration (A+B)						115.69
	Overall Ceiling as per the Act	₹ 512 Millions (being 11% of the Net Profits of the Company as calculated as per Section 196 of the Companies Act, 2013)					

*Dr. Malliya resigned from Board w.e.f. June 30, 2016.

¹ Commission will be paid after the Annual General Meeting.

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

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Mr. Rajiv Wani
		Head - Law, Patents & Compliance & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(3) of the Income-tax Act, 1961	12.60
	(b) Value of perquisites w/e 17(2) Income-tax Act, 1961	0.59
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	-
	Total	13.19

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

Richard Van der Merwe
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 00765305)

Ulrich Siefer
Executive Director &
Chief Financial Officer
(DIN: 07467177)

7 June 2017



ANNEXURE "E"

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

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

Name of the Director/RMP	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees	Percentage increase in remuneration
Mr. Richard van der Merwe	Vice Chairman & Managing Director and Chief Executive Officer	57:1	8.9*
Mr. Ulrich Stal	Executive Director & Chief Financial Officer	40:1	4.0*
Mr. Rajiv Wani	Company Secretary	NA	10.0

*Increase in Basic Salary

- b. The percentage increase in the median remuneration of employees in the financial year :
5.5%
- c. The number of permanent employees on the rolls of the Company :
1,126
- 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 was 9.0% and for the Non-Managerial grade was 9.3%
- 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.

ANNEXURE "F"
SECRETARIAL AUDIT REPORT

FOR THE PERIOD ENDED 31ST MARCH, 2017

[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, Convent Avenue,
Hiranandani Estate,
Thane (West) - 400607

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bayer CropScience Limited (hereinafter called the "Company") for the audit period from 1st April, 2016 to 31st March, 2017. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-procedures and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the "Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vi. Other laws as applicable specifically to the Company:
 - (i) the Insecticides Act, 1968 and the Insecticides Rules, 1971; and
 - (ii) the Seeds Act, 1966 and the Seeds Rules, 1968

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

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

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

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

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2006;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- f) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings.



We further report that:-

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

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

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

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

We further report that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For BNP & Associates
Company Secretaries
(Firm Regn. No. P2014MH037400)

Prakash K. Pandya
Partner
FCS No.: 3901
C.P.No.: 2311

Mumbai, May 04, 2017

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

Annexure A of 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 compliance of provisions of all laws, rules, regulations, standards applicable to Bayer CropScience Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations wherever required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The 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)

Prakash K. Pandya
Partner
FCS No.: 3901
C.P.No.: 2311

Mumbai, May 04, 2017

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Bayer is a world class innovation driven Life Science Company. All the science we do and the resulting innovative products are designed to provide a better life for people across the world. At Bayer we strive to achieve excellence through sustainable and responsible business practices. For us at Bayer, Corporate Governance basically means to uphold our core values with ethical business conduct as well as a commitment to maximize the value for all the stakeholders through innovation driven projects which form the base of sustainable business activity. We are continuously striving towards improving people's quality of life by helping to provide an adequate supply of high quality food and feed.

Our mission statement "Bayer: Science For A Better Life" endeavors and focuses on developing and successfully commercializing innovative products and solutions based on scientific knowledge. We at Bayer are committed to operating sustainably and addressing our social and ethical responsibilities as a Corporate Citizen. Our values play a central role in our daily work and are intended to guide us in fulfilling our group mission. These values are represented by the word LIFE: Leadership, Integrity, Flexibility, Efficiency.

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

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

Corporate Compliance Program

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

The Corporate Compliance Policy (the Policy) as revised states that Bayer is unwaveringly committed to corporate compliance and will forgo any business transactions that would violate compliance principles. The Policy also details the organizational framework for corporate compliance and specifies areas in which violations of applicable law can have particularly serious adverse consequences, both for the Group as a whole as also for individual employees. The principles set forth in the revised Policy also reflects additionally the topics of Data Privacy, Social Media and Money Laundering and the "Compliance Management System" are designed to guide employees in their business-related actions and protect them from potential misconduct.

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

Bayer expects legally and ethically impeccable conduct from all its employees in day to day business operations, as the way they carry out their duties affects the Company's reputation. By ensuring regular dialogue between employees and their supervisors, monitoring the processes and providing training courses involving the Compliance Officer, the Company endeavours to acquaint its employees with internal codes of behaviour and with the numerous statutory and regulatory requirements of the countries where they work that are of relevance to them. This lays the foundation for managing the business responsibly and in compliance with respective applicable laws. Employees may contact their respective supervisors or Compliance Officers for support and advice on ensuring legally compliant conduct in specific business situations.

2. BOARD OF DIRECTORS

The Board of Directors, along with its Committees lays down the overall corporate objectives and provides necessary guidance and independence to the management to achieve the objectives within a set framework. The Board as well as its Committees play a crucial role in upholding and nurturing the principles of good governance. 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.

Composition

We believe that a Board needs to have an appropriate mix of executive and independent directors to maintain its independence and separate its functions of governance and management. Our Board composition is in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). As on the date of the Report,



CORPORATE GOVERNANCE REPORT (contd.)

The Board consists of total eight Directors out of which two are Executive Directors, four are Non-Executive Independent Directors and two are Non-Executive Non-Independent Directors. None of the Directors of your Company are related to each other. The number of Directorships, Committee Membership/Chairmanship of all Directors is within respective limits prescribed under the Companies Act, 2013 ("the Act") and SEBI Listing Regulations. The necessary disclosures regarding Committee positions have been made by all the Directors. The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s) are provided herein.

Directorship in other companies / committee position as on March 31, 2017

Sr. No.	Name of Director	Category	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Memberships
1.	Mr. Parikaj Patel, Chairman	Non-Executive Independent Director	4	1	1
2.	Mr. Richard van der Merwe, Vice Chairman*	Managing Director & CEO	-	-	-
3.	Mr. Sharad M. Kulkarni	Non-Executive Independent Director	4	2	2
4.	Mr. A. K. R. Nedungadi	Non-Executive Independent Director	2	-	2
5.	Mr. Vinod Bhandari	Non-Executive Independent Director	7	1	1
6.	Mr. Peter Mueller*	Non-Executive Non-Independent Director	-	-	-
7.	Dr. Rainer Jurgens*	Non-Executive Non-Independent Director	-	-	-
8.	Mr. Ulrich Steffert*	Executive Director & CFO	-	-	-

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 Committee.
- * Represents promoter group.

Board Independence

Independent Directors play a crucial role in upholding the governance process within the Company and also enhance the decision making process through valuable contribution. Our 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 our 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 judgment of the Board would affect the independence of the Directors. As on the date of the Report, none of the Directors hold any shares in the Company.

3. BOARD PROCEDURE

The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to all the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting. The notice of Board meeting is given well in advance to all the Directors. The meetings are governed by a detailed agenda. All issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions. The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively, are circulated to the Directors in advance. The Managing Director briefs the Board on the overall performance of the Company. The Chairman of the Audit Committee briefs the Board on important matters discussed at the meetings of the Audit Committee. The statements of Shareholders' / Investors' grievances received and resolved are also placed quarterly before the Board.

The Company held 6 Board meetings during the financial year 2016-17 and the gap between two meetings did not exceed 120 days. The dates on which the Board meetings were held are May 13, 2016, July 06, 2016, August 08, 2016, October 19, 2016 and February 07, 2017.

CORPORATE GOVERNANCE REPORT (contd.)**Information given to the Board**

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.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and members' service such as non-payment of dividend, delay in share transfer, etc.

Board Support

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

With an aim to bring 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. This application of e-board meeting enables the Board to access all the agenda papers through their I-pad's using their unique log-in IDs and passwords. The application meets high standards of security and integrity that is required for storage and transmission of the Board/Committee agenda.

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

The 58th AGM of the Company was held on Monday, September 12, 2016 at 11.00 a.m. The attendance of the Directors at the Board Meetings and AGM held during the financial year ended March 31, 2017 is as under:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance	
			Board Meeting (including attendance by video conferencing)	Annual General Meeting
1	Mr. Pankaj Patel [†]	4	4	Yes
2	Mr. Richard van der Merwe	5	5	Yes
3	Mr. Eshwar M. Kulkarni	5	4	Yes
4	Mr. A.K.R. Nedungadi	5	5	Yes
5	Mr. Vinod Bhandari	5	5	Yes
6	Mr. Peter Mueller	5	4	No
7	Dr. Regine Jurgens	5	4	No
8	Mr. Ulrich Siefer	5	5	Yes
9	Dr. Vijay Malya*	1	1	NA

[†] Appointed as a Director w.e.f. 05.07.2016

* Resigned as a Director w.e.f. 30.06.2016

Separate Meeting of Independent Directors

During the year under review, the Non-Executive Independent Directors of the Company met on February 07, 2017 without the attendance of Executive and Non-Independent Directors and the members of Management. During the said meeting the following points were discussed:

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



CORPORATE GOVERNANCE REPORT (contd.)

All the Non-Executive Independent Directors were present throughout the meeting. They expressed satisfaction at the governance process followed by the Company as well as the information provided to them on a timely basis.

Board Evaluation

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

During the year, in terms of the requirements of the Act and the SEBI Listing Regulations, a Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The evaluation process focused on the various aspects of the functioning of the Board and Committees such as composition, experience and competencies, performance of the specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of the individual Directors based on criteria such as attendance, contribution and independent judgement.

Familiarization Programme for Non-Executive Independent Directors

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

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

4. COMMITTEES OF THE BOARD

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

The Board has constituted the following Committees which are mandatory:

Audit Committee:

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

The Audit Committee met 4 times during the financial year ended March 31, 2017. The meetings were held on May 14, 2015, August 06, 2016, October 16, 2016 and February 07, 2017. Necessary quorum was present at all the meetings. The attendance of the Committee members at the meetings was as under:

Name of Member	Category	No. of meetings attended during 2016-17
Mr. Sharad M. Kulkarni	Non-Executive Independent Director	3
Mr. A.K.R. Nedungadi	Non-Executive Independent Director	4
Mr. Vimal Bhandari	Non-Executive Independent Director	4
Mr. Peter Mueller	Non-Executive Non-Independent Director	3

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

CORPORATE GOVERNANCE REPORT (contd.)**Role of the Audit Committee:**

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgement by Management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report, if any
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of issue / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance & effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Chairman of the Audit Committee, Mr. Sharad M. Kulkarni, was present at the 58th Annual General Meeting of the Company held on Monday, September 12, 2016.

Stakeholders Relationship Committee:

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

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



CORPORATE GOVERNANCE REPORT (contd.)

The Stakeholders Relationship Committee comprises of Mr. A. K. R. Nedungadi, a Non-Executive Independent Director as the Chairman and Mr. Sharad M. Kulkarni, Non-Executive Independent Director, Mr. Richard van der Merwe and Mr. Ulrich Stefer as the members of the Committee.

The Committee held 4 meetings during the financial year ended March 31, 2017. The meetings were held on May 13, 2016, August 08, 2016, October 19, 2016 and February 07, 2017. The attendance at the meetings was as under:

Sr. No.	Name of Member	Stakeholders Relationship Committee Meetings held in Member's tenure	No. of meetings attended during 2016-17
1.	Mr. A.K.R. Nedungadi	4	4
2.	Mr. Richard van der Merwe	4	4
3.	Mr. Sharad M. Kulkarni	4	4
4.	Mr. Ulrich Stefer	4	4

Complaints received and resolved by the Company during the financial year ended March 31, 2017 is given below:

Source of complaints	April 01, 2016 to March 31, 2017	
	Received	Resolved
Referred by SEBI SCORES	0	0
Referred by NSDL	-	-
Referred by BSE Limited	-	-

Share Transfer Committee:

In compliance with the Regulation 40 of the SEBI Listing Regulations and in order to expedite the process of share transfer, power to approve share transfers has been delegated to officials of the Company.

Further, a sub-committee has been constituted for attending to matters relating to issue of duplicate share certificates, transmission of shares, split and recombination, etc. The composition of the aforementioned Committee as on March 31, 2017 was as under:

Sr. No.	Name of Member	Designation
1.	Mr. Richard van der Merwe Vice Chairman & Managing Director and CEO	Chairman
2.	Mr. Ulrich Stefer Executive Director & CFO	Member
3.	Mr. Ravi Wani Head - Law, Patents & Compliance & Company Secretary	Member

Nomination and Remuneration Committee:

In compliance with Section 175 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee. The Committee comprises of four Non-Executive Directors, of which three are Non-Executive Independent Directors. The Nomination and Remuneration Committee comprises of Mr. Vinod Bhandari, a Non-Executive Independent Director as the Chairman and Mr. A. K. R. Nedungadi, Non-Executive Independent Director, Mr. Sharad M. Kulkarni, Non-Executive Independent Director and Mr. Peter Mueller, Non-Executive Non-Independent Director as members of the Committee.

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

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- To formulate criteria for evaluation of performance of the Independent Directors and the Board.
- To devise a policy on Board diversity.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To consider, accept and adhere to the Nomination and Remuneration Policy.

The Committee met 4 times during the financial year ended March 31, 2017. The meetings were held on May 11, 2016, July 05, 2016, August 08, 2016 and February 07, 2017. The attendance at the meeting was as under:

CORPORATE GOVERNANCE REPORT (contd.)

Sr. No.	Name of Member	Nomination and Remuneration Committee Meetings held in Member's tenure	No. of meetings attended during 2016-17
1.	Mr. Viral Bhandari	4	4
2.	Mr. A.K.R. Nedungadi	4	4
3.	Mr. Sharad M. Kulkarni	4	3
4.	Mr. Peter Mosler	4	3

Corporate Social Responsibility Committee:

As required under Section 135 of the Act, the Company has constituted a Corporate Social Responsibility Committee. The composition of the Committee as on March 31, 2017 comprised of Mr. Richard van der Merwe as the Chairman and Mr. Viral Bhandari, Non-Executive Independent Director and Mr. Ulrich Stefer as members of the Committee.

During the year under review the scope of the Corporate Social Responsibility Committee was broadened to include additional terms of reference.

The terms of reference of the CSR Committee are as follows:

- Formulating and recommending to the Board, Corporate Social Responsibility Policy and the activities to be undertaken by the Company.
- recommending the amount of expenditure to be incurred on the activities undertaken.
- reviewing the performance of the Company in the area of Corporate Social Responsibility.
- monitoring Corporate Social Responsibility Policy of the Company.
- formulate policies and procedures based on the requirement of SEBI for Business Responsibility Reporting.*
- ensure implementation of all the policies pertaining to Business Responsibility.*
- ensure effective communication of all the policies to all relevant stakeholders.*
- review and assess the Business Responsibility performance annually.*
- review the Business Responsibility initiatives and encourage participation.*
- review the Business Responsibility Report and recommend to the Board for approval.*

* Additional terms of reference included and adopted by the CSR Committee at its meeting held on February 07, 2017.

During the financial year ended March 31, 2017, the Committee met once on February 07, 2017. All the members were present at the meeting.

REMUNERATION OF DIRECTORS

Details of remuneration paid to Non-Executive Independent Directors and Executive Directors during the financial year ended March 31, 2017:

a) Non-Executive Independent Directors

The details of the sitting fees and commission paid during the financial year ended March 31, 2017 are given in the table below
(₹ in Millions)

Sr. No.	Name of Director	Sitting Fees	Commission	Total
1.	Mr. Pankaj Patel*	0.24	NA	0.24
2.	Mr. Sharad M. Kulkarni	0.59	1.25	1.84
3.	Mr. A.K.R. Nedungadi	0.70	1.25	1.95
4.	Mr. Viral Bhandari	0.70	1.25	1.95
5.	Dr. Vijay Maliya†	0.06	1.25	1.31

*Mr. Pankaj Patel was appointed as Director with effect from 05.07.2016

†Dr. Vijay Maliya resigned as Director with effect from 30.06.2016

b) Executive Directors

Mr. Richard van der Merwe, the Vice Chairman & Managing Director and Chief Executive Officer and Mr. Ulrich Stefer, Executive Director & Chief Financial Officer were paid remuneration during the financial year ended March 31, 2017 as per their respective agreements with the Company, which had been approved by the Board as well as the members of the Company.

The details of the remuneration paid to the Executive Directors during the financial year ended March 31, 2017 is as under:

(₹ in Millions)

Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
1.	Mr. Richard van der Merwe	Vice Chairman & Managing Director and CEO	48.21	13.71	61.92	February 01, 2014- January 31, 2019
2.	Mr. Ulrich Stefer	Executive Director & CFO	30.44	16.04	46.48	April 01, 2016- March 31, 2021



CORPORATE GOVERNANCE REPORT (contd.)

c) Service contract, notice period and severance fees

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

Mr. Ulrich Steifer was appointed as Wholtime Director of the Company with effect from April 01, 2016 by the Board of Directors. The employment contract with Mr. Steifer is for a period of 5 years, terminable by 6 months' notice on either side.

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

A. POLICIES

Whistle Blower Policy

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

Policy for Prevention of Sexual Harassment

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

Code of Conduct for Directors

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

Risk Management

Risk management is an integral part of the overall governance process and comprises of all the organisational rules and actions for early identification of risks in the course of doing business and management of such risks. It includes implementing systems to identify risks at an early stage, take measures to mitigate them and report them to the appropriate authority.

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

The Country Group Head - Risk Management, South Asia is responsible for coordinating with the various head of departments with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors, recommending corrective action and reporting to the Audit Committee.

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

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

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

Policy for Archival & Preservation of Documents

In compliance with the requirements of Regulation 8 and Regulation 30(f) of the SEBI Listing Regulations, the Company has adopted a Policy for Archival & Preservation of Documents. The documents that are required to be maintained under this Policy are preserved considering their importance, usefulness and information. The Company does recognise that all the documents whether in physical or electronic mode, form an important and integral part of the Company's records. The preservation of documents is important in order to ensure immediate access to the records, its retrieval and authentication.

CORPORATE GOVERNANCE REPORT (contd.)**Policy on Disclosure of Material Events/Information**

In accordance with the requirements of Regulation 30 of the SEBI Listing Regulations, the Company has adopted a Policy on Disclosure of Material Events/Information ("the Policy").

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

Dividend Distribution Policy

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

7. COMPLIANCE OFFICER

Mr. Rajiv Wari, Head - Law, Patents & Compliance & Company Secretary, is the Compliance Officer of the Company.

8. GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date of AGM : Wednesday, August 23, 2017
Venue and time : Yashwantrao Chavan Pratishthan Auditorium,
 Y. B. Chavan Centre, Near Marolliya,
 Gen. J. Bhonsale Marg,
 Mumbai - 400 021 at 11.00 a.m.

Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 09, 2017 to Wednesday, August 23, 2017 (both days inclusive).

Proposed Date of Dividend Payment

The final dividend of ₹ 17.00 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 58th Annual General Meeting to be held on Wednesday, August 23, 2017 will be paid at par within 30 days of the said date.

- (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares as on Tuesday, August 08, 2017
- (ii) in respect of shares held in dematerialised form, to the beneficial owners of the shares as at the close of business hours on Tuesday, August 08, 2017 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Financial Calendar

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

Board Meetings for Quarterly Results

(Tentative and subject to change)

First Quarter Results	On or before August 14, 2017
Second Quarter and Half yearly results	On or before November 14, 2017
Third Quarter Results	On or before February 14, 2018
Fourth Quarter and Annual Results	On or before May 30, 2018

Corporate Identity Number (CIN): L24210MH1656PLC011173

Registered Office:

Bayer House, Central Avenue,
 Hirnandani Estate,
 Thane (West) - 400 807



CORPORATE GOVERNANCE REPORT (contd.)

Listing of Equity Shares on Stock Exchange

Name and Address of Stock Exchange	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Scrp Code	506265
Scrp ID	BAYERCROP
ISIN	INE462A01022 (NSDL & CDSL)

The Company has paid the annual listing fees.

Stock Price Data

The monthly high and low price of the Company's shares on BSE from April 01, 2016 to March 31, 2017 was as under:

Month	Share Price (in ₹)	
	High Price	Low Price
April, 2016	4005.95	3620.00
May, 2016	4155.00	3790.50
June, 2016	4089.55	3820.00
July, 2016	4065.00	3748.00
August, 2016	4315.00	3968.30
September, 2016	4694.95	3687.00
October, 2016	4627.00	4173.00
November, 2016	4290.00	3680.15
December, 2016	4386.00	3980.00
January, 2017	4275.00	4050.00
February, 2017	4290.00	3830.00
March, 2017	3950.00	3744.10

Stock Performance

Bayer CropScience Limited ("BCSL") Share Price vis-à-vis BSE SENSEX April 01, 2016 to March 31, 2017:



Registrar & Share Transfer Agent

TER Darashaw Limited ("TSRD") 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 TERD at its Registered Office situated at:

TSR DARASHAW LIMITED (Unit - Bayer CropScience Limited)
6-10, Hay Moses Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011
Tel No.: 022-6856 8484
Fax No.: 022-6860 6484
e-mail: reg-unit@terdarshaw.com
Website: www.terdarshaw.com
Contact Person: Mr. Mary George

CORPORATE GOVERNANCE REPORT (contd.)

a) Branch Offices of TSRDL

1. **TSR DARASHAW LIMITED**
503, Barton Centre (5th Floor)
84, Mahatma Gandhi Road,
Bangalore – 560 001
Tel No.: 080 – 2532 0321
Fax No.: 080 – 2558 0010
e-mail: tsrbang@tsrdarashaw.com
2. **TSR DARASHAW LIMITED**
E* Road, Northern Town,
Bilaspur, Jharkhand – 831 001
Tel No.: 0657 – 242 6616
Fax No.: 0657 – 242 6037
e-mail: tsrbil@tsrdarashaw.com
3. **TSR DARASHAW LIMITED**
Tata Centre, 1st Floor,
43, J. L. Nehru Road,
Kolkata – 700 071
Tel No.: 033 – 2288 3087
Fax No.: 033 – 2288 3082
e-mail: tsrkol@tsrdarashaw.com
4. **TSR DARASHAW LIMITED**
242, Sant Vihar,
1st floor, Arisari Road, Darvaganj,
New Delhi – 110 002
Tel No.: 011 – 2327 1808
Fax No.: 011 – 2327 1602
e-mail: tsrdel@tsrdarashaw.com

b) Agent of TSRDL

Shah Consultancy Services Limited
3, Sunnibagh Complex,
2nd Floor, Pritam Nagar, Ellisbridge,
Ahmedabad – 380 006
Telephone: 079 – 2957 8038
e-mail: shahconsultancy8154@hotmail.com

Share Transfer System

The shares of the Company being in compulsory dematerialised form, are transferable through the depository system. Shares in physical form should be lodged for transfer with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited, Mumbai or at their branch offices or at the Registered Office of the Company. The transfers are processed if technically found to be in order and complete in all respects. The transfers processed are approved by the Company on weekly basis.

Distribution of shareholding as on March 31, 2017:

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1-500	21,165	1,376,417	95.44
501-1,000	523	375,993	2.36
1,001-2,000	238	339,430	1.07
2,001-3,000	65	159,761	0.39
3,001-4,000	26	91,718	0.12
4,001-5,000	17	74,023	0.08
5,001-10,000	48	343,734	0.22
10,001 and above	94	32,690,909	0.42
Total	22,176	35,354,001	100.00

Shareholding Pattern as on March 31, 2017:

Category of Shareholder	Number of Shareholders	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(A) Promoter and Promoter Group				
(1) Indian Body Corporate	1	8,248,312	8,248,312	23.33
(2) Foreign Body Corporate	3	15,996,372	15,996,372	45.25
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4	24,244,684	24,244,684	68.58
(B) Public Shareholding				
(1) Institutions				
(a) Mutual Funds / UTI	75	3,438,394	3,438,394	9.67
(b) Financial Institutions / Banks	21	11,367	9,609	0.03



CORPORATE GOVERNANCE REPORT (contd.)

Category of Shareholder	Number of Shareholders	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(c) Insurance Companies	8	943,790	943,440	2.57
(d) Foreign Institutional Investors/ Foreign Portfolio Investors - Corp	90	2,588,637	2,586,721	7.51
Sub-total (B)(1)	194	7,134,418	7,129,364	20.18
(2) Non-Institutions				
(a) Bodies Corporate	342	1,116,834	1,111,906	3.16
(b) Individuals -				
i. Individual shareholders holding nominal share capital upto ₹ 2 lakh	21,425	2,387,448	1,963,512	6.75
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	8	405,581	378,821	1.15
(c) Any Other				
i. LLP	12	3,699	3,699	0.02
ii. Trusts	1	25,216	25,150	0.07
iii. Clearing Members	190	36,521	36,521	0.10
Sub-total (B)(2)	21,978	3,974,808	3,548,608	11.24
Total Public Shareholding (B) = (B)(1)+(B)(2)	22,172	11,109,317	10,678,973	31.42
Total (A)+(B)	22,179	35,354,061	34,923,637	100.00

List of Top 10 shareholders as on March 31, 2017:

Sl. No.	Name of Shareholders	Number of shares	Percentage to Total Share Capital
1.	Bayer Vapi Private Limited	8,248,312	23.43
2.	Bayer SAS	6,810,399	19.26
3.	Bayer CropScience AG	3,538,593	10.08
4.	Bayer AG	3,678,380	10.45
5.	Birla Sun Life Trustee Company Private Limited	1,334,211	4.34
6.	Pharbridge Investments (GF Mauritius) Limited	811,728	2.30
7.	HDFC Standard Life Insurance Company Limited	524,291	1.48
8.	Indian Synlabs Investments (P) Limited	481,238	1.36
9.	GSP Blackrock Mutual Fund	424,176	1.20
10.	Meenakshi Narayanan Investments (P) Ltd.	408,910	1.18

Pledge of Equity Shares

None of the Equity Shares held by the Promoters and / or Promoter Group as on March 31, 2017 have been pledged or otherwise encumbered.

Dematerialisation of Shares and Liquidity

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

The process of conversion of the shares from physical form to electronic form is known as Dematerialisation. The Member desiring to dematerialise the shares has to open a demat account with a Depository Participant (DP) of his choice. Many nationalised banks and private sector undertakings offer this facility. After opening the demat account, the Member has to handover the physical share

CORPORATE GOVERNANCE REPORT (contd.)

certificates along with the Demat Request Form to his DP, who in turn will forward the documents to TSDDL, both physically and electronically. On receipt of the physical documents and electronic request routed through the Depository, TSDDL shall dematerialise the shares and give a credit into the member's demat account maintained with the DP.

As of March 31, 2017 - 34,823,867 shares constituting 99.78% 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

95/1 to 75/2, G.I.D.C. Industrial Estate, Himmatnagar - 383 001, Gujarat.

Address for correspondence

Investors can correspond with

1. The Company at the following address:

Bayer CropScience Limited
 Law, Patents & Compliance Department
 Bayer House, Central Avenue,
 Hiranandani Estate,
 Thane (West) - 400 607.
 Tel. No.: 022 - 2531 1234
 Fax No.: 022 - 2545 5063
 e-mail: ir_basl@bayer.com
 Website: www.bayer.in

2. TSDDL at their following address:

TSR Darsanaw Limited
 (Unit - Bayer CropScience Limited)
 5-10, Haji Moosa Patrawala Industrial Estate,
 20, Dr. E. Moses Road, Near Famous Studio,
 Mahalaxmi, Mumbai - 400 011
 Tel No.: 022 - 6656 8484
 Fax No.: 022 - 6656 8494
 e-mail: reg-unit@tsrdarsanaw.com
 Website: www.tsrdarsanaw.com

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

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

ir_basl@bayer.com

9. OTHER DISCLOSURES**Details of Annual General Meetings held in the past 3 years**

Year	Venue	Date	Time
2015-2016	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	September 12, 2016	11.00 a.m.
2014-2015	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	September 15, 2015	11.30 a.m.
2013-2014	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	August 28, 2014	11.30 a.m.

Special resolution passed in the previous 3 Annual General Meetings

Adoption of new set of Articles of Association: Passed unanimously at the AGM held on September 12, 2015.

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 yearly basis for the transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subjected to independent review by a reputed consultant to establish compliance with the requirements of Related Party Transactions under the Act and SEBI Listing Regulations.

The Company has not entered into any materially significant Related Party Transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. All material transactions entered into with the related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the financial year ended on March 31, 2017, 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.



CORPORATE GOVERNANCE REPORT (contd.)

Details of non-compliance

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

Means of communication

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

Website: The results are regularly posted on the Company's website: www.bayer.in. The Annual Report is also available on the website in a user-friendly and downloadable manner. Apart from this, official news releases, Code of Conduct, Whistle Blower Policy, Shareholding Patterns, Board Structure, Code of Conduct and Code of Fair Disclosures – For Prevention of Insider Trading, Investor presentations, etc. are also available on the Company's website.

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

For and on behalf of the Board of Directors

Richard van der Merwe
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 08788305)

Ulrich Stefer
Executive Director &
Chief Financial Officer
(DIN: 07447177)

Thane, June 26, 2017

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

CORPORATE GOVERNANCE REPORT (contd.)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
Bayer CropScience Limited

I have examined the compliance of conditions of Corporate Governance by Bayer CropScience Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.

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

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

Nilesh A. Pradhan
Proprietor
C. P. No.: 3659
FCS No.: 5447

Mumbai, May 24, 2017



CORPORATE GOVERNANCE REPORT (contd.)

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

We, Richard van der Merwe, Vice Chairman & Managing Director and Chief Executive Officer and Ulrich Stafer, Executive Director & Chief Financial Officer, in 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, 2017 and that to the best of our knowledge and belief we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - 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 disclosed to the Auditors and the Audit Committee:
- significant changes in internal control over financial reporting during the financial year;
 - 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
 - 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

Richard van der Merwe
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 06768305)

Ulrich Stafer
Executive Director &
Chief Financial Officer
(DIN: 07447177)

Thane, June 06, 2017

BUSINESS RESPONSIBILITY REPORT**Introduction**

The Securities and Exchange Board of India (SEBI) in 2015 mandated the top 500 listed entities on National Stock Exchange (NSE) and BSE Limited (BSE) to prepare a 'Business Responsibility Report' (BRR) as part of the Annual Report. This is as per Regulation 34(2)(f) of SEBI Listing Regulations. This report outlines the organization's performance from the environmental, social and governance perspective. Monitoring the non-financial performance is as important as financial performance and reporting on the triple-bottom line of environmental, social, and economic parameters is becoming increasingly important to stakeholders worldwide. Bayer CropScience Limited being part of the top 500 listed entities has developed this Business Responsibility Report based on the suggested framework of SEBI.

At Bayer, environmental, social and economic performance has always been a priority. For us, sustainability means shaping the future successfully and as part of our corporate strategy, it is an integral part of our day-to-day work routine. We are convinced that we can only achieve lasting commercial success if through our innovations, we increase our contribution to overcoming global challenges in the fields of food security and health, meet our responsibility to the environment, and on the basis of this also ultimately promote our economic growth. That's what our mission "Bayer. Science for a Better Life" is all about.

Our corporate strategy complies with the principles of sustainability in fulfilling our mission. Our objective is to safeguard and boost the Company's success, creating entrepreneurial value while also respecting social values. We are developing products now that will be of great social benefit in the future and are safe in both manufacture and application. This is the only way to generate sustainably profitable growth and secure our future business success. Sustainability thus makes economic sense for the Company. It does not play an isolated role at Bayer but forms an integral part of our corporate strategy in the same way as the areas of research or human resources.

The focus of our sustainability strategy is on:

- responsible business practices that reduce our business risks and
- our own innovative strength that both opens up new business opportunities for us and enables us to generate economic, ecological and social benefit.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	L24210MH1658PLC011173
2.	Name of the Company	Bayer CropScience Limited
3.	Registered Office Address	Bayer House, Central Avenue, Hirsanikanti Estate, Thane (West) - 400 607, Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 5063 Email: ir_bcsi@bayer.com
4.	Website	www.bayer.co
5.	E-mail id	ir_bcsi@bayer.com
6.	Financial year reported	2016-17
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	NIC Code - 28211 - Manufacture of insecticides, rodenticides, fungicides, herbicides
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Nature WG Farms Antrocol
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 - 30 locations including Registered office, Regional offices and one production site.
10.	Markets served by the Company	Markets served all across India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	354 Millions
2.	Total Turnover (Income) (INR)	30,185 Millions
3.	Total profit after taxes (INR)	2,910 Millions
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3.44% (₹ 100.23 Millions spent)



BUSINESS RESPONSIBILITY REPORT (contd.)

5. List of activities in which expenditure in 4 above has been incurred:

- a. **Research & prevention center on sexual violence against women & children**
Development of strategies to implement primary preventive measures, which protect women and children from sexual violence and its after effects.
- b. **Novel training center for blind women to become Medical Tactile Examiners (MTEs) in early breast cancer detection**
Training and deployment of visually impaired women to detect the early signs of breast cancer.
- c. **Bayer Fellowship Program in Agrosience**
To encourage research and development activities in agriculture, Bayer is supporting Masters in Science and Ph.D students with Fellowships in leading Agro science Universities in Gujarat, Karnataka, Punjab, Tamil Nadu, Telangana, Uttarakhand and West Bengal.
- d. **Comprehensive community health program**
Development of tele-health facility for Primary Health Centers (PHCs) for management of illnesses which need specialist care.
- e. **WASH (Water, Agriculture, Sanitation and Hygiene)**
Improvement in sanitation and conservation of natural resources to enhance public health.
- f. **Bayer Science Teens**
An international fellowship program of Bayer which supports gifted students in order to help them realize individual study and research projects in science.
- g. **Specialist care and treatment at Primary Health Centers (PHC)**
Improving the overall health status in the target locations by providing high quality holistic healthcare approach including health screening, treatment of cases diagnosed during the screening and health education.
- h. **Future Agriculture Leaders of India (FALI)**
Imparting minimum basic scientific, technical and practical knowledge on agriculture sciences/production to students.
- i. **Comprehensive educational interventions**
Implementation in select villages of South India where the activities include scholarships for the school-going children, financial support to the deserving students to pursue higher education, upgradation and maintenance of the educational set-up of targeted schools, improving the education delivery process in the local schools, creating IT enabled smart classes, skill development programs and upgradation of school facilities.
- j. **Promoting agricultural productivity and livelihood support among the rural communities**
The objective is to support small and marginal farmers in Bihar through agriculture diversification by introducing mechanized farming, which would reduce cost of cultivation and also provide an alternative livelihood source like goat rearing and kitchen garden.
- k. **Preventive Health Program (PHP)**
Program carried out near large industrial areas which includes a general health screening, organizing specialized health camps for early detection of various ailments like diabetes, hypertension, other health issues typical to an industrial township with a relatively high exposure to toxic chemicals and gases.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
No, 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%)**
We collaborate with tollers for procuring the raw materials required in our manufacturing processes. They frequently participate in the BR initiatives and their involvement ranges from 30-60%. The toller agencies provide safety trainings to their employees on various topics like usage of Personal Protective Equipment (PPE), safe operations, safe handling of substances, first aid, firefighting and safe walkways. They have also undertaken several CSR initiatives which includes various developmental projects in the village like reconstruction of roads, installation of LED street lights, construction of toilets and laying of sewage pipelines.

BUSINESS RESPONSIBILITY REPORT (contd.)**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**

Name	DIN	Designation
Mr. Richard van der Merwe	06766305	Vice Chairman & Managing Director and CEO
Mr. Ulrich Steyer	07447177	Executive Director & CFO
Mr. Vinod Bhardani	00001318	Non-Executive Independent Director

b) Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	06766305
2.	Name	Mr. Richard van der Merwe
3.	Designation	Vice Chairman & Managing Director and CEO
4.	Telephone Number	+91 22 2531 1234
5.	E-mail id	lr_bcrs@bayer.com

2. Principle-wise (as per NVGs) BR Policy/policies (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 and SEBI Listing Regulations and the global policies are in line with the global statutory requirements. They are also in 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.

2a. If answer to Sr. No. 2 against any principle, is 'No', please explain why: Not Applicable



BUSINESS RESPONSIBILITY REPORT (contd.)

3. Governance related to BR

- 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

We have aligned the roles and responsibilities of the CSR Committee to oversee the activities of business responsibility. Along with auditing responsibilities, the Committee will also look at

- Policy formulation based on the requirements of SEBI
- Policy implementation
- Communication of policies to all relevant stakeholders
- Independent audit/evaluation of the policies
- Renewal of the Company's Business Responsibility performance at regular intervals
- Review of the Business Responsibility Report

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

This is the Company's first Business Responsibility Report which will be published annually along with the Annual Report which can be viewed at www.bayer.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

Bayer has a global presence with core competencies in 'Health Care' and 'Agriculture'. It has a long standing history of 160 years in the field of life sciences and the Group's first Company was established in 1896 in India. Bayer has been a pioneer in addressing the challenges of changing times by introducing innovative products. Preservation of core values and ethical conduct are drivers of the Company's Corporate Governance. As a responsible corporate citizen we recognize our social and ethical responsibilities and work towards fulfilling them. Our Board of Directors, management and employees are responsible for looking after the welfare of all our stakeholders. The Board is responsible for adherence to the sound principles of Corporate Governance and plays a pivotal role in monitoring the activities of the management in serving the interests of our shareholders and other stakeholders. Our core values of Leadership, Integrity, Flexibility and Efficiency (LIFE) guide us in fulfilling our mission. We believe in building stakeholder trust by promoting transparent communication with them on the Company's position and significant changes in the business activities.

- 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?

The Bayer Code of Business Conduct encompasses all its employees, agents and contractors. The Bayer Code of Business Conduct and Corporate Compliance Policy inculcates highest levels of ethical business practices within our organization. The Supplier Code of Conduct has been drafted to ensure we engage with responsible suppliers who follow ethical business practices. All our business partners have to comply with the agreement clauses set out in the Code of Conduct before the commencement of business relations. The Supplier Code of Conduct also monitors the sustainability initiatives undertaken at Bayer which provides awareness and motivates our business partners to embark on the journey of sustainability.

Corporate Compliance Program

Bayer abides by the statutory and regulatory requirements of the countries in which it operates and performs its business activities responsibly. The Corporate Compliance Policy ("the Policy") states that Bayer is unreservedly committed to corporate compliance and will forgo any business transactions that would violate its compliance principles. It also states the areas in which violations of applicable law can have particularly serious adverse consequences for the group as a whole as well as for individual employees. The principles in the Policy are designed to guide employees in their business-related actions and prevent any potential misconduct. Compliance specialists and personnel responsible for daily operations work together from the initial phase to prevent any potential violations of rules and regulations under the "Integrated Compliance Management (ICM)" system. ICM for the Company focuses on risk areas such as Anti-trust, Anti-Corruption, Conflict of Interest, Data Privacy, Foreign Trade Law, Insider Trading and Fairness & Respect at Work.

To ensure legally and ethically exemplary conduct among employees in day to day business operations, various training courses are conducted on internal codes of behavior and regulatory requirements of the country of operation. This enables responsible management of business and compliance with applicable laws. Employees are encouraged to consult their supervisors or compliance officers to ensure legal compliance in specific business scenarios.

- 2) How many stakeholder 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 have received 6 complaints during the year and all of them have been resolved as on 31st March, 2017. Our whistle blower policy establishes the necessary vigil mechanism as defined under Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations for employees to report concerns about unethical conduct, financial malpractices or any unethical practice prevalent in the organization. The Compliance Hotline including the email address bayercompliances@axpolich.co.uk has been dedicated for reporting such concerns and the Compliance team at Bayer monitors these complaints to ensure timely redressal. Apart from this, the Investor/ Shareholder grievances are redressed under a dedicated Stakeholders Relationship Committee under the chairmanship of Mr. A. K. R. Nedungadi, a Non-Executive Independent Director.

BUSINESS RESPONSIBILITY REPORT (contd.)

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

At Bayer we are committed to providing the best solutions to our customers. This commitment begins from the design stage of our products where we assess the potential health and environmental risks along the value chain. Our life-cycle approach to address responsible product management includes research, development, registration, plant breeding, production, packaging, labelling, distribution, marketing and branding, sales, handling, application, storage, and transport including empty product containers and product waste disposal.

We are guided by the CropLife International Plant Biotechnology Policy of Conduct and the guidelines referred to therein as well as the International FAO (Food and Agricultural Organization of the UN) policy of conduct on the distribution and use of pesticides (revised version of 2013) which is the framework on pesticide management for all public and private entities engaged in, or associated with, production, regulation and management of pesticides.

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

Our products are categorized as:

- i. Wettable Powders (Melody Duo WP, Alite WP)
- ii. Wettable Granules (Proflor WG, Confidor WG)
- iii. Suspension Concentrates (Responso SC, Gaucho FS, K-Othene SC)

Across our product portfolio, we address social concerns of the end user through our innovative features and proactive measures. Some of the initiatives we have championed are:

2D- Anti-Counterfeiting:

Due to high occurrence of counterfeiting in pesticide industry, the farmers often suffer as a result of purchasing substandard products. In order to provide assurance to the farmers on the authenticity of Bayer pesticides, a 2D code has been printed on the wrapping of products of all sizes and the product information can be obtained by scanning the code through a smart phone. The scanned code is sent to the Bayer database and the code is authenticated followed by a confirmation message to the user.

In case the farmer is not equipped with a smart phone, the printed numeric code can be sent as a text message to the help-line number indicated and a similar authentication and confirmation response will be sent. Even in scenarios where there is no available mobile network, the supplier can be approached, who will capture a photograph of the leaflet and receive a confirmation which can be conveyed to the user.

In this manner, Bayer goes the extra mile to ensure that the end-users are always assured of the best products and as a result, the best outcome.

Measuring cup with products:

Using the accurate volume of product is key to effective crop treatment. However, due to lack of proper knowledge and awareness, the product is often misused during treatment. We provide a measuring cup with each packet of products, attached through a sleeve. This helps the farmers to use the right dosage of the pesticides at every instance. This helps in avoiding under dosage where the effect on the pests is low which results in insufficient protection to the crops and also extra dosage which leads to building of resistance in the pests making the product inefficient after 3 years.

Disposable Gloves:

At Bayer all our products are Blue, Yellow and Green Category products. While we do not have any Red category products, we insist on providing disposable hand gloves along with Fipronil Granule so as to promote safe handling of the product and preventing any harm to the end user.

Along with the above initiatives, several awareness and training programs are also conducted from time to time and are embedded in product promotion campaigns. Topics related to understanding the guidelines of product usage as the labels, responsible and safe use for crops, human being and environment are addressed upon in these campaigns. Empty container projects are also run through collaboration with industry associations on pilot basis at various locations to showcase the methodology and practice of safe disposal.

Apart from the above, as an ongoing activity, investigations on geospatial data are carried out to help map crop areas and identify soil and water information for product label requirements.

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, Alite WP)	0.233	NA
WG Products (Proflor WG, Confidor WG)	1.108	4.62×10^7
SC Products (Responso SC, Gaucho FS, K-Othene SC, Premise SC, Monperen SC)	NA	0.3×10^7

We are committed to using green products in our manufacturing processes. We have replaced some portion of water solvents in our manufacturing processes and use Corn Oil (20% replacement) and Sunflower Oil (25% replacement) as alternatives, thus reducing consumption of water.



BUSINESS RESPONSIBILITY REPORT (contd.)

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

Bayer was a founding member of TIG (Together for Sustainability), founded in 2011. The purpose of this initiative is to develop and implement a global audit program to assess and improve sustainability practices within the supply chains of the chemical industry. Supplier assessments are carried out through external partners like EcoVadis who evaluate sustainability performance of our business partners.

This assessment is conducted over 4 steps:



Suppliers assessed through TIG benefit from a standardized way of assessing their sustainability performance. The outcome helps suppliers to understand strengths and weaknesses in their management approach to ethical, environmental and social issues. A total of 54 suppliers were assessed for sustainability performance over the last year through this program.

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

All our suppliers have to sign the Supplier Code of Conduct, included in the purchase request itself, which lays down guidelines for sustainability among suppliers. Separate audits are also carried out on the suppliers through Quality, Health, Safety, Environment (QHSE) audits. By doing this, we ensure that 100% of the products we source are procured in a responsible manner. Bayer has the right to review the sustainability performance of a supplier, either by assessment or by audit executed by Bayer or a third party.

4) 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?

We always strive for strategic partnerships with vendors and suppliers from the nearby communities to ensure quick delivery and less inventory. In doing so not only do we meet our business needs, but also provide a means of livelihood to the surrounding communities. We actively procure goods from 117 MSME (Micro, Small and Medium Enterprise) vendors. We also carry out regular training programs for our suppliers and vendors on matters related to personal safety.

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

As a responsible organization, we are aware of our consumption of natural resources. Water forms a major raw material for all our manufacturing processes and hence we ensure effective recycling of water at every stage. We have mechanisms in place for washed water recycling of Suspension Concentrates (SC) and Wettable Granule (WG) products wherein currently over 95% of the washed water is recycled.

The first washing water is collected in a drum and tested for microbial contamination. If it is approved by Quality Control then the water is reused, and if not approved then the water is sent to an Effluent Treatment Plant (ETP) approved by the pollution control board. For SC & WG products formulation Demineralized Water (DM Water) is being used as a media. After each campaign we use DM water for the purpose of dilution and after that it is used for washing in order to eradicate the environment which supports harmful bacteria. This machine wash is then sent to the ETP directly. In case of Water Dispersible Granule (WDG) plant, wash-water is used again for the formulation of slurry.

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

We acknowledge that our success is a result of the knowledge, skills and commitment exhibited by our employees. Their positive outlook on continuous development and ability to experiment enables us to maintain our position as a Company with world class innovation. Our Human Resources Department supports our senior management and resources managers on all employee related matters and plays a critical role in catering to evolving business needs. The HR business partners, HR services function and HR expert organization are the 3 main pillars that assist effective performance.

Our high-performance culture is also driven by a Performance Management Process (PMP) which connects our people to our strategies and values. The PMP consists of three phases: Performance Planning, Interim Review and Performance Evaluation. Bayer understands that in order to maintain consistently high performance among employees, it is necessary to acknowledge their contribution and this is ensured through various elements of employee recognition such as great career opportunities, attractive compensation and benefit programs and awards.

BUSINESS RESPONSIBILITY REPORT (contd.)

We have undertaken several initiatives such as Town Hall, Special Town Hall, Ask the CEO to facilitate communication between our employees and the management. Annual employee surveys are undertaken to recognize the issues concerning employees and their feedbacks are scrutinized.

Our workforce details:

- 1) Please indicate the Total number of employees: 1,126
- 2) Please indicate the Total number of employees hired on temporary/contractual/casual basis: 3,489
- 3) Please indicate the Number of permanent women employees: 136
- 4) Please indicate the Number of permanent employees with disabilities: Nil
- 5) Do you have an employee association that is recognized by management? Yes, we have a Works Committee at Himmatnagar that supports collective bargaining among our employees.
- 6) What percentage of your permanent employees is members of this recognized employee association? 9.98%
- 7) Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Bayer has developed an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2012. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. Our Prevention of Sexual Harassment Policy and Whistle Blower Policy among other employee policies are available to the employees through our intranet. The Compliance Hotline serves as a platform to address any grievances on this subject.

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

Training and Development:

As an integral part of our philosophy of people development, we aim to encourage lifelong learning among our employees. Our action plan is to broaden their knowledge, strengthen their skills and equip them to keep up with the latest changes throughout their career. Employees also undergo a mandatory training on the four core principles LIFE. The onboarding programme for new employees is conducted in two steps, induction program at the corporate office and function specific training.

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

Category	Skill-upgradation Training	Safety Training
Permanent Employees	87.58%	100%
Permanent Women Employees	90.44%	100%
Casual/Temporary/Contractual Employees	NIL*	100%

We lay significant emphasis on safety practices in our operations. The trainings on safety provide an insight and understanding of general and critical topics such as general safety, health and hygiene practices at site, chemical handling, machinery hazards and risks at site, use of PPE, environmental protection, waste management, job safety analysis and safety work permits.

(*) While we do not provide skill-upgradation trainings to casual/temporary/contractual employees, we have in place a Manage Services Agreements with contractors where it is expected that the contractor will provide only skilled manpower at all times to complete such jobs.

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

Stakeholders are not just members of communities or non-governmental organisations. They are those individuals, groups of individuals or organisations that affect and/or could be affected by our activities, products or services. At Bayer, stakeholder engagement is critical to the functioning of our business as identifying and addressing their concerns helps us formulate strategies for our growth.

By identifying our internal and external stakeholders we are in a position to identify social and market trends and developments at an early stage, avoid risks, assess our contribution and set focus areas for our future activities.

- 1) Has the Company mapped its internal and external stakeholders?

Our stakeholder engagement process involves:

- * Mapping our stakeholders to identify those that are significant to us
- * Analysis of strengths and weaknesses which allows us to prioritize the stakeholders



BUSINESS RESPONSIBILITY REPORT (contd.)

- engagement planning to help us develop targeted strategies for each group and
- the final engagement process.

The process is as shown below:



We have mapped our stakeholders as follows:

Partners	Financial markets 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) Has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

We have also focused on identifying stakeholders coming from those sections of society which are underdeveloped, vulnerable and marginalized. We put in extra effort to engage with these stakeholders through awareness camps, training sessions and safety meetings to help them address their concerns as well as get feedback from them. We have identified them as:

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

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

Principle 6 in this report outlines the various activities and initiatives in place taken to address the concerns of our vulnerable and marginalized stakeholders identified above. Apart from these we also carry out Safe-Use activities for our farmers and dealers which are aimed towards improving their skills and efficiency.

Through these activities we impart education on safe and effective use of our products. We also distribute safety kits to the farmers along with gloves for safe handling of the pesticides.

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

We are determined to foster, respect and report transparently on human rights within our organization and our value chain. Our activities are governed by policies, processes and monitoring systems to enforce human rights in our operations. We commit to provide equal opportunities to all our employees and all qualified applicants for employment, without regard to their race, caste, religion, color, ancestry, marital status, gender, age, nationality, disability and veteran status. We ensure that our employees are treated with dignity to maintain a work environment free of sexual harassment, whether physical, verbal or psychological.

BUSINESS RESPONSIBILITY REPORT (contd.)

- 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?

The Bayer Code of Conduct consists of guidelines to ensure that human rights are safeguarded and the Whistle Blower Policy provides a platform for reporting of violation of these rights within the organization. Apart from this, our Supplier Code of Conduct highlights our expectation with respect to human rights throughout our supply chain. Our LIFE values and Corporate Compliance Policy binds all employees around the globe to adhere to fair and lawful conduct towards staff, colleagues, business partners and customers.

In compliance with the Child Labor (Prohibition and Regulation) Act, 1986, Bayer strictly prohibits the use of child labor in any form in our business operations as well as our supply chain.

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

There have been no stakeholder complaints received in the past financial year. In case of violation, employees can contact their compliance officers at any time, anonymously if required. Also, the employees as well as the stakeholders outside the organization can report complaints through the Group-wide hotline.

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

At Bayer we have a firm commitment towards protecting the environment. We ensure that our processes and production units are not only energy-efficient and safe, but also evaluate various environmental aspects throughout the life-cycle of our products. Our commitment to environmental protection, health and safety goes well beyond the mere fulfillment of legal requirements. We also demonstrate this through our commitment to the chemical industry's Responsible Care initiative. The Bayer Global Sustainable Development Policy is instrumental in defining the framework for actions that may cause ecological impact.

- 1) Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

While working to serve the customer, we are also working with our suppliers, vendors and contractors to help develop our products in a sustainable manner while also making our products more resistant to environmental uncertainties like drought and irregular rainfall. In doing so we are able to provide a sense of protection to the farmers who need not worry about the yield in the face of uncertainty.

We have provided training to 9 external contractor agencies in the reporting period. Over 500 members of these agencies across multiple locations have been trained on various topics related to Environment, Health and Safety (EHS) aspects and these also include environmental topics. The topics covered are:

- * General Safety, Health & Hygiene practices at site
- * Safety rules & regulations
- * Do's & Don'ts
- * Safety work permits
- * Chemical handling & machinery hazards & risks at site
- * Material Safety Data Sheets (MSDS)
- * Job safety analysis
- * Emergency communication
- * Use of Personal Protective Equipment's (PPE)
- * Good housekeeping
- * Environmental protection
- * Waste management

We conduct HSE audits at our suppliers' units, toll manufacturers' units and warehouses to ensure compliance with HSE norms and help them improve their performance.

- 2) Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, give hyperlink for the webpage etc.

We are aware of the rising concerns of climate change, and global environmental issues. These issues are not only of concern to the community but also to our long-term growth and sustainability. Some of the activities executed and planned in the reporting year are:

Activities executed:

- * Installation of hydraulic press to compact the solid hazardous waste which reduces transportation time thus reducing GHG emissions
- * Installation of Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) for treatment of domestic waste water
- * FELS – Fire Explosion Leakage & Spillage Prevention Project & HACRA – Hazardous Area Classification and Risk Assessment
- * Chemical exposure assessment at our facilities



BUSINESS RESPONSIBILITY REPORT (contd.)

- Replacement of bag filters by installation of cartridge filter and High Efficiency Particulate Air (HEPA) Filter to reduce dust emissions
- Use of high efficiency motors to reduce resource consumption and enhance safety during formulation of products

Activities planned:

- Heat recovery project at manufacturing location for reduction in energy consumption

3) Does the company identify and assess potential environmental risks?

Our manufacturing location – Himmatnagar is certified with Environment Management Systems - ISO 14001. Through such systems we are able to identify environmental risks our organization faces. Once identified, we are in a better position to develop action plans to mitigate the same. 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 minimize their effects.

4) Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. 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. If yes, please give hyperlink for web page etc.

Throughout our operations and business activities we try to incorporate new and better techniques to help us in our environmental performance. By optimizing our processes we can be more efficient and improve our production while also reducing our environmental impact.

Some of the initiatives we have undertaken are:

- Optimizing the jet milling operation as a result of which electricity consumption is reduced in the Wettable Powder product line.
- Reducing electricity consumption in Wettable Granules Products by optimization of slurry feed rate and concentration of slurry. Water reduction is achieved by optimization of WG Slurry concentration.
- Reduction in electricity consumption in plant & street lighting using LED lights.
- Installation of high efficiency motors for increased output with lower energy consumption.
- Use of pollution control devices.

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

We are proactive in our efforts to minimize the waste from our facilities. We take the extra step of measuring the toxicity of the different chemicals in the waste-water generated and ensure they are below harmful levels.

Where we generate hazardous waste like biomedical waste, we ensure that all legal requirements are met with respect to its proper disposal. This includes correct storage, packing and incineration.

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 take care to ensure that the emissions and waste generated by us at our various locations are well below the limits given by Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB). We have not received any show cause notices from either CPCB or SPCB in the reporting year.

Awards & Recognitions

Our commitment to preserving and protecting the environment as well as the communities it reflected through the awards we have received over the years at various facilities. These include:

1. QHSE Excellence Award at Himmatnagar – 2019 by Bayer Senior Representative
2. FICCI Award – 2014 - Sustainability Award for Excellence in Safety

BUSINESS RESPONSIBILITY REPORT (contd.)

3. FICCI Award – 2015 – Best Green Process for initiative of Oil Dispersion (OD) formulation
4. OHSE Excellence Award at Hinmatsagar – 2014 by Bayer Senior Representative
5. HSE Excellence Award at Hinmatsagar – 2015 by Bayer Senior Representative
6. Silver CSR Achievement Badge – 2014 & 2015 by Eco Vadis
7. ISO 9001:2008 and OHSAS 18001 re-certification in 2015

These awards serve as constant motivators for us to keep excelling in the field of environmental and social stewardship. By being vigilant about our business activities and the impact that arises as a result, we will be able to improve our processes and strive to be a more responsible organization.

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

We have embarked on a journey to bring about a substantial difference to the topics and issues that matter most to our Company. Our active participation in important National level initiatives and associations are a testimony to our commitment towards responsible development. Through our memberships in these associations, we seek to maintain a healthy dialogue with our stakeholders. We consider these forums as a platform to express our views to policymakers, regulatory authorities and other relevant public and private stakeholders on matter relevant to our business.

- 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.

- a) The Federation of Indian Chambers of Commerce and Industry (FICCI) (Agrochemicals & Seeds/Traits)
- b) CII (Confederation of Indian Industries) – Agrochemicals and Seeds/Traits
- c) Crop Life India (Agrochemicals)
- d) ABLE - AG (Association of Biotechnology Led Enterprises) Agricultural Group (GM Traits)
- e) Federation of Seed Industry of India (Seeds and Traits)
- f) National Seed Association of India (Seeds and Traits)

- 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)**

As a member of major industry associations/platforms, we participate, engage and contribute towards improving the existing regulatory system, policies, business environment and shaping regulatory process for future technologies, important for food security of the country.

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

Our CSR Policy has delineated three approaches as a part of providing a comprehensive developmental goal. The first approach focuses on Society Progress Pillars with pioneering ideas on topics of nationwide importance. The second, Science Excellence – concentrates on life science talents and frontier research and the third, Community development - for projects in and around our facilities that underscore vital topics such as health, hygiene, conservation of resources and education.

The CSR programs are aligned with global objectives of Bayer while pursuing a long-term, well-planned, multi-stakeholder participatory approach that would result in creating a measurable impact on the conditions of the targeted communities. These initiatives have been conceptualized after frequent discussions with various internal stakeholders and NGOs in order to ensure alignment with the business philosophy. These programmes, as of now, cover a part of the CSR budget for 2016 and 2017.

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

As a part of the initiatives under "Corporate Social Responsibility" (CSR), we have undertaken projects for fostering rural development by promoting health and hygiene, education, skills development, livelihoods and environment protection in select villages and fostering education with a focus on urban and semi-urban locations in and around our areas of operations. These projects are in accordance with Schedule VII of the Companies Act, 2013.

Some of the key programs undertaken are:

- 1) **Program for Primary Prevention of Sexual Violence**

Using proven expertise and knowhow from years of treatment experience, we are developing strategies through this project to implement primary preventive measures, which protect women and children from sexual violence and its after effects. This initiative is being implemented in partnership with King Edward Memorial Hospital, Pune, and Charité (University Clinic of Berlin). In 2016-17, a feasibility study for implementing public health and clinical treatment services in light of medico-legal conflicts, social acceptance and practical strategic challenges has been completed in addition to various awareness generation programs.



BUSINESS RESPONSIBILITY REPORT (contd.)

2) Discovering Hands

This project aims to make a positive difference to the area of breast cancer as well as lend a helping hand to the visually challenged. Discovering Hands trains and deploys visually impaired women with their highly developed sensory skills to detect the early signs of breast cancer. The project has entered the second phase implementation wherein the training is being provided for the visually impaired women. This project is a partnership initiative with Indian Cancer Society, National Association for the Blind and Rajiv Gandhi Cancer & Research Centre.

3) Bayer Fellowship Program in Agro-Science

We have a strong stake in helping to improve science education and to ensure that all individuals are scientifically literate. We want to help awaken and promote an interest in science, technology and medicine through initiatives for school children and scholarship programs. The objective of this project is to encourage research in agriculture. Scholarships are awarded to M.Sc. and Ph.D. students with following objectives:

- Support young and talented minds to better the standards of agriculture
- Develop technology in India that will be adopted by farmers to increase their profitability

The projects are conducted at state-level Agriculture Universities.

4) Tele-Health Project

The objective of this project is to provide people with access to specialty care for complex health conditions. The project - ECHO-KARUNA is being implemented with the partnership of Karuna Trust. The mission of the project is to develop tele-health facility for Primary Health Centres (PHCs) run by the Karuna Trust, for management of illnesses which need specialized care. This project emphasizes access to right care, in the right place, at the right time.

5) Health & Educational Programmes

This comprehensive community health program is implemented to bridge gaps in the field of rural health and hygiene. The program aims at improving the overall health in target locations by providing a high-quality holistic healthcare approach including health screening, treatment of cases diagnosed during the screening and health education. The program is being implemented in Karnataka, Maharashtra, Rajasthan and Telangana.

6) Making Science Make Sense

Making Science Make Sense is a company-wide initiative that aims to advance science literacy through hands-on, inquiry-based science learning, employee volunteerism and public education. The program provides school students with an insight into everyday natural science phenomena with the help of all kinds of fascinating experiments. The programme has been designed for students of Class V and VI as it is in these years that science is introduced in schools as a full-fledged subject.

Additional information on our CSR projects can be found in the Director's Report in Annexure "A".

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

As part of the process to identify eligible projects and programmes, our CSR Committee requires to be fully satisfied by calling and inviting feasibility reports from various NGO's such that the contribution to be made by us to such programmes and projects is actually utilized for the stated purpose. The agencies we have partnered with are Charité Berlin & World Health Summit, DISHA Foundation, state agricultural universities, School Health Annual Report Program (SHARP), EFFORTS (A Society for the Development of Agriculture and Youth), Karuna Trust, SM Sehgal Foundation, Gandhi Research Foundation, Aakruthi Foundation, Bayer Prayas Rural Development Association.

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

All our activities are on-going and we ensure that we measure the impact of the projects through regular review meetings with the project partners, site-visits and periodic impact assessment against the baseline performance.

BUSINESS RESPONSIBILITY REPORT (contd.)

- 4) What is your Company's direct contribution to community development projects - Amount in INR 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 Millions)
1.	Research & Prevention Center on Sexual Violence against Women & Children	27.34
2.	Novel training center for Blind Women to become Medical Tactile Examiners	19.04
3.	Bayer Fellowship Program in Agro Science	5.51
4.	Comprehensive community health program to bridge the gaps in existing framework in the field of rural health and hygiene	4.69
5.	WASH (Water, Agriculture, Sanitation and Hygiene) mainly focuses on public health through improving sanitation and conservation of pure natural resources	19.44
6.	Bayer Science Teens	1.98
7.	Specialist care and treatment at Primary Health Centers using Tele-Health technology of ECHO (Extension for Community Healthcare Outcomes Model)	0.52
8.	Improving agriculture productivity & livelihood support to small and marginal farmers through agriculture diversification	8.74
9.	Future Agriculture Leaders of India (FALI) Initiative	1.87
10.	Comprehensive educational interventions	3.13
11.	Promoting self-employment among the rural communities	0.74
12.	Preventive Health Program	5.22

- 5) Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Since the projects have long gestation periods it requires considerable amount of study, analysis & implementation. This involves a sizeable amount of resource deployment involving substantial time and efforts on our part to ensure that the identified CSR projects and programmes are indeed meaningful and supporting the cause of Corporate Social Responsibility.

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

At Bayer, we recognize that every business can become more responsible and improve its impact on society while also gaining tangible benefits. Responsible business goes beyond philanthropy or simply doing 'good'. It also adheres to sound corporate accountability and governance structures.

- 1) What percentage of customer complaints/consumer cases are pending as on the end of financial year?
As of March 31, 2017, a total of 64 cases are pending.
- 2) Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. (Remarks (additional information))

We are committed to providing the best service to our customers and it is our responsibility to ensure that we do so with complete transparency. We meet all standards for labelling in our products and we also include OFU (Directions for Use) to help the consumer with regards to using the product in the most efficient and safe manner.

The OFU contains information like:

- * Symptoms of poisoning
- * Precautions while handling
- * First aid instructions in case of accident
- * Instructions for storage
- * Instructions for disposal

Bayer Advice

Bayer supports farmers through various channels such as a highly experienced team of field officers, a strong network of trade partners and the Bayer Solutions stores. Recognising the various issues farmers face with respect to changing weather, pest attacks and resistance to pesticides and changing market trends, we have in place a toll-free Helpline which can be dialed from both landline and mobile phones. This number is available on the packaging of our products and calls made to this number are answered by local agro-experts from five call centers located in Andhra Pradesh, Gujarat, Madhya Pradesh, Maharashtra and Uttar Pradesh who provide technical assistance to the farmers and assist them in their needs.



BUSINESS RESPONSIBILITY REPORT (contd.)

- 3) Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so:

There have not been any cases pending against us either for unfair trade practices, irresponsible advertising, or anti-competitive behavior as on end of financial year. We understand that responsible business incorporates responsible advertising and marketing as well. Hence we ensure that none of our product labels are misleading in any manner. During our participation at chamber or association meetings, we do not raise any personal concerns, rather we focus on the issues that the industry on the whole is facing and look to promote healthy competition amongst our peers without resorting to any unfair trade practices or anti-competitive behavior.

- 4) Did your company carry out any consumer survey/ consumer satisfaction trends?

We have carried out surveys on brand awareness and satisfaction level of the brand. This is a continuous process and an annual brand equity study for brands in crops such as Rice, Cotton and Grapes using a scaled response is undertaken involving consumer perception on Products / services. The scores for most of our brands are high.

For and on behalf of the Board of Directors

Richard van der Meer

Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 06788205)

Ulrich Steyer

Executive Director &
Chief Financial Officer
(DIN: 07447177)

Thane, June 06, 2017

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. OVERVIEW OF AGRICULTURAL SECTOR

Agriculture plays a vital role in India's economy. This is evident in the fact that over 58 per cent of rural households still depend on agriculture as their primary means of livelihood. The Agriculture sector is one of the largest contributors to India's Gross Domestic Product (GDP). As per the 2nd advance estimates released by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 17.3 per cent of the Gross Value Added (GVA) during 2016-17.

India holds the second largest agricultural land in the world with 157.35 million hectares under cultivation. With 20 agri-climatic regions, all 15 major climates in the world exist in India. India is the largest producer of spices, pulses, milk, tea, cashew and jute, and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. Further, India is second in global production of fruits and vegetables, and is the largest producer of mango and banana. It also has the highest productivity of grapes in the world.

Food Grain Production in 2016 – 2017

In 2016 – 2017, India's food grain production grew by 8.1 per cent to reach 271.98 million tonnes as per the 2nd advance estimates issued by the Ministry of Agriculture & Farmer Welfare. This is estimated to be 16 per cent higher than the average food grain output of the last five fiscal years (2011 – 2012 to 2015 – 2016), largely as a result of normal monsoon in 2016 and various policy measures initiated by the government.

India registered normal monsoon in 2016, experiencing just 3 per cent below average. The Indian monsoon in 2015 and 2014 registered a 14 per cent and 17 per cent deficit, respectively. Aided by a normal monsoon in 2016 after two consecutive years of drought, the production of wheat, cereals, rice, pulses and oilseeds are projected to touch new records.

Total rice production this year is estimated to reach 105.26 million tonnes, 4.45 million tonnes higher than the production of 104.41 million tonnes in 2015 – 2016, and 3.44 million tonnes higher than the five years' average production of 106.42 million tonnes. Production of wheat this year is estimated at 106.84 million tonnes, 4.36 million tonnes higher than the total production of 92.29 million tonnes in 2015 – 2016, and also higher than the previous record production of 95.85 million tonnes in 2013 – 2014.

After a record decline in pulses production for the last two years, total production of pulses this year is estimated at 22.14 million tonnes, 5.79 million tonnes higher than the production of 18.35 million tonnes in 2015 – 2016 and 2.89 million tonnes higher than the previous record production of 19.25 million tonnes in 2013 – 2014. The higher domestic production this year is as a result of an increase in the area under cultivation and productivity of all major pulses.

Other than food grain, the estimates show that production of oilseeds is likely to rise 25 per cent year-on-year, from 26.2 million tonnes last year to 32.8 million tonnes in 2016 – 2017. This too is higher than the previous record production of 32.7 million tonnes in 2013 – 2014.

While the record harvest will help keep food inflation in check, it also implies agricultural growth rate may be better than the 4.1 per cent estimated by the CSO in January 2017, and consecutive years of dismal performance due to drought: 1.2 per cent in 2016 – 2016 and a 0.2 per cent contraction the year before.

Government Initiatives

Given the importance of the agriculture sector, the Government of India, in its Budget for 2016, announced several steps for the sustainable development of agriculture. These were further enhanced in the Union Budget for 2017.

One of them was the launch of a new crop insurance scheme: 'Pradhan Mantri Fasal Bima Yojana', where the premium payment is shared by the farmers and the Central and State governments. The farmers contribute a minuscule amount of the premium and the rest is shared equally by the central and the state governments. The allocation for this scheme has been increased to ₹ 10,240 Crores in 2017 from the budgeted ₹ 5,500 Crores in 2016. The coverage of this scheme will be increased from 30 per cent of the cropped area in 2016 – 2017 to 40 per cent in 2017 – 2018, to 50 per cent in 2018 – 2019. The allocation for 2017 – 2018 has been earmarked at ₹ 9,000 Crores.

Improving irrigation efficiency is critical for Indian agriculture. India has 2.4 per cent of the world's total geographical area and 18 per cent of the world's population, but only 4 per cent of the world's total fresh water resources. Therefore the government's decision to create a dedicated long term Micro Irrigation Fund to be set up by NABARD to achieve the goal of 'per drop, more crop' is a welcome initiative. The Fund which was created with a corpus of ₹ 5,000 Crores has received an additional funding of ₹ 20,000 Crores.

The allocation under MNRGA (Mahatma Gandhi National Rural Employment Guarantee Act) has been increased from ₹ 38,500 Crores in 2016 to ₹ 48,000 Crores in 2017. The participation of women in MNRGA has increased to 58 per cent. The Government plans to open atleast one Krishi Vigyan Kendra (KVK) in all districts of the country, which will provide advanced agriculture technical assistance to the farmers near their farms itself. The government has also proposed to set up new mini labs in Krishi Vigyan Kendras (KVKs) and ensure 100 per cent coverage of all 648 KVKs in the country.

The Agriculture Ministry has come up with a new model Agricultural Produce Market Committee (APMC) Act proposing single-point levy of market fee across a State and a unified single trading license for cost-effectiveness of transactions. It has also suggested abolition of fragmentation of market with the State/Union Territory by removing the concept of notified market area as far as enforcement of regulation by the Agricultural Produce and Livestock Market Committee (APLMC) is concerned. The idea is to remove disincentives for farmers and traders to trade across the country as they will not have to shell out more money. States could then get integrated on the online platform e-NAM (e-National Agriculture Market) launched in April 2016 for online sale and purchase of commodities nationwide. The coverage of e-NAM will be expanded from the current 250 markets to 565 APMCs.



MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

2. INDUSTRY DEVELOPMENT

The initial monsoon projections for 2016 of 100 per cent by the Indian Meteorological Department resulted in 97 per cent of actual monsoons. Despite a buoyant start of monsoon in 2016, rain showers failed to cast a large-scale effect on India. Regions including Chhattisgarh, Jharkhand, Uttar Pradesh, parts of Bihar and interior Odisha received insufficient rainfall.

Due to the delayed onset of monsoon, its uneven distribution and delayed recovery in August/September 2016, the crop protection industry's expectations to bounce back with a high, double digit performance could not become a reality. The fungicides segment grew above industry average, while insecticides and herbicides were on par and seed growth increased in retail single digits. Among the key crops, cotton had a flat year due to shift in area (~10%) to pulses and corn. Rice and wheat registered single digit growth, while vegetables registered excellent growth due to early gains. In the later part of the season during November 2016, the commodity prices of vegetables (Chilli, Potato and Tomato) dropped to unattractive levels, thereby decreasing commercial interest in these crops.

With increasing per capita income, Indians are consuming more of fresh and processed horticultural products indicating growing scope of horticulture by improving crop productivity and efficiency in the value chains. Adequate attention to post-harvest management and market development and processing is yet to pick up and is the weakest aspect of diversification towards high-value products resulting in frequent and sharp fluctuations in prices of fruits and vegetables in domestic market.

On the seeds front, the Government announced a bonus on pulses to incentivize cultivation. The bonus was to be made payable over and above the approved Minimum Support Price (MSP) which significantly increased the area coverage and productivity of pulses. Area sown for cotton, decreased sharply given the scarcity of water and lower commodity prices. The price control order in Cotton also affected the industry. Overall cotton market value declined by 26 per cent.

The Public Health business segment in India grew during 2016 – 2017 because of continued incidences of vector borne diseases like malaria and dengue. Bed nets have emerged as the most significant category due to increased global funding in order to cover the rural population susceptible to malaria. Local States on the other hand have continued practicing 'Larvicides & Space Spraying' in order to protect people from Malaria, dengue and other vector borne diseases.

The Professional Pest Management (PPM) business continued its positive growth curve in both commercial and residential segments. A latent demand for material/alternative products is met by unbranded products in the unorganized sector. Termite control products keep growing with the increase in new construction. There has been some impact because of demonetisation in general on the construction industry too. Bedbugs are posing a major threat to households and hospitality industry and are emerging as a key segment apart from roaches and rodents.

3. REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

The Company's Revenue from operation was ₹ 29,484 Millions in 2016 – 2017 as compared to ₹ 28,894 Millions in 2015 – 2016. Profit before taxation is ₹ 4,479 Millions for the financial year 2016-17.

The Company enjoys a unique position in the market because of its capability to offer new innovative products, technologies, processes, services and business models. Innovation has always been a cornerstone in Bayer's product offerings. In the year 2016 – 2017, the Company successfully launched two new products in Crop Protection, five new products in Seeds and one new product in Environmental Science.

The new offerings in Crop Protection include: Luna Experience, a fungicide for Powdery Mildew Management in grapes and Moverio Emargo, a two-in-one, systemic insecticide for sucking pests. The new launches from Seeds include three rice hybrids: Arize AZ 8423 DT, Arize AZ 8453 and Arize AZ 8508. The new millet hybrid launched in 2016 is Prodigio PA 9072. The new brand launched from the Environmental Science business unit is Tentipid, a dual active insecticide for Professional Pest Control of cockroaches commonly found in food handling and food processing areas of household and commercial premises.

The Company is committed to bringing in enhanced customer focus. Over the last few years, our Company is working on providing customer-centric solutions to Indian farmers by working closely with them to understand their needs better. To keep track of the requirements of our farmers and provide timely advisory, we have set up a digital platform, where our sales force can access customer information, market insights and monitor various demand generation activities.

In 2016 – 2017, the Company further strengthened its flagship program 'Bayer Labhaura' which aims to increase per acre earnings and qualitative yield for the progressive farmers it targets. Bayer has extended the scope and number of demonstrations across multiple crops and geographies, but more importantly also commercialized the concept in the form of 'Labhaura Hits' in some key geographies. As of 2016, Bayer Labhaura demonstrations were carried out in 1,900 plots.

The Food Chain Partnership expresses our belief that together with our partners in the food chain we can build relationships that benefit everyone. The Company provides farmers with innovative crop protection products, seeds, and services, as well as advice on the optimal use of products and application technologies. These Partnerships also provide traceability and transparency – making stringent quality improvements possible. Exporters and importers have to consider not only the local quality standards of the producer country, but also those of the export market. In 2016 – 2017, the Company covered an area of 103,000 hectares with 111,700 farmers in vegetables, fruits and Basmati Rice. The Company also signed two new agreements taking the total number of partnerships to 37.

In 2016 – 2017, the Company further consolidated its knowledge and expertise on innovative farming technologies which has helped us gain an edge over competition and develop new solutions for Indian farmers. Labor scarcity and its increased cost has become a major driver for adoption of technology in agricultural operations. Mechanical Transplantation of rice, mechanical picking of okra and promoting the concept of seed treatment with Seed Treatment machines are some of the key projects where we see a great future in coming years.

MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

The Environmental Science Division maintained its position as the market leader in the areas of Public Health and PPM. The sales of the business division grew by 15 per cent in the year 2016 versus 2015. In 2016, your Company continued to sponsor major symposia and seminars to promote general awareness, product knowledge and international trends in vector borne disease management. These activities helped the Company to increase its reach amongst 'Local Bodies', thus reflecting a growth in the vector control segment, despite a limited portfolio of products. In the PPM segment, your Company has increased its footprint by focusing on expansion of reach and engaging directly with large Pest Management Professionals (PMPs). These activities yielded good results in growing the Pest Control Operations (PCO) business for the Company. Your Company's 'Bayer Network Program' which is a global certification programme for the PCOs, currently, has 61 Bayer Network PCOs across 30 cities in India. The Company has been able to increase its sales by 45 per cent among the 'Bayer Network' PCOs.

4. OPPORTUNITIES, RISKS, CONCERNS AND OUTLOOK

The central challenge for Indian agriculture is low productivity, evident in modest average yields. According to a Food and Agriculture Organisation (FAO) study, food energy requirements for South Asia will be about 2700 calories per capita per day by 2025. In India, the current food grain availability is 525 grams per capita per day, whereas the corresponding figures in China and USA are 980 grams and 2850 grams respectively. Due to an improvement in per capita income, if per capita consumption is 650 grams, the food grain requirement will be about 380 metric tons of food grain by 2025. In case of pulses, according to World Health Organisation (WHO) requirements, India will need 35 million tonnes of pulses by 2025. Although low productivity is a challenge, it also presents an opportunity for the industry.

Water is one of India's most scarce natural resources. India uses 2 to 4 times more water to produce a unit of major food crop than China and Brazil. Hence, it is imperative that the country focuses on improving the efficiency of water use in agriculture. Irrigation investments must shift to adopting technologies like sprinkler, drip irrigation and rainwater harvesting. In order to facilitate this shift, the new irrigation technologies need to be accorded 'infrastructure funding' status and both the center and states need to increase public spending for adoption & deployment of micro irrigation. Addressing India's multiple challenges in agriculture will require significant upgradation of the country's national agriculture research and extension systems. India's National Agricultural Research System (NARS) (comprising the Indian Council of Agricultural Research (ICAR) other central research institutes, and national research centers set up by ICAR), together with state agricultural universities played a key role in the Green revolution. In more recent years, however, agriculture research has been plagued by severe lack of investment and neglect.

Innovation will play a key role in developing agriculture in India. Better quality molecules, safer chemicals and the range of innovative products well-suited for high-value agriculture will ensure growth. Swelling farm incomes, encouraged by good commodity prices, will further embolden farmers in spending on qualitative inputs for achieving higher yields, better quality and a more favorable return on investment. Increasing labor shortage and its ever increasing cost will drive mechanization in agriculture. Farmers will look for mechanized solutions in the area of various agricultural operations.

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

Digital technologies will also play an important role in improving productivity, better farm management & agronomic practices and providing accurate and consistent agro advisory to farmers of the country. With increasing penetration of mobile phones and data services, digital technology will play a role of major integrator in Indian farming ecosystem.

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

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

The 12th Five Year Plan estimates the food grains storage capacity to expand to 35 Million tonnes. Also, a 4 per cent growth would help restructure the agriculture sector in India in the next few years. Your Company understands these trends very well and is poised to address these issues in a comprehensive manner. Our products offerings (both Seeds and Crop Protection), distribution reach and extension capabilities with a vast network of more than 3,000 field officers are well geared to address these challenges and provide comprehensive and differentiated solutions to different farmers. We are also investing heavily in the expansion of our production capacities to meet rising demand of our products.

On the Environmental Science front, an increased reach, focus on large and medium sized customers and a growing PPM segment are some of the main contributors that will help your Company consolidate its position in 2017. Bayer is expected to get two of its products Hazard Analysis and Critical Control Points (HACCP) certified which will help make further inroads in the PPM segment by promoting the safety profile of Bayer chemicals used for Pest Control. In the vector control segment, your Company continues to train and support local bodies, municipal bodies and state health departments. Your Company has also enhanced its presence in social media, through a Facebook page 'Choose Safety Choose Bayer'. A plethora of generics is the biggest concern for the Environmental Science business especially in the PPM segment.



MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

5. CORPORATE SUSTAINABILITY

For Bayer, sustainability means shaping the future successfully and, as part of our corporate strategy, is an integral part of our day-to-day work routines. Innovation is a key driver of future growth at Bayer. This spirit lends itself to everything we do at Bayer. It is this spirit of innovation that is the core of our Corporate Social Responsibility endeavors as well. As a part of our efforts to promote Science Excellence, we have organized many interesting programs for children and young people to kindle the spirit of science in the right perspective. Our Community Development programs being implemented in various parts of India focus on instilling awareness about health, hygiene and skill development.

Ensuring ample food supplies is one of the biggest challenges of our times. Bayer is developing solutions to this problem underscoring the concept of sustainable agriculture. Bayer is committed to protecting the environment and is constantly working to reduce environmental impact and find innovative product solutions that improve resource and energy efficiency. That's what our mission "Bayer: Science For A Better Life" is all about. The details about the Corporate Social Responsibility projects for the financial year 2016-17 are provided in the Directors' Report.

6. INTERNAL CONTROL SYSTEMS

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

7. CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Richard van der Merwe
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 06788505)

Ulrich Stefer
Executive Director &
Chief Financial Officer
(DIN: 07447177)

Thane, June 06, 2017

INDEPENDENT AUDITORS' REPORT**To the Members of Bayer CropScience Limited****Report on the Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying financial statements of Bayer CropScience Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2015 and the transition date opening Balance Sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 13, 2016 and May 27, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.



INDEPENDENT AUDITORS' REPORT (contd.)

To the Members of Bayer CropScience Limited

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditors' Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure II a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Notes 16 and 32.
 - ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. There are no long term derivative contracts as at March 31, 2017.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The disclosure requirement as envisaged in Notification G.S.R. 308(E) dated March 30, 2017 is not applicable to the Company – Refer Note 12(a).

For Price Waterhouse
Firm Registration Number: 5011125
Chartered Accountants

Uday Shah
Partner
Membership Number: 048081

Place: Mumbai
Date: May 24, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the Ind AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Bayer CropScience Limited ("the Company") as at March 31, 2017 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

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the Ind AS financial statements for the year ended March 31, 2017

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112C
Chartered Accountants

Uday Shah
Partner
Membership Number: 046261

Place: Mumbai
Date: May 24, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the Ind AS financial statements for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Notes 2 and 3 on fixed assets to the Ind AS financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding goods in transit and stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(a), (ii)(a), (ii)(b) and (ii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans granted by it. Further, the Company has not made any investments or provided any guarantees or security to the parties covered under Section 185 and 186.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and professional tax, though there have been slight delays in few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, provident fund, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs which have not been deposited on account of any dispute. Refer Appendix I for the particulars of dues of income tax, sales tax, value added tax, service tax and duty of excise as at March 31, 2017 which have not been deposited on account of a dispute.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. Further, there were no dues payable to financial institution or Government or debenture holders as at the Balance Sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (contd.)

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Gayer CorpScience Limited on the Ind AS financial statements for the year ended March 31, 2017

- ii. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- iii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- iv. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 186 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24. Related Party Disclosures specified under Section 135 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- v. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
- vi. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- vii. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(vii) of the Order are not applicable to the Company.

For PwC Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 046081

Place Mumbai
Date May 24, 2017

Appendix I

Referred to in paragraph vii(b) of our Annexure B to the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the Ind AS financial statements for the year ended March 31, 2017

Sr. No.	Name of the Statute	Nature of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax The Income Tax Act, 1961	Income Tax liability	23	Assessment Year 1992-1993, 2003-2004, 2004-2005, 2012-2013, 2014-2015	Appellate Authority - up to Commissioner's level
	Sub Total				
2	Sales Tax The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax and Value Added Tax liability	878	Years 1977-1978, 1978-1980 to 1981-1982, 1983-1984 to 1984-1985, 1995-1996, 1999-2000 to 2006-2007, 2008-2009 to 2015-2016	Appellate Authority - up to Commissioner's level
	Sub Total			2 Years 1989-1990 to 1990-1991, 2007-2008, 2008-2010	Sales Tax Appellate Tribunal
3	Excise Duty The Central Excise Act, 1944	Excise duty liability	5	Years 1985 to 1991, 1993 to 1997 and 2009	Appellate Authority - up to Commissioner's level
				2 Years 1993-1994, 2000-2001 and 2002-2003	Custom, Excise and Service Tax Appellate Tribunal
				14 Years 1994-1995, 2000-2001, 2001-2002 and 2002-2003	High Court
				Sub Total	
4	Service Tax The Finance Act, 1994	Service Tax liability	13	Years 2004 to 2007 and 2010 to 2015	Appellate Authority - up to Commissioner's level
	Sub Total				
	Total				



Balance Sheet as at March 31, 2017

₹ in Millions

	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	3,052	2,878	2,927
Capital work-in-progress		10	67	2
Investment Properties	3	307	312	317
Intangible Assets	4	61	25	6
Intangible Assets under development	4	281	102	4
Financial Assets				
- Other Financial Assets	8	160	135	61
Deferred Tax Assets (Net)	8	-	26	02
Income Tax Asset (Net)	7	435	447	343
Other Non-Current Assets	9	256	157	164
Total Non-Current Assets		4,512	4,146	4,050
CURRENT ASSETS				
Inventories	9	7,681	6,546	5,854
Financial Assets				
- Investments	10	497	364	324
- Trade Receivables	11	5,065	4,050	4,816
- Cash and Cash Equivalents	12	8,388	7,524	11,297
- Bank Balances other than Cash and Cash Equivalents	13	10	8	7
- Other Financial Assets	5	988	866	585
Other Current Assets	0	621	661	622
Total Current Assets		23,742	20,219	23,445
TOTAL ASSETS		28,254	24,365	27,495
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	14	354	354	366
Other Equity	15	20,313	18,040	20,740
Total Equity		20,667	18,394	21,106
LIABILITIES				
Non-Current Liabilities				
Provisions	16	838	750	697
Deferred Tax Liabilities (Net)	6	26	-	-
Total Non-Current Liabilities		864	750	697
CURRENT LIABILITIES				
Financial Liabilities				
- Trade Payables	17	3,874	2,045	2,057
- Other Financial Liabilities	18	577	176	273
Other Current Liabilities	18	1,200	1,081	1,229
Provisions	16	2,122	1,909	7,038
Current Tax Liabilities (Net)	20	52	15	05
Total Current Liabilities		6,631	5,224	10,602
Total Liabilities		7,687	5,974	6,380
TOTAL EQUITY AND LIABILITIES		28,254	24,365	27,495

Significant Accounting Policies

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

1

In terms of our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 340051

Rajiv Wani
Head - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board

Chairman: Pankaj Patel
DIN 00151852

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

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

Vinod Bhandari
DIN 00001315
Executive Director
& CFO: Ulrich Steier
DIN 07447177

Place: Mumbai
Date: May 24, 2017

Place: Mumbai
Date: May 24, 2017

Statement of Profit and Loss for the year ended March 31, 2017

₹ in Millions

	Notes	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Revenue from Operations	21	29,484	28,894
Other Income	22	761	817
TOTAL INCOME		30,185	29,711
EXPENSES			
Cost of Materials Consumed	23	15,882	15,044
Purchases of Stock-in-Trade		1,614	1,008
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(1,045)	(316)
Excise Duty		1,456	1,204
Employee Benefit Expenses	25	2,481	2,207
Finance Costs	26	88	100
Depreciation and Amortisation Expense	27	388	247
Other Expenses	28	4,380	5,110
TOTAL EXPENSES		25,706	24,895
PROFIT BEFORE TAX		4,479	4,816
Tax Expense	29		
- Current Tax		1,515	1,583
- Deferred Tax		83	72
		1,598	1,655
PROFIT FOR THE YEAR		2,881	3,161
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
- Remeasurement of post-employment benefit obligation		(21)	(18)
- Tax on remeasurement of post-employment benefit obligation	9	7	8
		(14)	(10)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,866	3,151
Earnings Per Share - Basic and Diluted	41	₹ 52.31	₹ 57.34
(Face Value per Equity Share - ₹ 10/-)			
Significant Accounting Policies	1		
The accompanying Notes are an integral part of these financial statements.			

In terms of our report of even date.

For Pricewaterhouse
First Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 046081

Rajiv Wani
Head - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board
Chairman

Pankaj Patel
DIN 00131852

Vice Chairman &
Managing Director
and CEO

Richard van der Merwe
DIN 08768305

Directors

Shresh Kulkarni
DIN 00003640
A.K.R. Nedungadi
DIN 00103214

Vimal Bhandari
DIN 00007318
Ulrich Stehr
DIN 07447177

Executive Director
& CFO

Place: Mumbai
Date: May 24, 2017

Place: Mumbai
Date: May 24, 2017



Statement of Changes in Equity for the year ended March 31, 2017

₹ in Millions

	Notes	As at 31.03.2017	As at 31.03.2016		
A EQUITY SHARE CAPITAL					
Balance as at the beginning of the year		354	366		
Changes during the year	14	-	(12)		
Balance as at the end of the year		354	354		
B OTHER EQUITY					
	Notes	Reserves and Surplus		Total Other Equity	
		Retained Earnings	General Reserve	Capital Redemption Reserve	
Balance as at 01.04.2015	15	17,817	3,894	28	20,740
Profit for the year		3,151	-	-	3,151
Other Comprehensive Income	15(ii)	(12)	-	-	(12)
Total Comprehensive Income for the year		3,139	-	-	3,139
Transfer to General Reserve		(383)	383	-	-
Transfer to Capital Redemption Reserve	14(c)	(12)	-	12	-
Transactions with owners in their capacity as owners					
Dividend Declared	15(iii)	(622)	-	-	(622)
Dividend Distribution Tax on Dividend	15(iii)	(127)	-	-	(127)
Premium paid on Buyback of Equity shares	14(c)	(5,048)	-	-	(5,048)
Transaction cost for Buyback of Equity shares		(41)	-	-	(41)
Balance as at 31.03.2016	15	14,722	3,277	40	18,040
Profit for the year		2,910	-	-	2,910
Other Comprehensive Income	15(ii)	(14)	-	-	(14)
Total Comprehensive Income for the year		2,896	-	-	2,896
Transfer to General Reserve		(301)	301	-	-
Transactions with owners in their capacity as owners					
Dividend Declared	15(iii)	(601)	-	-	(601)
Dividend Distribution Tax on Dividend	15(iii)	(122)	-	-	(122)
Balance as at 31.03.2017		16,594	3,578	41	20,213

Significant Accounting Policies

1

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

In terms of our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 048061

Rajiv Wani
Head - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board

Chairman: Pankaj Patel
DIN: 00131852

Vice Chairman & Managing Director and CEO: Richard van der Merwe
DIN: 05762305

Directors: Sharad Kulkarni
DIN: 00003640
A.K.R. Nedungadi
DIN: 00103218

Vimal Bhambhani
DIN: 00001318
Ulrich Stefer
DIN: 07437177

Executive Director & CFO

Place: Mumbai
Date: May 24, 2017

Place: Mumbai
Date: May 24, 2017

Cash Flow Statement for the year ended March 31, 2017

₹ in Millions

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
A. Cash Flow from Operating Activities:		
Profit Before Tax	4,478	4,616
Adjustments for:		
Depreciation and Amortisation Expense	289	247
Interest Expense	69	100
Interest Income	(395)	(457)
Dividend Income	(58)	(114)
Rent Income on Investment Properties	(39)	(39)
Profit on Tangible Assets sold/ disposed (Net)	(5)	(6)
Profit on sale of Investments	(6)	(2)
Bad Debts	15	7
Provision for Expected Credit Loss	91	(8)
Provision for Indirect Taxes and Other Commercial Matters (Net)	18	27
Inventory write off/ write down	131	36
Unrealised (gain)/ loss on Investments measured at FVPL	(1)	1
Unrealised foreign exchange (gain)/ loss	1	(16)
	<u>80</u>	<u>(224)</u>
Operating Profit before Working Capital changes	4,558	4,592
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	(1,610)	735
(Increase)/ Decrease in Financial Assets	(164)	(350)
(Increase)/ Decrease in Other Receivables	(50)	(15)
(Increase)/ Decrease in Inventories	(1,180)	(616)
Increase/ (Decrease) in Trade Payables	646	20
Increase/ (Decrease) in Financial Liabilities	306	(98)
Increase/ (Decrease) in Provisions and Other Payables	337	(335)
Cash generated from Operations	3,850	3,719
Taxes Paid	(1,477)	(1,254)
Net Cash from Operating Activities	<u>1,573</u>	<u>2,385</u>
B. Cash Flow from Investing Activities:		
Purchase of Tangible and Intangible Assets	(551)	(403)
Proceeds from Sale of Other Tangible/ Intangible Assets	56	34
Loan given to Related Party	(1,500)	(1,100)
Loan repaid by Related Party	1,500	1,100
Purchase of Investments	(967)	(714)
Proceeds from Sale of Investments	860	600
Interest Received	409	402
Rent Income on Investment Properties (Refer Note 3(c))	39	39
Dividend Received on Current Investments	68	114
Net Cash (used)/ from Investing Activities	<u>(64)</u>	<u>158</u>
C. Cash Flow from Financing Activities:		
Buyback of Equity Shares including Premium and Transaction cost (Refer Note 14(c))	—	(5,101)
Interest Paid	(12)	(48)
Dividend Paid	(599)	(621)
Dividend Distribution Tax Paid	(122)	(126)
Net Cash (used) in Financing Activities	<u>(733)</u>	<u>(5,896)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents	<u>758</u>	<u>(3,353)</u>
Cash and Cash Equivalents at the beginning of the year	7,624	11,297
Cash and Cash Equivalents at the end of the year	<u>8,380</u>	<u>7,624</u>


Cash Flow Statement for the year ended March 31, 2017 (contd.)
₹ in Millions

	As at 31.03.2017	As at 31.03.2016
Cash and Cash Equivalents comprise:		
Balance with Banks	8,302	7,624
Short-term highly liquid investments	2,076	100
	8,380	7,624

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
- 2) Short-term highly liquid investments comprise of investments in Mutual Funds which are highly liquid and have an insignificant risk of change in value.
- 3) Previous year's figures have been reclassified/ regrouped to conform to current year's presentation.

In terms of our report of audit date:

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Bhan
Partner
Membership Number: 046061

Rajiv Wani
Head - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board

Chairman **Pankaj Patel**
DIN 00101853

Vice Chairman & Managing Director and CEO **Richard van der Merwe**
DIN 08766306

Directors **Sherad Kulkarni**
DIN 00003640
A.K.JL. Neoungad
DIN 00100214

Executive Director & CFO **Vinod Bhandari**
DIN 00001316
Ulrich Stehr
DIN 07447177

Place : Mumbai
Date : May 26, 2017

Place : Mumbai
Date : May 24, 2017

Notes to the financial statements for the year ended March 31, 2017*(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. The Company is engaged into ‘Agri Care’ business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicides and various other agrochemical products, and sale and distribution of hybrid seeds. Out of the total paid-up share capital of the Company, 86.58% 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 at Filmnagar in the state of Gujarat.

1 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Preparation****Compliance with Ind AS**

The financial statements of the Company are prepared based on the principle of the 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 Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP).

The financial statements for the year ended March 31, 2017 are the first financial statements with comparatives prepared under Ind AS. Reconciliations and explanations of the effect of the transition from previous GAAP to Ind AS on the Company's Total Equity, Total Comprehensive Income and Statement of Cash Flows are provided in Note 42.

The accounting policies are applied consistently in all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015, being the date of transition to Ind AS.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization 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 millions 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 and sales deductions.

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.

Transition to Ind AS

Ind AS estimates as at April 1, 2015 are consistent with estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model and investment in debt instruments carried at FVPL in accordance with Ind AS at the date of transition as these were not required under previous GAAP.



Notes to the financial statements for the year ended March 31, 2017 (cont.)

(All amounts in ₹ Millions, unless otherwise stated)

(c) Principles of Business Combination

The acquisition method of accounting under Ind AS is used to account for business combinations by the Company from the date of transition to Ind AS i.e. April 1, 2015. Prior to the date of transition to Ind AS, business-acquisition has been accounted based on previous GAAP.

Transition to Ind AS:

In accordance with Ind AS 101's Provision related to first time adoption, the Company has elected to apply Ind AS 105 - Business Combinations prospectively to business combinations occurred after its transition date. As such, Indian GAAP balances relating to business combinations entered into before that date have been carried forward.

(d) 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 recognized in the Statement of Profit and Loss.

(e) Revenue Recognition

- i) Sales are recognized in Statement of Profit and Loss when the significant risks and rewards of ownership of the goods have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue and costs incurred or to be incurred, can be measured reliably, and it is sufficiently probable that the economic benefits associated with the transaction will flow to the Company.

Sales are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and discounts. Appropriate provisions are recorded for returns and rebates which are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development. It is unlikely that the factors other than these could materially affect sales calculations of the Company.

The Company operates a loyalty program where customers accumulate points for purchases made which entitles them for free or discounted goods, other than Company's goods or specific services. The revenue received or receivable is allocated between the goods supplied and award credits granted. Revenue related to the award credits are deferred and recognised when the points are redeemed by the customers. The revenue related to the award credit is measured by reference to their fair value.

The Company evaluates sales and distribution arrangement with supplier whether it is acting as a principal or an agent of the supplier, considering its exposure to the significant risk and reward, and based on factors such as primary obligation for providing goods/services to customer, credit risk, inventory risk and pricing latitude. Where the supplier retains significant risks and rewards associated with the product 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.

(f) 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 recognized on accrual basis to the extent the ultimate realization is reasonably certain.

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(g) Income Tax

Income taxes comprise the taxes levied on taxable income along with changes in deferred tax assets and liabilities that are recognized in the Statement of Profit and Loss. The income taxes recognized are reflected at the amounts likely to be payable under the statutory regulations in force, or already enacted in relation to future periods, at the end of the reporting period.

In compliance with Ind AS 12 – Income Taxes, deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet prepared according to Ind AS and their tax bases.

Deferred tax assets relating to deductible temporary differences, tax credits or tax loss carryforwards are recognized where it is probable that sufficient taxable income will be available in the future to enable them to be used. Deferred tax liabilities are recognized on temporary differences taxable in the future. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

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 realization. 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 recognized in the Statement of Profit and Loss except where they relate to deferred taxes that were recognized outside the Statement of Profit and Loss, in which case they are recognized in Other Comprehensive Income.

Deferred and current taxes are recognized in Statement of Profit and Loss unless they relate to items recognized outside Statement of Profit and Loss, in Other Comprehensive Income or directly in Equity, in which case they, too, are recognized in Other Comprehensive Income or directly in equity respectively.

(h) Leases

A lease is an agreement whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payments. A Lease is classified at the inception date as a finance lease or an operating lease. Lease transactions that transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other lease agreements are classified as operating leases. Whether an agreement constitutes a lease or contains a lease is determined upon inception of the lease.

As a lessee:

In case of Finance lease, the leased asset is capitalized at the lower of fair value of the leased asset and the present value of the minimum lease payments at the inception of lease. The leased asset is depreciated by the straight-line method over the shorter of its estimated useful life or the lease term.

In case of Operating lease, the lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

In respect of assets given on operating lease, the lease rental income is recognized 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.

Transition to Ind AS:

The Company has assessed whether a contract or an arrangement contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS.



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(i) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flow, Cash and Cash Equivalents comprises cash on hand, balances with banks including demand deposits, other short-term highly liquid investments that are subject to an insignificant risk of changes 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.

(ii) Inventories

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (semi-finished goods) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognized at their cost of acquisition or production and all other costs incurred in bringing the inventories to their present location and condition - calculated by the weighted average method - or at their net realizable value, whichever is lower. The net realizable 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.

(k) Investment and Other Financial Assets

Financial assets are recognized and measured in accordance with Ind AS 100 - Financial Instruments. Accordingly, the Company recognizes financial asset only when it has a contractual right to receive cash or other financial assets from another entity.

Financial assets are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit or loss are expensed in the Statement of Profit and Loss immediately.

Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (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 amortized 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 amortized cost. Financial assets are accounted for at amortized 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 amortized cost and is not part of a hedging relationship is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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 fair value through Other Comprehensive Income (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 recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through Profit or Loss (FVPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognized 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.

Notes to the financial statements for the year ended March 31, 2017 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(k) Investment and Other Financial Assets (contd.)****Equity Instruments**

The Company subsequently measures all equity instruments at fair value through the Statement of Profit and Loss. Accordingly, a gain or loss on an equity instrument is recognized in the Statement of Profit and Loss.

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 amortized cost and FVOCI debt instruments. If there are substantial and objective indications of a decline in the value of financial assets, an impairment loss is performed. The Company applies Expected Credit Loss (ECL) model for recognizing impairment loss on financial assets measured at amortized 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 recognized impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortized cost of acquisition.

Financial assets are derecognized 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.

Transition to Ind AS

The Company has elected to apply de-recognition provisions of Ind AS 109 - Financial Instruments prospectively for transactions occurring on or after the date of transition and accordingly financial assets which were derecognized under previous GAAP are not reinstated.

The Company has classified and measured its financial assets on the basis of the facts and circumstances existed at the date of transition to Ind AS.

(l) 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 recognized 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 recognized immediately in the Statement of Profit and Loss.

(m) 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 recognized 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 recognized as a separate asset, as appropriate, only when it meets the asset recognition criteria as per Ind AS 16 - Property, Plant and Equipment.

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. If the recoverable amount is less than the carrying amount, an impairment loss is recognized for the difference. If the reasons for a previously recognized impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not cause the carrying amount to exceed the cost of acquisition or construction less depreciation.

An item of property, plant and equipment and any significant part initially recognized, is derecognized 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 derecognized.



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(m) Property, Plant and Equipment (contd.)

The Company, based on technical assessment made by management expert, 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. 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	5
Office Equipments (including Electrical Installation)	5 to 10
Computers	3 to 5

Depreciation on assets costing ₹ 5,000/- or less is provided at the rate of 100% in the year of acquisition.

Land under Finance Lease is amortised over the period of lease except for the lease with perpetual rights.

Transition to Ind AS:

The Company has elected to measure all its property, plant and equipment at their previous GAAP carrying value as deemed cost at date of transition.

(n) 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 profit or loss in the period of derecognition.

Transition to Ind AS:

The Company has elected to measure all its investment properties at their previous GAAP carrying value as deemed cost at date of transition.

(o) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance such as a technical knowhow, computer software or marketing rights. It is capitalized 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 recognized at the cost of acquisition or generation less accumulated amortization/impairment loss, if any. Those with determinable useful life are amortised accordingly on a straight line basis over a period of up to three years for computer software and ten years for marketing rights. Determination of the expected useful lives of such assets and the amortization 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 recognized in the Statement of Profit and Loss. If the reasons for a previously recognized impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not cause the carrying amount to exceed the (amortised) cost of acquisition or generation.

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 recognized in the Statement of Profit and Loss when the asset is derecognised.

Transition to Ind AS:

The Company has elected to measure all intangible assets at their previous GAAP carrying value as deemed cost at date of transition.

Notes to the financial statements for the year ended March 31, 2017 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***(p) Financial Liabilities**

Financial liabilities are initially recognized at fair value if the Company has a contractual obligation to transfer cash or other financial assets to another party. Borrowings and payables are recognized net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when the contractual obligation is discharged or cancelled, or has expired.

Transition to Ind AS

The Company has elected to apply de-recognition provisions of Ind AS 108 - Financial Instruments prospectively for transactions occurring on or after the date of transition and accordingly financial liabilities which were derecognized under previous GAAP are not restated.

The company has classified and measured its financial liabilities on the basis of the facts and circumstances existed at the date of transition to Ind AS.

(q) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 obligations.

Provisions are measured in accordance with Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. Where the cash outflow to settle an obligation is expected to occur after one year, the provision is measured at the present value of the expected cash outflow. Claims for reimbursements from third parties are separately reflected in other receivables if their realisation is virtually certain.

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 recognized in the operating expense item(s) in which the original charge was recognized.

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 recognized in the financial statements.

(r) Provision for Employment Benefits

The Company provides post-employment benefits under defined contribution and/or 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 the insurance company. The Company makes contributions to State plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are recognized as Employee Benefit 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 Life Insurance Corporation of India ('LIC'). The present value of provisions for defined benefit plans and the resulting expenses 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 for other post-employment benefits to determine the net defined benefit liability.

The effects of re-measurements of the net defined benefit liability are reflected in the Statement of Comprehensive Income as Other Comprehensive Income. They consist 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 recognized in Other Comprehensive Income.



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

(f) Provision For Employment Benefits (contd.)

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost under 'Employee Benefit Expenses'.

For other employee benefits, the effect of re-measurements arising due to experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss as 'Employee Benefit Expenses' in the year in which they arise.

The net interest on net liability for defined benefits and other employee benefits is recognized in the Statement of Profit and Loss as 'Finance Cost' in the year in which they arise.

Termination benefits in the nature of voluntary retirement benefits are recognized in the Statement of Profit and Loss as and when incurred.

(g) Recent Accounting Pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 (the 'Amendment Rules') on March 17, 2017 notifying amendments to Ind AS 7 - Statement of Cash Flows and Ind AS 102 - Share-based payment effective for annual periods beginning on or after April 1, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of its modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not expect a significant impact on its financial statements on initial application of these 'Amendment Rules'.

2 PROPERTY, PLANT AND EQUIPMENT (Refer Note 33(a))

Assets	Gross Cost	Gross Carrying amount				Accumulated Depreciation				Net Carrying amount	
		As at 31.03.2016	As at 01.04.2016	Additions	Deletions	As at 31.03.2017	As at 01.04.2016	For the Year	On deletions	As at 31.03.2017	As at 31.03.2017
Freehold Land	180	180	-	-	-	180	-	-	-	-	180
		(180)	(-)	(-)	(-)	(180)	(-)	(-)	(-)	(-)	(180)
Land under Finance Lease	-	-	-	-	-	-	-	-	-	-	-
		(1)	(-)	(-)	(-)	(1)	(-)	(-)	(-)	(-)	(1)
Buildings ¹	1,788	1,788	59	-	-	1,807	43	48	-	59	1,716
		(1,788)	(19)	(-)	(-)	(1,788)	(-)	(43)	(-)	(43)	(1,745)
Plant and Equipment ²	279	328	135	-	-	439	47	52	-	99	359
		(279)	(46)	(4)	(4)	(337)	(-)	(67)	(-)	(47)	(373)
Furniture and Fixtures	142	164	11	-	-	174	16	18	-	37	137
		(142)	(22)	(-)	(-)	(164)	(-)	(18)	(-)	(18)	(148)
Vehicles	351	350	217	79	-	636	57	37	27	87	629
		(351)	(91)	(22)	(22)	(586)	(-)	(30)	(-)	(67)	(623)
Office Equipment (including Computers)	295	275	113	1	-	389	95	94	1	190	299
		(295)	(70)	(8)	(8)	(371)	(-)	(80)	(-)	(85)	(379)
Total	2,927	3,108	485	81	-	3,572	200	308	28	470	3,462
		(2,927)	(212)	(31)	(31)	(3,168)	(-)	(231)	(13)	(230)	(3,275)

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT [Refer Note 23(a)] (contd.)

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 and Plant and Equipment represents amount of expenditures incurred in the course of its construction.

3 INVESTMENT PROPERTIES

Assets	Deemed Cost	Gross Carrying amount				Accumulated Depreciation				Net Carrying amount	
		As at 01.04.2015	As at 01.04.2016	Additions	Deletions	As at 31.03.2017	As at 01.04.2016	For the Year	On Deletions	As at 31.03.2017	As at 31.03.2016
Land	34	34	-	-	-	34	-	-	-	-	34
			(34)	(-)	(-)	(34)	(-)	(-)	(-)	(-)	(34)
Building	253	282	-	-	282	3	3	3	-	10	272
		(282)	(-)	(-)	(282)	(-)	(5)	(5)	(-)	(5)	(278)
Total	311	317	-	-	317	3	3	3	-	10	307
		(317)	(-)	(-)	(317)	(-)	(5)	(5)	(-)	(5)	(312)

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

b) The Company had given Land and portion of a Building on operating lease under cancellable lease arrangement. Investment properties are distinguished from owner-occupied property based on area covered under lease arrangements. Refer Note 33 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	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Rental income (Refer Note 22)	38	36
Direct operating expenses from property that generated rental income (including Depreciation)	30	26
Direct operating expenses from property that did not generate rental income	-	-

d) Fair value

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investment properties	560	553	519

Estimation of fair value:

The fair value of investment properties has been determined by external independent property valuers having recognised professional qualifications. The current prices in an active market for similar properties has been used to determine fair value of investment properties. The fair value measurement of investment properties has been categorised as Level 3 based on the inputs in the valuation.



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

4 INTANGIBLE ASSETS [Refer Note 33(a)]

Assets	Deemed Cost	Gross Carrying amount				Accumulated Amortisation				Net Carrying amount
	As at 01.04.2016	As at 01.04.2016	Additions	Deletions	As at 31.03.2017	As at 01.04.2016	For the Year	On deletions	As at 31.03.2017	As at 31.03.2017
Computer Software	8	34	32	-	66	8	16	-	24	42
		(8)	(26)	(-)*	(34)	(-)	(8)	(-)*	(8)	(25)
Total	8	34	32	-	66	8	16	-	24	42
		(8)	(26)	(-)*	(34)	(-)	(8)	(-)*	(8)	(25)

Assets	Deemed Cost	Gross Carrying amount			
	As at 31.03.2016	As at 01.04.2016	Additions	Transfer/Adjustment	As at 31.03.2017
Intangible Assets under development	4	132	181	52	369
		(18)	(124)	(26)	(102)

a) Deemed cost of Goodwill and Technical Knowhow as on April 1, 2015 is Nil i.e. fully amortized 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.

5 OTHER FINANCIAL ASSETS

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(Unsecured, Considered good unless otherwise stated)						
Security Deposits						
- Considered Good	166	135	90	38	31	25
- Considered Doubtful	7	8	6	-	-	-
	167	141	96	38	31	25
Less: Provision for Expected Credit Loss [Refer Note 38(a)(i)]	7	8	6	-	-	-
	160	135	90	38	31	25
Accrued Interest Receivable	-	-	-	18	32	97
Advances recoverable in cash or kind	-	-	-	761	726	398
Other Receivables [includes due from a Private Company in which a Director is a Director & (March 31, 2016: 4; April 1, 2015: 4)]	-	-	1	179	77	168
	160	135	91	986	866	688

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

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

6 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

	Deferred Tax Asset						Deferred Tax Liability	Total (Net)
	Provision for Expected Credit Loss on Trade Receivables and Security Deposits	Liabilities allowed on payment basis	Provision for Defined Benefit Obligations	Disallowances, u/s 40(a)(i) and 40(a)(ii) of the Income Tax Act, 1961	Indexation on Freehold land	Others	Depreciation and Amortisation of Assets	
Balance as at April 1, 2015	21	85	62	53	0	-	(150)	61
(Charged)/ credited during the year:								
To Statement of Profit and Loss	(2)	9	2	5	1	-	(39)	(72)
To Other Comprehensive Income	-	-	8	-	-	-	-	8
Balance as at March 31, 2016	30	94	71	58	1	-	(240)	25
(Charged)/ credited during the year:								
To Statement of Profit and Loss	(1)	0	8	(10)	2	2	(37)	(32)
To Other Comprehensive Income	-	-	7	-	-	-	-	7
Balance as at March 31, 2017	29	94	79	48	3	2	(337)	(20)

7 INCOME TAX ASSET (NET)

	Non-Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advance payment of Income Tax [Net of Provision for Taxation 14,182 (March 31, 2016: 12,588; April 1, 2015: 10,743)]	432	444	442
Fringe Benefit Tax [Net of Provision for Taxation 125 (March 31, 2016: 125; April 1, 2015: 125)]	3	3	3
	435	447	445

8 OTHER ASSETS

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(Unsecured, Considered good unless otherwise stated)						
Capital Advances	3	2	4	-	-	-
Other Advances:						
- Advance to Vendors	-	-	-	88	36	38
- Balance with Government Authorities	231	127	130	497	584	541
- Prepaid Expenses	8	9	9	56	41	48
- Advance to Employees	18	19	21	-	-	-
	259	157	164	641	661	627

9 INVENTORIES

(Lower of Cost and Net Realizable Value)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Raw Materials (Includes in transit 859 (March 31, 2016: 1,467; April 1, 2015: 813))	2,576	3,693	3,170
Packing Materials (Includes in transit Nil (March 31, 2016: 1; April 1, 2015: Nil))	89	84	95
Semi-Finished Goods	158	182	204
Finished Goods (Includes in transit 92 (March 31, 2016: 183; April 1, 2015: 159))	3,485	2,572	2,285
Stock-in-Trade (Includes in transit 103 (March 31, 2016: 104; April 1, 2015: 11))	336	191	159
Stores and Spare Parts	18	12	10
	7,662	6,648	5,664



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Million; unless otherwise stated)

10 INVESTMENTS

	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
At Fair value through profit or loss			
Unquoted*			
Investments in Mutual Funds			
6,104,834 (March 31, 2016: 8,623,928; April 1, 2015: Nil) units of ₹ 11/- each in DHPL	65	101	-
Promeris Arbitrage Fund			
7,643,123 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 11/- each in Edelweiss	81	-	-
Arbitrage Fund			
4,137,030 (March 31, 2016: 8,545,842; April 1, 2015: Nil) units of ₹ 11/- each in HDFC	44	101	-
Arbitrage Fund			
Nil (March 31, 2016: 7,822,382; April 1, 2015: Nil) units of ₹ 13/- each in IDFC Arbitrage	-	101	-
Fund			
Nil (March 31, 2016: Nil; April 1, 2015: 4,751,309) units of ₹ 10/- each in Kotak Equity	-	-	51
Arbitrage Fund			
Nil (March 31, 2016: 5,876,805; April 1, 2015: Nil) units of ₹ 10/- each in LAT Arbitrage	-	81	-
Opportunities Fund			
8,858,887 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 15/- each in ICICI Prudential	100	-	-
Equity Arbitrage Fund			
8,272,997 (March 31, 2016: Nil; April 1, 2015: 14,804,581) units of ₹ 11/- each in Reliance	100	-	102
Arbitrage Advantage Fund			
85,796 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,529/- each in Reliance Liquid	107	-	-
Fund Treasury Plan			
Nil (March 31, 2016: Nil; April 1, 2015: 4,017,104) units of ₹ 13/- each in Investo India	-	-	51
Arbitrage Fund			
	497	384	254
Aggregate value of Unquoted Investment	497	384	254

* As Mutual Funds investments are not listed on stock exchange, it is considered as unquoted investments.

11 TRADE RECEIVABLES (Refer Notes 38 and 40)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Secured, considered good	-	-	-	60	51	56
Unsecured, considered good (Included due	-	-	-	5,585	3,899	4,780
from a Private Company in which a Director						
is a Director 29 (March 31, 2016: 26;						
April 1, 2016: 21)) (Refer Note (a) below)						
Unsecured, considered doubtful	107	107	115	-	-	-
Total	107	107	115	5,645	4,050	4,816
Less: Provision for Expected Credit Loss	107	107	115	-	-	-
(Refer Note 36(a)(i))						
	-	-	-	5,538	4,050	4,816

- a) The Company is the 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 recognizes the risk of overdue receivables to its account. As of March 31, 2017, the Company has certain overdue outstanding receivables towards distribution of seeds to third parties aggregating 354. 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. 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. Accordingly, the amount recovered from BBPL is recognised as "Other financial liabilities" in Note 18.

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

12 CASH AND CASH EQUIVALENTS (Refer Note (a) below)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balances with banks			
- In Current Accounts	327	186	198
- In Fixed Deposits (less than 2 months maturity)	5,975	7,335	10,895
Short-term highly liquid investments (Refer Note (b) below)	2,075	100	200
	6,377	7,621	11,293

a) The Company does not maintain any Cash balances and accordingly there are no holdings or dealings in Specified Bank Notes, during the period from November 8, 2016 to December 30, 2016, as envisaged in the Notification in Official Gazette dated March 30, 2017.

b) Investment in Mutual Funds

(Current and Unquoted*) - at Fair Value through Profit and Loss

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
300,743 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,001/- each in DSP Blackrock Liquidity Fund	301	-	-
299,914 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,001/- each in HSBC Cash Fund	300	-	-
302,030 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,001/- each in Invesco India Liquid Fund	302	-	-
Nil (March 31, 2016: 81,837; April 1, 2015: Nil) units of ₹ 1,000/- each in Kotak Liquid Scheme	-	100	-
296,754 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,015/- each in L&T Liquid Fund	301	-	-
1,000,702 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 100/- each in ICICI Prudential Liquid Plan	100	-	-
129,622 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,529/- each in Reliance Liquid Fund Treasury Plan	198	-	-
300,431 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,001/- each in Reliance Liquidity Fund	301	-	-
Nil (March 31, 2016: Nil; April 1, 2015: 200,251) units of ₹ 1,001/- each in Union Liquid Fund	-	-	200
196,604 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,018/- each in UTI Liquid Cash Plan	200	-	-
74,762 (March 31, 2016: Nil; April 1, 2015: Nil) units of ₹ 1,003/- each in UTI Money Market Fund	75	-	-
	2,075	100	200
Aggregate amount of Unquoted Investments	2,075	100	200

* 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, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
In Fixed Deposits	-	-	-
In Margin Deposits under lien with bank towards bank guarantees	-	-	9
Embedded balances with banks in Unpaid Dividend Accounts	10	8	8
	<u>10</u>	<u>8</u>	<u>7</u>

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

14 EQUITY SHARE CAPITAL

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised: 48,300,000 (March 31, 2016: 48,300,000; April 1, 2015: 48,300,000)			
Equity Shares of ₹ 10/- each	483	483	483
Issued, Subscribed and Paid-up: 35,354,001 (March 31, 2016: 35,354,001; April 1, 2015: 36,619,001)			
Equity Shares of ₹ 10/- each, fully paid-up	<u>354</u>	<u>354</u>	<u>366</u>

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 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	35,354,001	354	36,619,001	366	36,619,001	366
Less: Shares bought back during the year (Refer Note (c) below)	-	-	1,265,000	12	-	-
Balance as at the end of the year	<u>35,354,001</u>	<u>354</u>	<u>35,354,001</u>	<u>354</u>	<u>36,619,001</u>	<u>366</u>

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

Accordingly: (i) the face value of issued, subscribed and paid-up equity share capital was reduced by 12; (ii) 12 had been transferred from Surplus in Statement of Profit and Loss to Capital Redemption Reserve as per the provision of Section 69(1) of the Companies Act, 2013; (iii) the premium aggregating to 5,048 had been adjusted from the Surplus in Statement of Profit and Loss during the year ended March 31, 2016.

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

	Number of Shares		
	01.04.2012 to 31.03.2017	01.04.2011 to 31.03.2016	01.04.2010 to 31.03.2015
Aggregate number of Equity Shares bought back	<u>4,144,746</u>	<u>4,144,746</u>	<u>2,679,746</u>

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

14 EQUITY SHARE CAPITAL (contd.)**a) Shares held by Ultimate Holding Company and its subsidiaries:**

	Number of Shares		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Ultimate Holding Company:			
Bayer AG, Germany	3,676,388	3,676,388	3,644,996
Subsidiaries of Ultimate Holding Company:			
Bayer Vapi Private Limited, India	8,248,312	8,348,312	8,198,584
Bayer S.A.S., France	8,810,399	8,810,399	7,122,757
Bayer CropScience AG, Germany	5,509,593	5,509,593	8,084,591

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

15 OTHER EQUITY

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Reserves and Surplus:			
Capital Redemption Reserve	41	41	29
General Reserve	3,578	3,277	2,894
Retained Earnings	16,594	14,722	17,817
	20,213	18,040	20,740
	As at 31.03.2017	As at 31.03.2016	
i) Capital Redemption Reserve [Refer Note (a) below]			
Balance as at the beginning of the year		41	29
Add: Transfer from Surplus in Statement of Profit and Loss [Refer Note 14(c)]		-	12
Balance as at the end of the year		41	41
a) It represents transfer from Retained Earnings on Buyback of equity shares by the Company as per the provision of Section 69(1) of the Companies Act, 2013.			
ii) General Reserve [Refer Note (a) below]			
Balance as at the beginning of the year		3,277	2,894
Add: Transfer from Surplus in Statement of Profit and Loss during the year		301	383
Balance as at the end of the year		3,578	3,277
a) It represents transfer from Retained Earnings.			
iii) Retained Earnings			
Balance as at the beginning of the year		14,722	17,817
Profit for the year		2,918	3,151
Items of Other Comprehensive Income recognised directly in retained earnings			
Remeasurement of Post-employment benefit obligation [Refer Note 16(a)(8)(2)(ii)]		(21)	(18)
Deferred tax on Remeasurement of Defined benefit plan [Refer Note 6]		7	8
Appropriations			
Dividend [Refer Note 37(b)(i)]		(601)	(623)
Dividend Distribution Tax on Dividend		(122)	(127)
Transfer to General Reserve		(301)	(383)
Transfer to Capital Redemption Reserve [Refer Note 14(c)]		-	(12)
Premium paid on Buyback of Equity shares [Refer Note 14(c)]		-	(5,943)
Transaction cost for Buyback of Equity shares		-	(81)
Balance as at the end of the year		16,594	17,817



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16 PROVISIONS

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Employee Benefits:						
- Gratuity [Refer Note (e) below]	306	170	152	41	38	32
- Compensated Absences [Refer Note (b) below]	146	132	127	17	12	17
- Others [Refer Note (c) below]	133	108	115	447	399	458
Other Provisions [Refer Note (a) below]						
- Direct Tax Matters [Refer Note (d)(i) below] (Net of Advance Tax of 163 (March 31, 2016: 155; April 1, 2015: 108))	15	24	12	-	-	-
- Indirect Tax Matters [Refer Note (d)(ii) below]	57	65	64	-	-	-
- Commercial and Other Matters [Refer Note (d)(iii) below] (Net of Payment 5 (March 31, 2016: 5; April 1, 2016: 5))	279	253	227	-	-	-
- Anticipated Sales Returns [Refer Note (d)(iv) below]	-	-	-	121	202	108
- Discounts/Incentives payable to Customers [Refer Note (d)(v) below]	-	-	-	1,498	1,280	1,420
	<u>836</u>	<u>750</u>	<u>607</u>	<u>2,122</u>	<u>1,909</u>	<u>2,038</u>

a) Movement in Other Provisions

	Direct Tax Matters	Indirect Tax Matters	Commercial and Other Matters	Anticipated Sales Returns	Discounts/ Rebates payable to Customers
Balance as at the beginning of the year	24	65	253	202	1,280
	(12)	(64)	(227)	(108)	(1,420)
Add: Additional provision (net)	-	4	26	121	4,556
	(12)	(1)	(28)	(202)	(4,140)
Less: Provision utilized	-	12	-	202	4,333
	(-)	(-)	(-)	(108)	(4,360)
Less: Provision adjusted	6	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Balance as at the end of the year	<u>15</u>	<u>67</u>	<u>279</u>	<u>121</u>	<u>1,498</u>
	<u>(24)</u>	<u>(65)</u>	<u>(253)</u>	<u>(202)</u>	<u>(1,280)</u>

Figures shown in brackets are in respect of previous year.

- b) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and 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 and 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 recognized in the Statement of Profit and Loss in the year in which they arise.

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions; unless otherwise stated)

16 PROVISIONS (contd.)

- c) Provisions for other employee benefits mainly include those accounted for performance based bonus, variable payments and long-service awards.
- d) Other Provision represents:-

- i) Provision for institutes 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 behaviour 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 5 years.

During the year, 28 (Previous Year 25) is recognised under the head "Finance Costs" (Refer Note 25) as an additional provision towards Commercial and Other Matters.

- ii) Provision for anticipated sales return. This is recognised on a net basis at the gross margin on the sales. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned. It is expected to be utilised within 12 months from the end of the year.
- iii) Provision for trade discount, cash discount and incentive schemes. It is expected to be utilised within 12 months from the end of the year.

4) Employee Benefit Obligation:

Disclosure as required under Indian Accounting Standard (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 since the Company has no further obligation beyond making the contributions.

The expenses recognized during the year towards defined contribution plans are as detailed below:

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Provident Fund	54	54
Superannuation	24	24
Total (included in Note 25 - "Employee Benefit Expenses")	68	68

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 Gratuity Act or Company policy multiplied for the number of years of service. Quantum of gratuity benefits may vary depending on the eligible employee's date of joining and salary grade.

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ("LIC") as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

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 31.03.2017	As at 31.03.2016	As at 01.04.2015
Present value of defined benefit obligation	602	533	454
Fair value of plan assets	355	327	300
Net defined benefit obligation	247	206	154



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16 PROVISIONS (contd.)

2. The expenses for defined benefit plan for gratuity comprise the following components:

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
i) Expenses recognized in the Statement of Profit and Loss		
Current service cost (Refer Note 25)	33	31
Net interest cost (Refer Note 26)	18	15
	<u>49</u>	<u>46</u>
ii) Expenses recognized in the Other Comprehensive Income (OCI) (Refer Note 16(ii))		
Actuarial (gains)/ losses on obligation	23	19
Return on Plan Assets, excluding interest income	(2)	(1)
	<u>21</u>	<u>18</u>

3. The net defined obligation developed as follows:

i) Change in the present value of defined benefit obligation		
Opening present value of defined benefit obligation	533	484
Current service cost (Refer Note 25)	33	31
Interest cost (Refer Note 26)	42	39
Transfer of employees (Net)	8	(7)
Benefit paid from the fund	(38)	(33)
Actuarial (gains)/ losses due to:		
- change in financial assumptions	12	(10)
- experience adjustment	11	29
Closing present value of defined benefit obligation	<u>602</u>	<u>533</u>
ii) Change in the fair value of plan assets		
Opening fair value of plan assets	327	300
Interest income (Refer Note 26)	26	24
Contributions by the employer	36	39
Benefit paid from the fund	(38)	(33)
Expected return on plan assets (excluding interest income)	2	1
Closing fair value of plan assets	<u>355</u>	<u>327</u>
iii) Change in net defined benefit obligation		
Opening net defined benefit obligation	206	184
Current service cost (Refer Note 25)	33	31
Interest cost (Net) (Refer Note 26)	16	15
Transfer of employees (Net)	9	(7)
Contributions by the employer	(38)	(35)
Actuarial (gains)/ losses due to:		
- change in financial assumptions	12	(10)
- experience adjustment	11	29
Expected return on plan assets (excluding interest income)	(2)	(1)
Closing net defined obligation/ Deficit of funded plan	<u>247</u>	<u>208</u>

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16 PROVISIONS (contd.)

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, incasecation 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 were 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.

iii) Interest-rate risk:

A decrease in prevailing market yield on Government 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 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discount rate (per annum)	7.51%	7.81%	7.05%
Expected rate of return on plan assets (per annum)	7.51%	7.81%	7.05%
Attrition rate (per annum)	5 - 10%	5 - 10%	5 - 10%
Salary escalation rate (per annum)	10% for next 2 years and 8% thereafter	12% for next year, 10% for subsequent 2 years and 8% thereafter	12% for next 2 years and 10% for subsequent 2 years and 8% thereafter

The estimates of future salary escalations, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors 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 31.03.2017	As at 31.03.2016
Delta effect of +0.5% change in discount rate	(20)	(18)
Delta effect of -0.5% change in discount rate	22	19
Delta effect of +0.5% change in salary escalation	21	18
Delta effect of -0.5% change in salary escalation	(20)	(18)
Delta effect of +0.5% change in attrition rate	(1)	(1)
Delta effect of -0.5% change in attrition rate	1	1

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.



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16 PROVISIONS (contd.)

9. Defined benefit obligation and employer contribution:

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
(i) Expected employer's contribution for the next year	41	38
	As at 31.03.2017	As at 31.03.2016
(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:		
1st Following Year	59	42
2nd Following Year	36	38
3rd Following Year	64	50
4th Following Year	52	62
5th Following Year	65	50
Sum of 6th to 10th Following Year	444	419

17 TRADE PAYABLES

	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Total outstanding dues of Micro Enterprise and Small Enterprise (Refer Note (41) below)	10	7	29
Total outstanding dues of Creditors other than Micro Enterprise and Small Enterprise (Refer Notes 38 and 40)	2,864	2,036	2,028
	2,874	2,043	2,057

- 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 31.03.2017	As at 31.03.2016
(i) (i) Principal amount due and remaining unpaid to any supplier at the end of accounting year [includes Payables for Capital Purchases 2 (Previous Year 0.01)]	12	7
(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 18 of the MSMED Act, along with the amount of the payment made to the suppliers during the year	48	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 enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-

* Current Year 0.01 (Previous Year 0.02)

Notes to the financial statements for the year ended March 31, 2017 (contd.)*(All amounts in ₹ Millions, unless otherwise stated)***18 OTHER FINANCIAL LIABILITIES**

	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unpaid Dividends [Refer Note (a) below]	10	8	8
Deposits from Customers	102	99	40
Payable for Capital Purchases [Refer Note 17(a)]	82	13	11
Foreign-exchange forward contracts	29	4	1
Other liabilities [Refer Note 11(a)]	354	52	154
	<u>677</u>	<u>176</u>	<u>273</u>

- 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.

19 OTHER CURRENT LIABILITIES

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advances from Customers	759	783	870
Deferred Revenue [Refer Note (a) below]	205	139	204
Payable towards Statutory Liabilities	125	116	112
Others	37	34	43
	<u>1,206</u>	<u>1,081</u>	<u>1,229</u>

- a) It relates to the award credits granted on loyalty program and would be recognised when the points are redeemed by the customers.

20 CURRENT TAX LIABILITIES (NET)

	As at 31.03.2017	As at 31.03.2016
Balance as at the beginning of the year	15	53
Add: Current tax payable for the year (including interest Nil (March 31, 2016: 3))	1,514	1,506
Less: Reversal of provision	-	3
Less: Taxes paid (including payment for earlier years 15 (March 31, 2015: 92))	1,477	1,683
Balance as at the end of the year (Net of Advance Tax of 1,462 (March 31, 2016: 1,691))	<u>32</u>	<u>15</u>


Notes to the financial statements for the year ended March 31, 2017 (cont'd.)
(All amounts in € Millions, unless otherwise stated)

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
21 REVENUE FROM OPERATIONS		
Sale of Goods (including Excise Duty)	28,634	28,054
Other Operating Revenue:		
Removals from Group Companies and Third Parties	545	535
Scrap Sales	5	5
	<u>29,484</u>	<u>28,594</u>
22 OTHER INCOME		
Other Income:		
Interest Income from Financial Assets at amortized cost	317	454
Interest on Income Tax Refund	78	3
Dividend Income from Investments measured at fair value through profit or loss	88	114
Export Incentives	125	148
Rent Income (Refer Note 3(c) and 33(b))	76	80
Reversal of Provision for Expected Credit Loss (Refer Note 25(a)(i))	-	3
Miscellaneous	5	7
	<u>689</u>	<u>809</u>
Other Gains:		
Profit on Tangible Assets sold/ disposed (Net)	5	6
Profit on sale of investments measured at fair value through profit or loss	8	2
Fair value gain on investments measured at fair value through profit or loss	1	-
	<u>12</u>	<u>8</u>
	<u>701</u>	<u>817</u>
23 COST OF MATERIALS CONSUMED		
Raw Materials:		
Opening Stock	3,595	3,130
Add: Purchases	15,144	14,005
	<u>18,739</u>	<u>17,135</u>
Less: Closing Stock	3,576	3,595
Cost of Raw Materials consumed (Refer Note (e) below)	<u>15,163</u>	<u>13,540</u>
Packing Materials consumed (Refer Note (e) below)	729	1,504
	<u>15,892</u>	<u>15,044</u>

(e) Includes 52 (Previous Year 24) on account of write off/ write down in carrying values of Raw Materials and Packing Materials.

Notes to the financial statements for the year ended March 31, 2017 (contd.)
(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
24 CHANGES IN INVENTORIES OF SEMI-FINISHED GOODS, FINISHED GOODS AND STOCK-IN-TRADE		
Opening Stock:		
- Semi-Finished Goods	182	204
- Finished Goods	2,572	2,268
- Stock-in-Trade	181	158
	<u>2,945</u>	<u>2,629</u>
Closing Stock:		
- Semi-Finished Goods	159	182
- Finished Goods	3,495	2,572
- Stock-in-Trade	236	181
	<u>3,890</u>	<u>2,945</u>
Increase in Inventories (Refer Note (a) below)	<u>(1,045)</u>	<u>(316)</u>
a) Includes ₹8 (Previous Year ₹1) [net of amount recovered from insurance company ₹ (Previous Year ₹1)] on account of write off/write down in carrying values of inventories.		
25 EMPLOYEE BENEFIT EXPENSES (Refer Note 30)		
Salaries and Wages	3,221	1,972
Contribution to Provident and Other Funds (Refer Note 16(a)(A))	88	98
Gratuity (Refer Note 16(a)(5)(2)(i))	35	31
Staff Welfare Expenses	109	118
	<u>3,453</u>	<u>2,219</u>
26 FINANCE COSTS		
Interest Expense (Refer Note 16(d)(i) and 16(a)(9)(2)(i))	85	100
	<u>85</u>	<u>100</u>
27 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation Expense		
- on Property, Plant and Equipment (Refer Note 3)	288	233
- on Investment Properties (Refer Note 3)	5	5
- on Intangible Assets (Refer Note 4)	16	8
	<u>309</u>	<u>246</u>



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
29 OTHER EXPENSES [Refer Note 30]		
Consumption of Stores and Spare Parts	22	18
Power and Fuel	84	51
Rent [Refer Note 33(i)]	160	179
Repairs and Maintenance:		
- Buildings	19	13
- Plant and Equipment	-*	1
- Others	44	67
	103	101
Insurance	27	26
Fines and Taxes	27	39
Job Work Charges	965	1,198
Freight Outward and Clearing Charges	508	577
Travelling and Conveyance	407	355
Communication	140	124
Advertisement, Publicity and Sales Promotion	1,510	1,557
Legal and Professional Fees	536	495
Donations	94	80
Royalty	8	8
Bad Debts	15	7
Less: Utilization of Provision for Expected Credit Loss on Trade Receivables	15	5
	-	2
Provision for Expected Credit Loss on Trade Receivables [Refer Note 36(a)(i)]	105	-
Deposits/ Advances written off	-*	-
Provision for Expected Credit Loss on Deposits [Refer Note 36(a)(i)]	1	-
Foreign Exchange Fluctuations (Net)	55	47
Fair value loss on investments measured at fair value through profit or loss	-	1
Miscellaneous [Refer Note (a) below and Note 40(iii)]	150	250
	4,980	5,310

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

a) Payments to Auditor (included in Miscellaneous expenses)

(i) As Auditor:		
- for statutory audit	4	3
- for limited review	2	2
- for tax audit	1	1
- for certification	1*	1*
(ii) In other capacities:		
- Audit of Group Reporting Package	1	2
- Others	-	1
(iii) Reimbursement of out-of-pocket expenses	1*	1*
	8	8

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

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
29 TAX EXPENSES		
a) Current Tax		
Current tax on profits for the year	1,514	1,603
Adjustments for current tax of prior periods	2	(10)
Total current tax expense	1,516	1,593
b) Deferred tax expense/ (income) (Refer Note 6)		
Increase in deferred tax assets	(44)	(12)
Increase in deferred tax liabilities	97	84
Total deferred tax expense	53	72
Income tax expense	1,569	1,665
c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit Before Tax	4,479	4,318
Tax at the tax rate of 34.608% (2015-16: 34.608%)	1,556	1,497
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Donation and Corporate social responsibility expenditure	25	33
Dividend income	(30)	(40)
Weighted deduction on research and development expenditure	(6)	(6)
Adjustments for current tax of prior periods	2	(10)
Other items	18	21
Income tax expense	1,569	1,665
30 Expenses towards activities relating to Corporate Social Responsibility in compliance with Section 135 of the Companies Act, 2013 (Included in Operating Activities under Cash Flow Statement)		
a) Amount spent		
Donations	34	60
Employee Benefit Expenses	2	4
Other Expenses	2	2
	100	66
b) Gross amount required to be spent by the Company	100	66
31 RESEARCH AND DEVELOPMENT EXPENSES		
Research and Development Revenue Expenses (Net of recoveries)	294	181



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ millions, unless otherwise stated)

12 CONTINGENT LIABILITIES

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Claims against the Company not acknowledged as debts towards:			
- Direct Tax Matters (Refer Note (a) below)	331	344	332
- Indirect Tax Matters (Refer Note (a) below)	758	738	773
- Litigation/ claims filed by customer/ vendor/ labour (Refer Note (b) below)	48	53	48
- Litigation/ demands raised by other Statutory Authorities (Refer Note (c) below)	117	117	25

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

- a) The disputed demands are for income tax, excise duty, customs duty, service tax, sales tax and value added tax.
 b) It mainly includes demand for crop failure and vehicle accidental claims.
 c) It represents demand raised by the Collector of Stamps, Thane for shortfall of stamp duty along with interest on the Deed of Conveyance for Bayer House located at Thane and demand towards before provident fund for the labour contractor.

13 COMMITMENTS

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
a) Capital Commitments			
Property, Plant and Equipment	9	25	12
Intangible Assets	22	4	15
	<u>31</u>	<u>29</u>	<u>27</u>

b) Non-cancellable operating leases

The Company has taken certain residential flats and offices under non-cancellable operating lease. Some of the arrangements include escalation clause to cover inflation. Lease rent amounting to 18 (Previous Year 16) has been recognised under the head Other Expenses - 'Rent' under Note 28 to the Statement of Profit and Loss.

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

Period	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Not later than one year	17	12	10
Later than one year and not later than five years	5	13	6
Later than five years	-	-	-

The Company has entered into cancellable leasing arrangement for office, residential, guest house and warehouse premises. The lease rental of 142 (Previous Year 153) which are equivalent to minimum lease payments has been recognised under the head Other Expenses - 'Rent' under Note 28 to the Statement of Profit and Loss.

Further, the Company has recovered sub-lease rental of 8 (Previous Year 12) which has been recognised under the head Other Income - 'Rent Income' under Note 22 to the Statement of Profit and Loss.

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 29 (Previous Year 29) has been recognised under the head Other Income - 'Rent Income' under Note 22 to the Statement of Profit and Loss.

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
c) Other Commitments			
Contractual obligation for future repairs and maintenance on Investment Properties	2	4	2
Value of customs duty in respect of export obligation (against advance licences) remaining to be met at year end	-	176	343
Bank Guarantees issued in favour of various statutory authorities	832	815	384

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

14 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Refer Note 37(b)(v) 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, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

38 FAIR VALUE MEASUREMENT

Financial instruments by category:

	As at 31.03.2017			As at 31.03.2018			As at 01.04.2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial Assets									
Investments	497	-	-	364	-	-	254	-	-
Trade Receivables	-	-	5,588	-	-	4,060	-	-	4,518
Cash and Cash Equivalents									
Short-term highly liquid investments	2,078	-	-	100	-	-	200	-	-
Balances with banks	-	-	8,302	-	-	7,524	-	-	11,007
Bank balances other than Cash and Cash Equivalents	-	-	10	-	-	8	-	-	7
Other Financial Assets	-	-	1,148	-	-	1,001	-	-	578
	2,575	-	13,025	464	-	12,583	454	-	16,598
Financial Liabilities									
Trade Payables	-	-	2,674	-	-	2,643	-	-	2,657
Derivative Financial Liabilities	29	-	-	4	-	-	7	-	-
Other Financial Liabilities	-	-	548	-	-	172	-	-	272
	29	-	3,222	4	-	2,215	7	-	2,929

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	Notes	Level 1	Level 2	Level 3	Total
Financial Assets as at March 31, 2017					
Financial Investments at FVPL					
Investments	10	497	-	-	497
Short-term highly liquid investments	12(b)	2,078	-	-	2,078
		2,575	-	-	2,575
Financial Liabilities as at March 31, 2017					
Derivatives					
Derivative Financial Liabilities	18	-	29	-	29
		-	29	-	29
Financial Assets as at March 31, 2018					
Financial Investments at FVPL					
Investments	10	364	-	-	364
Short-term highly liquid investments	12(b)	100	-	-	100
		464	-	-	464



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

35 FAIR VALUE MEASUREMENT (contd.)

Financial Assets and Liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities as at March 31, 2016					
Derivatives					
Derivative Financial Liabilities	18	-	4	-	4
		-	4	-	4
Financial Assets as at April 1, 2016					
Financial investments at FVPL					
Investments	10	254	-	-	254
Short-term highly liquid investments	12(b)	200	-	-	200
		454	-	-	454
Financial Liabilities as at April 1, 2016					
Derivatives					
Derivative Financial Liabilities	18	-	1	-	1
		-	1	-	1

Level 1: Level 1 hierarchy 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 (Foreign exchange forward contracts) is determined using valuation techniques which maximize 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.

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	Notes	Carrying Amount	Fair Value (Level 3)
Financial Assets			
Security Deposits	5		
As at March 31, 2017		100	100
As at March 31, 2016		166	159
As at April 1, 2016		115	104

The carrying amounts of trade receivables, cash and cash equivalents, bank balances, accrued interest receivables, advances recoverable in cash or kind, 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.

36 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 risk includes 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.

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

38 FINANCIAL RISK MANAGEMENT (contd.)**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 third party trade receivables, the credit managers from Order to Cash department of the Company regularly analyze customer's receivables, overdue and payment behaviors. Some of these receivables are collateralized and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for the third party 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 expected credit loss 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 estimates.

Expected Credit Losses for deposits are measured considering 12-month's expected credit loss.

Trade Receivables

The Company provides ECL based on following provision matrix:

Credit Risk Category	Description of Category	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Gross Trade Receivables	ECL	Gross Trade Receivables	ECL	Gross Trade Receivables	ECL
No Risk	There is no risk of defaults	1,167	-	883	-	881	-
Negligible Risk	The risk of defaults is negligible	2,990	1	1,807	1	2,360	1
Low Risk	The probability of defaults is low	1,885	3	743	2	906	2
Moderate Risk	The probability of defaults is moderate	742	15	831	11	889	7
Doubtful Assets	There is no reasonable expectation of recovery	178	178	93	93	105	105
		5,762	197	4,157	107	4,931	115

The Company does not have high credit risk customer where the probability of default is high.

Following is the movement in Provision for Expected Credit Loss on Trade Receivables:

	As at 31.03.2017	As at 31.03.2016
Balance as at the beginning of the year	107	115
Add: Additional provision/ (reversal)	165	(3)
Less: Provision utilized	(19)	(5)
Balance as at the end of the year	197	107



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

38 FINANCIAL RISK MANAGEMENT (contd.)

Deposits

Credit Risk Category	Description of Category	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Gross Deposits	ECL	Gross Deposits	ECL	Gross Deposits	ECL
No Risk	There is no risk of defaults	199	-	186	-	115	-
Doubtful Assets	There is no reasonable expectation of recovery	7	7	8	8	8	8
		<u>197</u>	<u>7</u>	<u>172</u>	<u>8</u>	<u>121</u>	<u>8</u>

Following is the movement in Provision for Expected Credit Loss on Deposits:

	As at 31.03.2017	As at 31.03.2016
Balance as at the beginning of the year	8	8
Add: Additional provision	7	-
Balance as at the end of the year	<u>7</u>	<u>8</u>

(i) 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.

(ii) 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 payment obligations from financial instruments are explained according to their maturity in Note I below.

The Company holds sufficient liquidity to ensure the fulfillment of all planned payment obligations at maturity. 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 maintains flexibility in funding by maintaining availability under committed credit lines set up with the banks. These include, in particular, an undrawn credit facility as at March 31, 2017: 1,257 (March 31, 2016: 774; April 1, 2015: 735).

Note I: Maturity of Financial Liabilities

The table below analyses 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 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Less than 3 months	3 to 12 months	Total	Less than 3 months	3 to 12 months	Total	Less than 3 months	3 to 12 months	Total
Trade Payables	2,783	81	2,874	1,948	84	2,033	1,851	106	2,057
Derivative Financial Liabilities	29	-	29	4	-	4	1	-	1
Other Financial Liabilities	548	-	548	172	-	172	272	-	272
	<u>3,360</u>	<u>81</u>	<u>3,451</u>	<u>2,126</u>	<u>84</u>	<u>2,219</u>	<u>2,224</u>	<u>106</u>	<u>2,330</u>

Balance due within 12 months equals their carrying balance as the impact of discounting is not significant.

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

36 FINANCIAL RISK MANAGEMENT (contd.)**a) Market Risk:****i) Currency Risk:**

Foreign currency opportunities and risks for the Company results 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 arise from export and import of goods are hedged on net basis through forward exchange contracts.

Sensitivities were determined on the basis of a hypothetical adverse scenario in which the INR appreciated/ depreciated by 5% against USD compared with the year end exchange rates. In this scenario, the estimated hypothetical loss of cash flows from financial instruments would have increased/ diminished earnings as of March 31, 2017 by ₹ 63 (March 31, 2016: ₹ 32) on net payable exposure of ₹ 253 (USD 19 Million) as on March 31, 2017 (March 31, 2016: ₹ 642 (USD 10 Million)). The Company's exposure to changes in foreign currency other than USD 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 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. The Company has surplus cash position and does not have any borrowings as at Balance Sheet date.

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.

37 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:

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
i) Equity Shares		
Dividend approved for the year ended March 31, 2016 of ₹ 17.00 (March 31, 2015 ₹ 17.00) per fully paid equity share	601	625
	As at	As at
	31.03.2017	31.03.2016
ii) Dividends not recognised at the end of the reporting period		
Since year end, the Directors of the Company have recommended a payment of final dividend of ₹ 17.00 per fully paid equity share (March 31, 2016 ₹ 17.00) and dividend distribution tax thereon 122 (March 31, 2016: 122). This proposed dividend is subject to approval of shareholders in ensuing Annual General Meeting.	601	601



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

28 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table represents the recognised financial instruments that are offsetted in the Balance Sheet based on legally enforceable right and intention to settle or realise on a net basis.

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade Receivables			
Gross Amount	5,583	5,229	5,371
Amount set off in the Balance Sheet	16	1,179	555
Net amount presented in the Balance Sheet (Refer Note 11)	5,565	4,050	4,816
Trade Payables			
Gross Amount	2,892	3,222	2,612
Amount set off in the Balance Sheet	16	1,179	555
Net amount presented in the Balance Sheet (Refer Note 17)	2,874	2,043	2,057

29 SEGMENT REPORTING

The Vice Chairman & Managing Director and 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, 2017.

Geographical information

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
a) Revenue from external customers		
i) attributed to the Company's country of domicile, India	25,031	23,225
ii) attributed to all foreign countries		
- Germany	3,634	5,158
- Others	619	510
	29,484	28,894
b) Revenues from transactions with a customer exceeding 10% of revenue (Refer Note 47(i)(A))	2,916	5,066
	As at 31.03.2017	As at 31.03.2016
c) Non-current assets (excluding Deferred/ Current Tax and Financial Assets)		
i) located in the Company's country of domicile, India	3,917	3,541
ii) located in all foreign countries	-	-
	3,917	3,541

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions unless otherwise stated)

40 RELATED PARTY TRANSACTIONS

	Name of the related party	Country of Incorporation	% Equity Interest		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
i)	Ultimate Holding Company				
	Bayer AG	Germany	10%	10%	10%
ii)	Entities under Common Group Control *				
	Bayer (China) Limited, China				
	Bayer (Proprietary) Limited, South Africa				
	Bayer (South East Asia) Pte. Ltd., Singapore				
	Bayer A/S, Denmark				
	Bayer Animal Health GmbH, Germany				
	Bayer BioScience Private Limited, India				
	Bayer Business Services GmbH, Germany				
	Bayer Business Services Philippines Inc., Philippines				
	Bayer Business and Technology Services LLC, U.S.A.				
	Bayer Co. (Malaysia) Sdn Bhd, Malaysia				
	Bayer CropScience AG, Germany				
	Bayer CropScience LP, U.S.A.				
	Bayer CropScience Limited, Bangladesh				
	Bayer de Mexico S.A. de C.V. Mexico				
	Bayer Direct Services GmbH, Germany				
	Bayer East Africa Ltd., Kenya				
	Bayer Holding Ltd., Japan				
	Bayer Intellectual Property GmbH, Germany				
	Bayer Middle East FZE, UAE				
	Bayer Pakistan (Private) Limited, Pakistan				
	Bayer Pharmaceuticals Private Limited, India				
	Bayer S.A.S., France				
	Bayer Seeds Private Limited, India (formerly Nunhems India Private Limited, India)				
	Bayer Sp. z o.o., Poland				
	Bayer Thai Company Limited, Thailand				
	Bayer Vapi Private Limited, India (the Enterprise in respect of which, the Company is an Associate effective April 26, 2014)				
	Bayer Zydus Pharma Private Limited, India				
	Covestro Deutschland AG, Germany				
	Covestro India Private Limited, India				
	Nunhems Vegetable Seeds Private Limited, India (merged with Bayer Seeds Private Limited, India w.e.f. April 1, 2015)				
	PT. Bayer Indonesia, Indonesia				
	United Breweries Limited, India				

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



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

40 RELATED PARTY TRANSACTIONS (contd.)

A. The transactions with related parties:

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Sale of goods				
Bayer AG	774	-	-	-
Bayer CropScience AG	-	-	3,868	4,864
Bayer BioScience Private Limited	-	-	36	18
Others	-	-	675	525
Recoveries made				
Bayer AG	19	-	-	-
Bayer CropScience AG	-	-	48	105
Bayer BioScience Private Limited	-	-	136	121
Others	-	-	679	808
Rent Income				
Bayer BioScience Private Limited	-	-	7	8
Others	-	-	59	71
Purchases of Goods				
Bayer AG	1,981	-	-	-
Bayer CropScience AG	-	-	3,569	3,048
Bayer BioScience Private Limited	-	-	4,020	3,652
Others	-	-	504	473
Professional/ Support Charges incurred				
Bayer AG	7	5	-	-
Bayer CropScience AG	-	-	8	63
Bayer BioScience Private Limited	-	-	-	-
Others	-	-	367	302
Rent Expense				
Bayer BioScience Private Limited	-	-	14	14
Others	-	-	2	2
Royalty Expense				
Others	-	-	6	6
Dividend paid				
Bayer AG	82	85	-	-
Bayer CropScience AG	-	-	94	102
Others	-	-	255	260
Sale of Fixed Assets				
Others	-	-	-	8
Purchase of License of Duty Credit Scripts				
Others	-	-	72	71
Purchase of Fixed Assets (including Capital work-in-progress)				
Others	-	-	71	28
Recoupment of losses towards sundry Trade Receivables [Refer Note 11(a)]				
Bayer BioScience Private Limited	-	-	354	-

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

48 RELATED PARTY TRANSACTIONS (contd.)

A. The transactions with related parties: (contd.)

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Employee related liability paid/ payable on transfer of employees				
Bayer BioScience Private Limited	-	-	4	5
Others	-	-	1	14
Employee related liability taken over on transfer of employees				
Bayer BioScience Private Limited	-	-	10	3
Others	-	-	8	4
Short-term loan given to (Refer Note (a) below)				
Bayer BioScience Private Limited				
Outstanding at beginning of the year			-	-
Loans advanced			1,500	-
Loans repayment			(1,500)	-
Interest charged			124	-
Interest received			(124)	-
Outstanding at end of the year			-	-
Bayer Vapi Private Limited				
Outstanding at beginning of the year			-	-
Loans advanced			-	1,108
Loans repayment			-	(1,108)
Interest charged			-	80
Interest received			-	(80)
Outstanding at end of the year			-	-

* 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.

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

- a) The Company had given loans to Bayer BioScience Private Limited for working capital and to Bayer Vapi Private Limited for capital investment and general business purpose which were repaid during respective years by both the parties. These loans were given in compliance with Section 185 of the Companies Act, 2013 and in accordance with the terms and conditions of agreements entered with both the parties.

B. Outstanding balances of related parties:

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Party referred to in (i) above			
Outstanding Receivables (net of Payables)	-	-	36
Outstanding Payables (net of Receivables)	1,164	1	-
Parties referred to in (ii) above			
Outstanding Receivables (net of Payables at party level)			
Bayer CropScience AG	-	-	153
Bayer BioScience Private Limited	-	11	-
Others	180	231	232
Outstanding Payables (net of Receivables at party level)			
Bayer CropScience AG	-	597	-
Bayer BioScience Private Limited	203	-	92
Others	173	98	69



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

40 RELATED PARTY TRANSACTIONS (contd.)

(ii) Key management personnel

Name	Designation
- Dr. Vijay Malviya	Chairman (Upto June 30, 2016)
- Mr. Pankaj Patel	Chairman (from July 1, 2016)
- Mr. Richard van der Nerve	Vice Chairman & Managing Director and CEO
- Dr. Thomas Hoffmann	Executive Director & CFO (Upto March 31, 2016)
- Mr. Ulrich Steier	Executive Director & CFO (from April 1, 2016)
- Mr. Shantanu Kulkarni	Non-executive Director
- Mr. A.K.R. Nedurthi	Non-executive Director
- Mr. Vinod Bhandari	Non-executive Director

	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Remuneration to key management personnel		
Short term employee benefits	98	85
Other employment benefits	10	8
Total compensation	108	93
Directors' Sitting Fees (included in Miscellaneous expenses)	3	3
Commission to Non-Executive Directors (included in Miscellaneous expenses)	5	8

(iv) Terms and conditions

All the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2017 and March 31, 2016.

41 EARNINGS 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.

Particulars	01.04.2016 to 31.03.2017	01.04.2015 to 31.03.2016
Profit for the year	2,910	3,151
Weighted average number of equity shares outstanding all year and	35,354,001	36,076,384
Nominal Value Per Equity Share (in ₹)	10	10
Earnings Per Share (net of tax) (Basic and Diluted) (in ₹)	82.31	87.34

42 FIRST-TIME ADOPTION OF IND AS

Reconciliation between previous GAAP and Ind AS

Ind AS 101- First-time Adoption of Indian Accounting Standards requires the Company to reconcile equity, total comprehensive income and cash flows for previous years. The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

42. FIRST-TIME ADOPTION OF IND AS (contd.)

Reconciliation of total equity

	Note below	As at 31.03.2016	As at 01.04.2016
Total equity (shareholder's fund) as per previous GAAP		17,559	20,329
Adjustments:			
Proposed dividend including dividend distribution tax	a	723	723
Capitalisation of Product Registration cost for marketing rights	b	20	-
Adjustment of Expected Credit Loss on Trade Receivables	c	50	29
Effect arising from accounting of 'Linked Transaction' as Job Work arrangement	d	(5)	-
Others		6	-
Deferred Tax impact on the above adjustments	e	(44)	(4)
Total adjustments		835	777
Total equity as per Ind AS		18,394	21,106

Reconciliation of total comprehensive income

	Note below	01.04.2015 to 31.03.2016	
Profit after tax as per previous GAAP		3,009	
Adjustments:			
Actuarial Loss on Defined Benefit plans reclassified to Other Comprehensive Income	a	19	
Capitalisation of Product Registration cost for marketing rights	b	20	
Transaction Cost for Buyback of Equity shares	c	41	
Adjustment of Expected Credit Loss on Trade Receivables	d	29	
Effect arising from accounting of 'Linked Transaction' as Job Work arrangement	e	(5)	
Others		8	
Deferred tax impact on above adjustments	f	(45)	
Total adjustments		142	
Profit after tax as per Ind AS		3,151	
Other comprehensive income, net of income tax	h	(12)	
Total comprehensive income as per Ind AS		3,139	

Impact of Ind AS adoption on Cash Flow Statement for the year ended March 31, 2016

	Note	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities	(b) and (c) below & 3(c)	1,954	101	2,055
Net cash flow from Investing Activities	(b) below and 3(d)	216	(60)	156
Net cash flow from Financing Activities	(c) below	(5,855)	(41)	(5,896)
Net increase/ (decrease) in Cash & Cash Equivalent		(3,673)	-	(3,673)
Cash and Cash Equivalents as at April 1, 2015		11,297	-	11,297
Cash and Cash Equivalents as at March 31, 2016		7,624	-	7,624
Net increase/ (decrease) in Cash & Cash Equivalent		(3,673)	-	(3,673)

a) Proposed dividend including dividend distribution tax:

Under the previous GAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax of ₹723 as at March 31, 2016 (₹53 as at April 1, 2015) included under provisions has been derecognized with corresponding adjustment to 'retained earnings'. Consequently, the total equity increased by an equivalent amount.



Notes to the financial statements for the year ended March 31, 2017 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

42 FIRST-TIME ADOPTION OF IND AS (contd.)

(b) Product Registration cost for marketing rights:

Product registration cost is paid to government and private agricultural universities to generate data required for obtaining license to sell a product in India. As per recognition criterion under Ind AS 38 - Intangible Assets for internally generated intangible assets, expenses of 99 capitalised under intangible assets. Consequently, the profit before tax for the year ended March 31, 2016 and total equity as at March 31, 2016 is increased by an equivalent amount.

(c) Transaction Cost for Buyback of Equity shares:

Under Ind AS, transaction cost related to buyback of own equity shares is recognised as deduction from equity. Under the previous GAAP, this cost was forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31, 2016 increased by 41. There is no impact on the total equity as at March 31, 2016.

(d) Linked Transaction as job work arrangement:

Ind AS stipulates a 'substance over form' principle with additional guidance available on Linked Transaction. Where raw material is supplied for further processing and conversion into finished product, the transaction is not regarded as a sale and instead, tolling charges are recognised in the Statement of Profit and Loss for conversion done by supplier. The margin on the said transaction is recognised when goods are sold to final customer. As a result, the profit before tax for the year ended March 31, 2016 decreased by 5.

(e) Actuarial Loss on Defined Benefit plans:

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit obligation, are recognised in Other Comprehensive Income instead of the Statement of Profit and Loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31, 2016 increased by 16. There is no impact on the total equity as at March 31, 2016.

(f) Expected Credit Loss on Trade Receivables:

As per Ind AS 109 - Financial Instruments, the Company has applied expected credit loss model for recognising the allowance for doubtful debts. As a result, the provision for Expected Credit Loss decreased by 56 as at March 31, 2016 (April 1, 2015: 26). As a result, the total equity as at March 31, 2016 increased by 56 (April 1, 2015: 26) and profit for the year ended March 31, 2016 increased by 26.

(g) Deferred Tax:

Deferred tax has been recognised on the adjustments made on transition to Ind AS i.e. April 1, 2015 as per Ind AS 12 - Income Taxes. It also includes deferred tax asset recognized at the tax rate applicable for long term capital gains as prescribed under Income Tax Act, 1961 on Freehold land which is expected to be disposed off in future through normal sale with indexation benefit.

(h) Other Comprehensive Income:

Under Ind AS, all items of income and expense recognised in the year should be included in the Statement of Profit and Loss for the year, unless a standard requires or permits otherwise, items of income or expense that are not recognised in the Statement of Profit and Loss but are shown in statement of profit and loss as "Other Comprehensive Income" includes remeasurement of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

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

Signatures to Notes 1 to 43

For PricewaterhouseCoopers
Firm Registration Number: 303112Z
Chartered Accountants

Uday Shah
Partner
Membership Number: 046051

Rajiv Wadi
Head - Law, Patents & Compliance
& Company Secretary

For and on behalf of the Board

Chairman: Pankaj Patel
DIN 00131852

Vice Chairman & Managing Director and CEO: Richard van der Merwe
DIN 00768305

Directors: Sharad Kulkarni
DIN 00036440
A.K.R. Nedungadi
DIN 00103214

Vinod Bhandari
DIN 00013140
Executive Director & CFO: Ulrich Stöfer
DIN 07447177

Place: Mumbai
Date: May 24, 2017

Place: Mumbai
Date: May 24, 2017

Facts

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
₹ in Millions										
Revenue from Operations (Net)	12,383	14,826	17,241	21,373	22,721	27,253	32,452	37,233	26,854	29,484
Profit Before Tax	880	1,558	1,954	1,888	2,044	15,632	4,408	5,736	4,818	4,478
Net Cash from Operating Activities	1,404	346	824	1,223	1,007	1,383	2,815	2,004	2,065	1,573
Dividend (including interim dividend) for the year	95	111	158	158	168	197	201	759	801	581
Dividend %	24%	28%	40%	40%	40%	50%	55%	210%	170%	170%
Share Capital	385	385	385	385	385	385	385	308	354	354
Reserves and Surplus	3,299	4,115	6,203	6,336	7,532	16,916	17,057	19,983	18,040	20,213
Borrowings	593	427	1,140	1,965	-	-	-	-	-	-
Gross Stock	4,274	4,519	5,077	5,531	4,738	5,414	6,958	4,348	3,828	4,168
Net Stock	3,479	2,701	3,208	3,537	2,568	3,457	4,448	3,224	2,384	3,661
Net Current Assets	1,138	1,880	2,836	5,204	4,891	15,582	12,583	16,317	14,996	16,811
Employee Benefit Expenses	1,221	1,343	1,411	1,586	1,553	1,810	2,040	2,269	2,207	2,451
Number of Employees	1,158	1,325	1,351	1,102	1,147	1,181	1,217	1,043	1,057	1,126
₹										
Earnings Per Share (on the basis of profits after tax)	12.43	23.81	22.22	33.30	35.19	281.11	75.14	104.58	87.34	82.31
Book Value per Share	93.53	114.17	141.72	170.38	200.70	488.95	475.78	555.15	520.26	581.74
Share Price of Stock										
Exchange — High	474.50	343.00	682.00	1,173.00	999.00	1,341.80	1,829.20	3,819.90	4,234.00	4,827.00
— Low	108.05	180.20	224.80	835.15	673.05	746.00	1,065.05	1,584.85	5,115.00	3,820.00
Number of Shareholders	18,652	18,603	18,324	21,251	21,431	20,885	19,138	20,647	20,412	22,178

Notes:

- Figures for the period 2007-08 are for fifteen months.
- Figures from the period 2015-16 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- Figures have been regrouped wherever necessary.



Notes

Notes



Notes

**Bayer CropScience Limited**

Corporate Identification No. (CIN) - L24210MH1958PLC011173

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

Tel. No. +91 22 2531 1234 E-mail: ir_bcsi@bayer.com Website: www.bayer.co.in**PROXY FORM**

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

Name of the Member(s): _____

Registered Address: _____

E-mail id: _____

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

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

1. Name: _____ Email id: _____

Address: _____

Signature: _____

2. Name: _____ Email id: _____

Address: _____

Signature: _____

3. Name: _____ Email id: _____

Address: _____

Signature: _____

As my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 58th Annual General Meeting of the Company to be held on Wednesday, August 23, 2017 at 11.00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Marolayya, Gen. J. Bhonsale Marg, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1.	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for financial year ended March 31, 2017		
2.	Declaration of dividend on Equity Shares for the financial year ended March 31, 2017		
3.	Re-appointment of Mr. Peter Mueller (DIN: 03562162) as a Director		
4.	Appointment of Statutory Auditors and fixing their remuneration		
5.	Appointment of Dr. (Ms.) Mitam Colling-Haddadkani (DIN: 07639648) as a Director of the Company		
6.	Ratification of Remuneration to Cost Auditor		
7.	Approval of transaction with Bayer AG		
8.	Approval of transaction with Bayer Vero Private Limited		

Signed this _____ day of _____, 2017

Signature of shareholder: _____

Affix
Revenue
Stamp

NOTES:

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



Bayer CropScience Limited

Corporate Identification No. (CIN) - L28210MH1858PLC011173
Registered Office: Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607
Tel. No. 01 22 2531 1234 Email: ir_bcs@bayer.com Website: www.bayer.in

ATTENDANCE SLIP

(To be presented at the Annual General Meeting venue)

50TH ANNUAL GENERAL MEETING ON WEDNESDAY, AUGUST 23, 2017 AT 11.00 A.M.

at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Marolbays, Gen. J. Bhonsale Marg, Mumbai 400 021

I/We hereby record my/our presence at the 50TH ANNUAL GENERAL MEETING of the Company at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Marolbays, Gen. J. Bhonsale Marg, Mumbai 400 021, on Wednesday, August 23, 2017 at 11.00 a.m.

Member's Folio/Client ID/DP ID No.

Member's/Proxy's name in Block Letter

Member's/Proxy's Signature

NOTES

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

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

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

EVEN (E-Voting Event Number)	User ID	Password

NOTE: Please refer the instructions printed under the Notes (Note No. 16) of the Notice of the 50TH Annual General Meeting. The remote e-voting period starts from 9.00 a.m. on Saturday, August 18, 2017 and will end at 5.00 p.m. on Tuesday, August 22, 2017. The voting module shall be disabled by NSDL for voting thereafter.

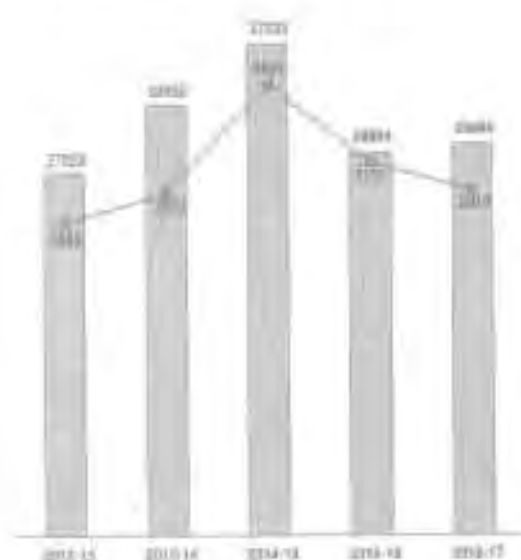
Performance Highlights



REVENUE FROM OPERATIONS & PROFITABILITY

(₹ in Millions)

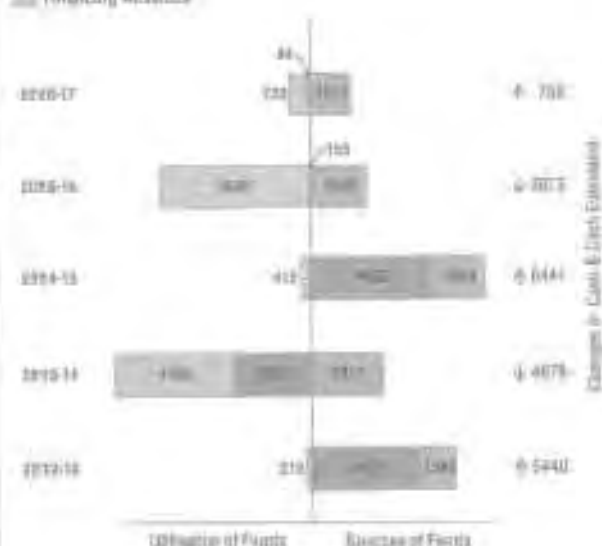
- Revenue from Operations
- Profit before Exceptional Items (net of tax)



CASH FLOW

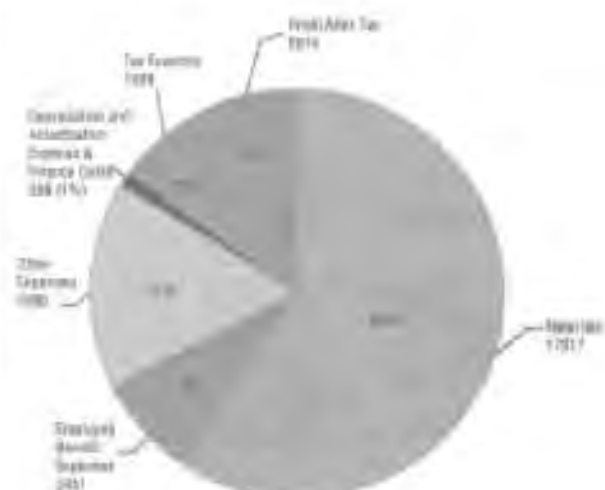
(₹ in Millions)

- Operating Activities
- Investing Activities
- Financing Activities



DISTRIBUTION OF INCOME 2016-17

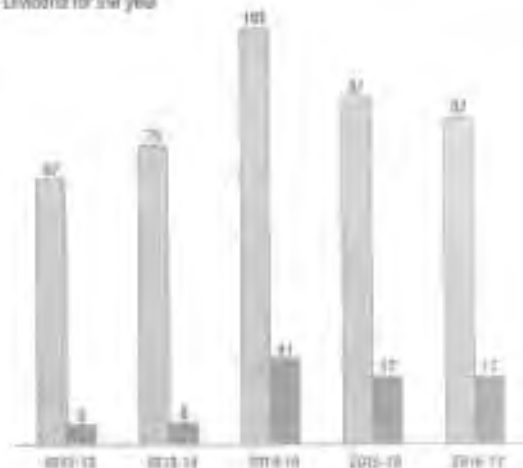
(₹ in Millions %)



EARNINGS & DIVIDEND PER SHARE

(₹)

- Earnings before Exceptional Items (net of tax)
- Dividend for the year



Figures from the period 2015-16 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).



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BAYER
CROPSCIENCE
LIMITED

58TH

ANNUAL
REPORT APRIL 2015 -
MARCH 2016

Certified True Copy
For Bayer CropScience Limited

Rolly Wani
Head - Law, Patents & Compliance
and Company Secretary



PRODUCT LAUNCHES : 2015 - 16

Crop Protection



Profiler[®]

A new, highly effective fungicide for the control of wheat stripe rust and other wheat diseases.



Belt[®] Expert

A new, highly effective fungicide for the control of wheat stripe rust and other wheat diseases.



Laudis[®]

A new, highly effective fungicide for the control of wheat stripe rust and other wheat diseases.

Seeds

Arize[®] Diamond

A new, highly effective fungicide for the control of wheat stripe rust and other wheat diseases.



Arize[®] Bold

A new, highly effective fungicide for the control of wheat stripe rust and other wheat diseases.



Arize[®] Xpress

A new, highly effective fungicide for the control of wheat stripe rust and other wheat diseases.



Arize[®] Nano

A new, highly effective fungicide for the control of wheat stripe rust and other wheat diseases.





Arize® Idea

Arize® Idea is a new rice variety with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.



Arize® Tej Gold

Arize® Tej Gold is a new rice variety with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.

Surpass® Superb BGI (SP 7517 BGI)

Surpass® Superb BGI is a new rice variety with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.



Proagro® Marutej

Proagro® Marutej is a new rice variety with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.



Proagro® 9001

Proagro® 9001 is a new rice variety with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.



Proagro® Kesari Gold

Proagro® Kesari Gold is a new rice variety with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.



Environmental Science

Solfac® EW 50

Solfac® EW 50 is a new environmental science product with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.



Solfac® WP 10

Solfac® WP 10 is a new environmental science product with medium grain, medium height, medium maturity, medium yield, medium quality, medium price, medium risk, medium return, medium effort, medium time, medium space, medium money, medium health, medium happiness, medium everything.



SOCIAL COMMITMENT



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

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

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

Some of our key CSR projects from 2015-2018 include:

Making Science Make Sense (MSMS)



Making Science Make Sense activities are designed for students of Class V and VI as it is in these years that science is introduced in schools as a full-fledged subject. The programme includes live demonstrations, experiments, audio-visual tools and interactive sessions to enhance the learning experience and make sure that science is taught in a way that is enjoyable and fun. In 2018, MSMS was organized in Mumbai, Vapi and Himmatnagar covering 35 schools and 13,717 students.



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

Vidya Prayas



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

Bayer-RVJ School of Agriculture (Vocational Training)



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

Child Care Program



An estimated 188 million children aged 5-14 are engaged in child labor worldwide, according to the United Nations Children's Fund (UNICEF). This is one in six children in the world. Bayer has worked effectively to implement a comprehensive multi-level Child Care Program (CCP), an initiative that has transformed the way the seed supply chain is organized, making it sustainable and compliant with its policy of saying no to child labor. It aims at getting children off the fields of contract farmers and into the school.

Model Village



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

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



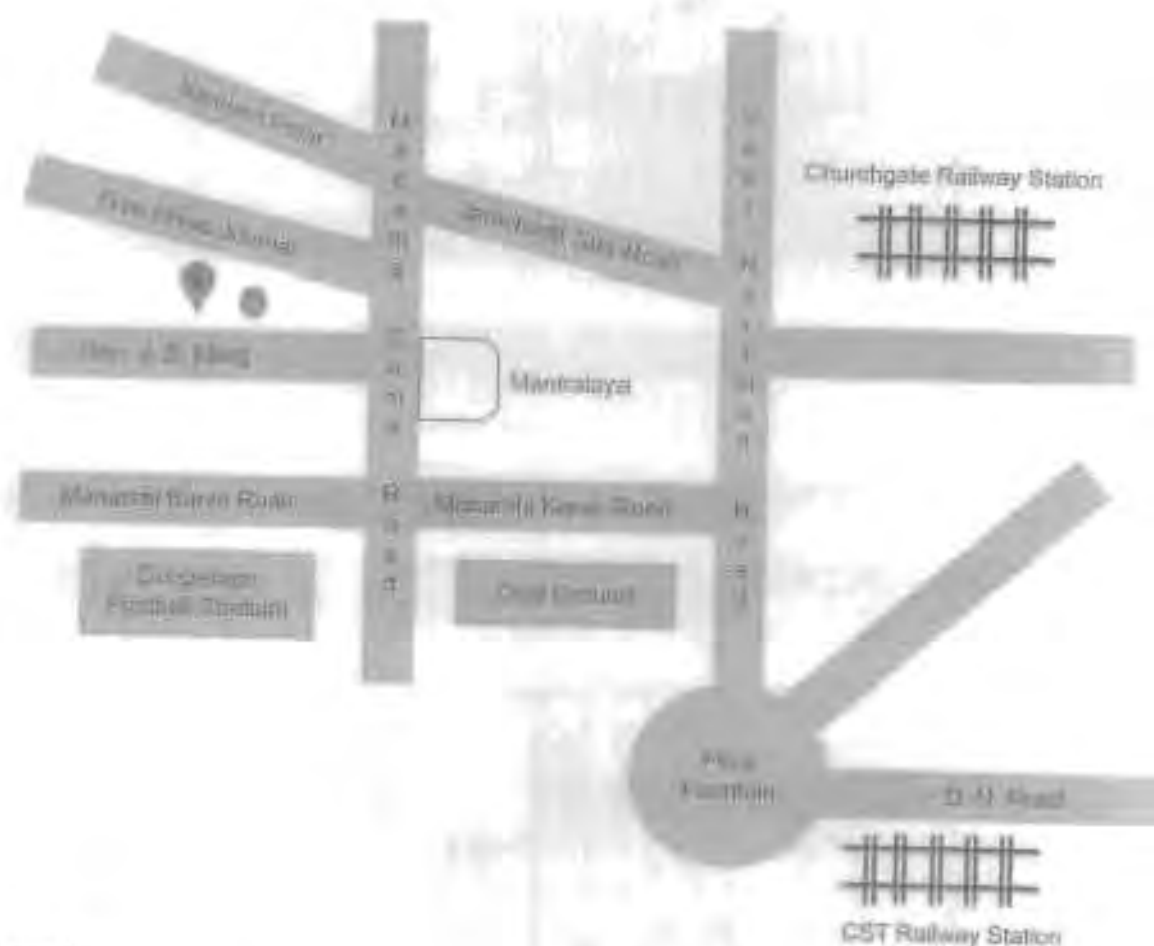
Bayer's WASH program is aimed at improving public health through education on sanitation, hygiene and conservation of water in domestic and agricultural usage. The methodology involves intensive training for rural communities in order to change mindsets and habits. The training activities include promoting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

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

Day & Date: Monday, September 12, 2016

Time: 11:00 A.M.

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



Legends:

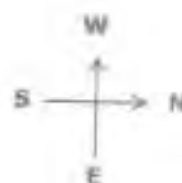


Y. B. Chavan Auditorium,
Yashwantrao Chavan Pratishthan, Gen. J. Bhonsale Marg, Mumbai - 400021



Sachivalaya Gymkhana

Please note that this map is not to actual scale





Vice President - Law, Patents & Compliance &
Company Secretary

Bayer CropScience Limited
Annual Report 2015 - 16

Directors	Pankaj Patel	(DIN 00131852)	- Chairman
(As on July 08, 2016)	Richard van der Meer	(DIN 08708905)	- Vice Chairman & Managing Director and CEO
	Bharat M. Kulkarni	(DIN 00003640)	
	A. K. R. Nedungadi	(DIN 00103214)	
	Vimal Bhandari	(DIN 00001016)	
	Peter Mueller	(DIN 03582162)	
	Ulrich Stefer	(DIN 07447177)	- Executive Director & CFO
	Dr. Regine Juergens	(DIN 07078289)	

Vice President - Law, Patents & Compliance &
Company Secretary

Rajiv Wahi

Bankers	Bank of America BNP Paribas Citibank N.A. Deutsche Bank HDFC Bank Limited State Bank of India
Auditors	Pricewaterhouse
Solicitors	Crawford Bayley & Co.
CIN	L24210MH1998PLC011173
Registered & Corporate Office	Bayer House, Central Avenue, Hiranagar Estate, Thane (W) - 400 907. Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 3083 Email: ir_bcs@bayer.com
Registrar & Share Transfer Agent	TSR Darashaw Limited (TSRD) G-10, Haji Moosa Petrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Maharaja, Mumbai - 400 011. Tel. No.: + 91 22 6656 5484 Fax No.: + 91 22 6656 5484 Email: reg-ent@tsrdarshaw.com
Factory	Plot Nos. 86/1 to 75/2 G.I.D.C. Industrial Estate, Hiranagar - 383 001, Gujarat

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Members are requested to:

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

**NOTICE**

NOTICE is hereby given that the 58th Annual General Meeting of Bayer CropScience Limited will be held on Monday, September 13, 2016 at 11:00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Marolaya, Gen. J. Bhonsale Marg, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Statement of Profit and Loss for the financial year ended March 31, 2016 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2016.
3. To appoint a Director in place of Mr. Peter Mueller (DIN : 03562162), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Resolutions, with or without modifications:

5. **Appointment of Mr. Ulrich Steier as the Wholesome Director (DIN: 07447177) & Chief Financial Officer of the Company:**

As an Ordinary Resolution:

"RESOLVED THAT Mr. Ulrich Steier (DIN: 07447177) who was appointed as an Additional Director of the Company with effect from March 04, 2016 by the Board of Directors and holds office upto the date of this Annual General Meeting under the provisions of Section 151(1) of the Companies Act, 2013 ("the Act") and Article 117(2) of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the name of Mr. Ulrich Steier as a candidate for the office of director, he and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board and subject to the provisions of Sections 2(51), 3(84), 196, 197, 200, 201, 203 and Schedule V and other applicable provisions, if any, of the Act and relevant rules made thereunder and subject to approval of the Central Government and such other approvals as may be necessary, Mr. Ulrich Steier he and is hereby appointed as the Wholesome Director & Chief Financial Officer of the Company for a period of five (5) years commencing from April 01, 2016 on the following terms and conditions:

(a)	Salary	₹ 745,087/- (Rupees Seven Lakh Forty Five Thousand Eighty Seven only) per month or such amount as may be approved by the Nomination and Remuneration Committee / Board of Directors.
		€ 12,535/- (Euro Twelve Thousand Nine Hundred Thirty Six only) per month is Indian Rupees at the prevailing exchange rate or such amount as may be approved by the Nomination and Remuneration Committee / Board of Directors.
(b)	Special Allowance	₹ 1,49,017/- (Rupees One Lakh Forty Nine Thousand Seventeen Only) per month or such amount as may be approved by the Nomination and Remuneration Committee / Board of Directors.
(c)	Annual Increment	An amount as may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time.
(d)	Performance Award / Bonus / Incentive / Ex-gratia	An amount as may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time.
(e)	Long Term Incentive	An amount decided as per the Global Policy of Bayer AG, Germany for Senior Management.
(f)	Global Aspire Award	An amount decided as per the Global Policy of Bayer AG, Germany for Senior Management.
(g)	Perquisites	As per the provisions of Section 196 and 197 of the Companies Act, 2013 and Schedule V to the said Act for the time being in force or any statutory modification or re-enactment thereof. The perquisites (including allowances) payable are as follows:
	Housing	The Company shall provide free furnished accommodation, including periodic maintenance.
	Home Travel Allowance	An amount as may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time in accordance with the Bayer's International Mobility Document.
	Club fees	Entrance and annual fees of one club.

NOTICE (contd.)

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

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

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

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

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

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

RESOLVED FURTHER THAT Mr. Stiller shall not be liable to retires by intimation during his tenure as Wholtime Director & Chief Financial Officer of the Company.

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

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

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

As an Ordinary Resolution:

***RESOLVED THAT** Mr. Pankaj Patel (DIN: 00131852) who was appointed as an Additional Director of the Company with effect from July 05, 2010 by the Board of Directors and holds office upto the date of this Annual General Meeting under the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 117(2) of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose the name of Mr. Pankaj Patel as a candidate for the office of director, be and is hereby appointed as Director of the Company.

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



IT and 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Mr. Pariksh Patel who has submitted a declaration of independence under Section 149(5) of the Act and is eligible for appointment he and is hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) consecutive years commencing from September 12, 2016 upto September 11, 2021.

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

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

7. Ratification of Remuneration to Cost Auditor:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. N. J. Mehta & Co., Cost Accountants, having Firm Registration No. 000023, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company relating to livecochols for the financial year ending March 31, 2017, being ₹ 0.58 Millions (Rupees point five three million only) plus service tax and out of pocket expenses incurred in performance of their duties be and is hereby ratified and confirmed.

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

8. Approval of transaction with Bayer BioScience Private Limited:

As an Ordinary Resolution:

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

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

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

As a Special Resolution:

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

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

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company (carrying voting rights), then such proxy shall not act as a proxy for any other person or shareholder. The authorized representative

A proxy in order to be effective shall be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation. The proxy holder shall prove his identity at the time of attending the meeting. The proxies shall be available for inspection during the period beginning twenty-four (24) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
3. The details under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Directors seeking approval for appointment / re-appointment at the Annual General Meeting, forms part of the Annexure to this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 31, 2016 to Monday, September 12, 2016 (both days inclusive).
5. The dividend of ₹ 17 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 58th Annual General Meeting to be held on Monday, September 12, 2016 will be paid on or after Wednesday, September 14, 2016:
 - (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Tuesday, August 30, 2016 after effecting the transfers lodged on August 30, 2016 which are valid and found to be in order;
 - (ii) in respect of shares held in dematerialised form, to the Beneficial Owners of the shares as at the close of business hours on Tuesday, August 30, 2016 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
6. Members are requested to direct all shares related correspondence to TSDDL at the following address:

TSR Clearing Limited,
Unit - Bayer CropScience Limited,
B-10, Haji Mohan Patrawala Industrial Estate,
20, Ch. E. Mookes Road, Near Famous Studio,
Meharajpur, Mumbai - 400 011
Tel. No. +91 22 6656 6454
Fax No. +91 22 6656 6494
e-mail: cslj-unit@bayercropscience.com
7. Members holding shares in physical form are requested to notify / send the following to TSDDL on or before Thursday, August 25, 2016 in order to facilitate better service:
 - (i) Any change in their address / mandate / bank details;
 - (ii) particulars of their core bank account number in case the same have not been sent earlier; and
 - (iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
8. Members holding shares in the dematerialised form are requested to intimate all changes pertaining to their bank details including their Core Banking Account No. MICR and IFSC Code, nomination, power of attorney, change of address / name etc. to their Depository Participant only and not to the Company / TSDDL. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and TSDDL to provide efficient and better service to the members.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSDDL for assistance in this regard.
10. Members are requested to encash the Dividend Warrants immediately on its receipt, as pursuant to the provisions of Section 123 of the Companies Act, 2013, dividends remaining unclaimed for 7 years from the date they were transferred to the unpaid dividend account are required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force). Members shall not be able to claim any unpaid or unclaimed dividend from IEPF or the Company thereafter.
11. **Members are requested to note that the dividend declared in September, 2009 is due to be transferred to IEPF in October, 2016.**
12. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN details to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to TSDDL.
13. Members can avail the facility of nomination in respect of physical shares held by them by sending their nomination in the prescribed form duly filled in to TSDDL, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.



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14. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days during normal business hours up to and including the date of the Annual General Meeting.
15. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address along with details of name, address, Folio No. and number of shares held:
- to TSNDL for shares held in physical form; and
 - in respect of shares held in dematerialised form, also provide DP ID / Client ID with the above details and register the same with their respective Depository Participants.

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

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

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

The remote e-voting period commences on Thursday, September 08, 2016 (IST 9:30 a.m.) and ends on Sunday, September 11, 2016 (IST 5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 05, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participant(s))

- Open email and open PDF file viz: "BAYER remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- Click on Shareholder - Login
- Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digit/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- Select "EVEN" (E-voting Event Number) of Bayer CropScience Limited which is 194415. Now you are ready for remote e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bayevilla@nita.in with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives physical copy of the Notice of AGM (the members whose email IDs are not registered with the Company)/ Depository Participant(s))

- Initial password is provided in the enclosed attendance slip; EVEN (Remote e-voting Event Number), User ID and password.
- Please follow all steps from Sl. No. (ii) to Sl. No. (vi) above, to cast vote.

C. Other Instructions:

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-999.
- ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iii. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Monday, September 06, 2016.
- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, September 06, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- vi. However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-999.
- vii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- viii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- ix. Mr. H. L. Bhatia, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting conducted at the AGM venue in a fair and transparent manner.
- x. The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting electronically for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xi. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xii. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.bayer.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors

Rajiv Wani

Vice President - Law, Patents & Compliance &
Company SecretaryMumbai,
14th Dec 2016

Registered Office:

Bayer House, Central Avenue
Hirundani Estate,
Thane (West) - 400 601.
CIN : L28210MH1858PL201117



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ANNEXURE TO NOTICE:**INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 34(7) OF THE SEBI LISTING REGULATIONS:****Mr. Peter Mueller (DIN: 03852162)**

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

Brief Profile:

Mr. Mueller joined Bayer AG as a commercial trainee in 1978 and spent two years in Corporate Auditing thereafter. He then moved to Japan where he worked for seven years with three Bayer subsidiaries in the field of Finance & Accounting. After a further period of three years at the German Bayer headquarters in Central Controlling, Mr. Mueller became the Deputy-General Manager of Bayer's newly founded holding company in Beijing, China. In the following five years, he established the administrative country platform and helped to originate and finance twelve joint venture companies. Mr. Mueller joined the Finance Division at Bayer AG as Head of Corporate Financial Controlling in 1989 before being appointed the Head of Corporate Finance in 2002 and Head of Finance in 2011.

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

Mr. Ulrich Stöfer (DIN: 07447177)

Mr. Ulrich Stöfer (Age: 47 years) had been appointed as an Additional Director of the Company with effect from March 04, 2015. He holds office till the ensuing Annual General Meeting and being eligible, offers himself for appointment.

Brief Profile:

Mr. Ulrich Stöfer has completed Business Administration at University of Cologne. He started his career as a Chartered Accountant firm in Cologne, Germany. Subsequent to his examination as Tax Consultant, he then joined Bayer in 1995 to work as auditor in the Corporate Auditing Department. From 2002 to 2008 he was transferred to Asia Pacific to run a regional project at Bayer Middle East, Dubai, UAE, in later up responsibilities as Chief Financial Officer (Bayer Pakistan (Private) Ltd. and Bayer Korea Ltd.) partly in combination with the role as CEO/Senior Bayer Representative Bayer Pakistan (Private) Ltd. In 2010 he was transferred to the Taxes department of Bayer AG, heading up the International Taxes/Foreign Affiliate Department. Prior to joining the Company, Mr. Stöfer was responsible for Tax Planning, Mergers & Acquisitions (Tax) and Transfer Pricing at Bayer AG, Leverkusen, Germany.

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

Mr. Parag Patel (DIN: 00131852)

Mr. Parag Patel (Age: 43 years) had been appointed as an Additional Director of the Company with effect from July 05, 2015. He holds office till the ensuing Annual General Meeting and being eligible, offers himself for appointment.

Brief Profile:

Mr. Patel has an overall experience spanning over 40 years in the Indian Pharmaceutical Industry. Mr. Patel possesses both research and techno-commercial expertise. He has published over 100 research papers in peer reviewed journals and is a co-inventor in more than 44 patents.

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

As on July 05, 2015, Mr. Patel is on the Board of the following listed companies:

- 1. Cadila Healthcare Limited
- 2. Torrent Power Limited

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

THE FOLLOWING EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED IN ITEM NO. 5 TO 8 IN THE ACCOMPANYING NOTICE DATED JULY 05, 2016.

Explanatory Statement

Item No. 5

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

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

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

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

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

Item No. 6

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Parikaj Patel (DIN: 00131662) as an Additional Director with effect from July 05, 2016 and as a Non-Executive Independent Director subject to the approval of the members. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 117(2) of the Articles of Association of the Company, Mr. Patel holds office of Director upto the date of the Annual General Meeting and is eligible for appointment as a Director. A notice in writing under Section 160 of the Act has been received from a member signifying the intention to propose the name of Mr. Patel as a candidate for the office of Director.

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

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

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

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

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

Item No. 7

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



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In accordance with the provisions of Section 145 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the passing of the resolution. The Board recommends the ratification of the remuneration payable to M/s. N. J. Mehta & Co., Cost Accountants, for the Cost Audit and passing of the Ordinary Resolution as set out at Item No. 7.

Item No. 8

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

BBPL is a party related to the Company as per the definition of Section 2(76) of the Companies Act, 2013 and Regulation 2(25) of the SEBI Listing Regulations.

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

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

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

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

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

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

Item No.11

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

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

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

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

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

By Order of the Board of Directors

Rajiv Wani

Vice President – Law, Finance & Compliance
& Company Secretary

Mumbai,

July 03, 2016

Registered Office

Bayer House, Central Avenue

Herambhadi Estate

Thane (West) - 400 607

DN : (242)064H1958PLD011173



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DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 33rd Annual Report on the business and operations of the Company together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2016.

Financial Performance:

(₹ in Millions)

Particulars	2015-16	2014-15
Revenue from Operation (Net)	37,429	37,233
Other Income	757	978
Total Revenue	38,186	38,211
Profit before Finance Costs, Depreciation, Exceptional Items and Taxation	4,949	8,234
(Less) : Finance Costs	(73)	(48)
(Less) : Depreciation and Amortisation Expenses (including impairment)	(247)	(253)
Profit before Exceptional Items and Taxation	4,629	7,933
Add/(Less) : Exceptional Items	-	-
Profit Before Tax	4,629	7,933
(Less) : Tax Expense	(1,629)	(1,093)
Profit After Tax	3,009	3,833
Add : Surplus in Statement of Profit and Loss at the beginning of the year	18,657	14,134
Amount available for Appropriation	19,666	17,967
Appropriations:		
Interim Dividend	-	148
Dividend Distribution Tax on Interim Dividend	-	29
Proposed Dividend	601	632
Dividend Distribution Tax on Proposed Dividend	118	130
Transfer to General Reserve	301	983
Premium paid on Buy-back of shares	5,048	-
Transfer to Capital Redemption Reserve	12	-

Operations:

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

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

Dividend:

The Board of Directors is pleased to recommend a dividend of ₹ 17 per Equity Share of ₹ 10 each for the financial year ended March 31, 2016, subject to the approval of the members (previous year ₹ 21.00 per Equity Share of ₹ 10 each). The total outgo for the current year amounts to ₹ 601 Millions as against ₹ 632 Millions in the previous year.

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

Exports:

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

Insurance:

The Company's assets continue to be adequately insured against the risk of fire, sea, earthquake, terrorism and the risk of loss of profits also stands insured. amongst other things, in addition, adequate coverage has been taken to cover public liability, environmental liability, and product liability claims. Also, all the employees are covered against the risk of hospitalisation and personal accident.

Foreign Exchange Management:

The Company's exposure to foreign exchange risk comprises the risk of a foreign currency versus the local currency. The goal is to reduce the negative impact of the risks arising from fluctuations in exchange rates on the earnings. The majority of the foreign transactions are denominated in US dollar. To mitigate the currency fluctuations, the net exposure of the Bayer Group is hedged after taking advantage of the natural hedge on fortnightly basis.

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

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

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

Responsible Care and Quality:

Your Company observed National Safety Week and Fire Prevention Week during the year and conducted various activities throughout the week to spread awareness on safety amongst employees. September 08, 2015 was observed as the Bayer Safety Day. Your Company observed World Environment Day at the Himsnagar Site during the year. A "Road Safety Campaign" was launched in 2012 and was continued in 2015 to increase awareness on road safety amongst Bayer employees in India. This year, the theme was "Behaviour Based Safe Driving". The Himsnagar Site completed 18 years without lost time injury in 2015. The Site also received FICCI Award for The Best Green Process in 2015.

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

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

Corporate Sustainability and Social Responsibility:

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

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

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

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

Corporate Social Responsibility:

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

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

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



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DIRECTORS' REPORT (contd.)

Human Resources

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

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

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

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

Employee relations during the year were harmonious and cordial.

Directors

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

- Mr. Ulrich Stefer as an additional director with effect from March 04, 2016 and as the Wholetime Director and Chief Financial Officer of the Company with effect from April 01, 2016.
- Mr. Parraj Patel as an additional director with effect from July 06, 2016.

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

Mr. Kalkbadi Mistry, Non-Executive Non-Independent Director ceased to be a Director of the Company with effect from September 17, 2016.

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

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

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

In accordance with the provisions of the Act, Mr. Peter Mueller retires by rotation and being eligible offers his candidature for re-appointment. The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

In accordance with the provisions of Section 148(7) of the Act, Dr. Vijay Maliya, Mr. Sheraad M. Kulkarni, Mr. A.K.R. Nedungadi and Mr. Vinod Bhandari, the Independent Directors of the Company as on March 31, 2016 have given declaration to the Board that they meet the criteria of independence as laid down under Section 148(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Meetings of the Board

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

Audit Committee

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

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

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

Nomination and Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration Policy in accordance with Section 175 of the Act and SEBI Listing Regulations. The Policy provides for appointment and removal of Directors, Key Managerial Personnel and Senior Management employees and their remuneration. The gist of the Policy is stated in the Corporate Governance Report. The detailed policy is available on the website of the Company at www.bayer.co.

Whistle Blower Policy (Vigil Mechanism):

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

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

Risk Management Policy:

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

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

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

Corporate Social Responsibility Policy:

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

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

Internal Control Systems:

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

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

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



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DIRECTORS' REPORT (contd.)

Registered Office of the Company:

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

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

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

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

Related Party Transactions:

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

Information in accordance with the related parties pursuant to Section 134(3)(v) of the Companies Act, 2013 read with Rule 33(2) of the Companies (Accounts) Rules, 2014 as prescribed in Form AOC-3 is given under Annexure "C".

Prevention of Sexual Harassment at Workplace:

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

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

- * No. of complaints received Nil
- * No. of complaints disposed off Nil

Extract of Annual Return:

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

Corporate Governance:

Your Company is committed to maintaining highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities and Exchange Board of India (SEBI). As required by Regulation 24 of the SEBI Listing Regulations, a detailed Corporate Governance Report is given as an Annexure to this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate from a Company Secretary in whole-time practice confirming compliance of the Corporate Governance requirements by the Company is attached to the Corporate Governance Report. Also a Certificate of the CEO and CFO of the Company in terms of the SEBI Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of internal control measures forms a part of the Corporate Governance Report.

Management Discussion & Analysis Report:

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

Adoption of New Articles of Association:

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

Buy back of Shares:

During the year under review, the Company completed Buy Back of 1,269,000 equity shares representing 3.46% of total equity capital of ₹ 104/- each at a price of ₹ 4,000/- per equity share aggregating to ₹ 5,080 Millions. The Buyback of shares from the shareholders of the Company was on a proportionate basis through the tender offer route as prescribed under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended.

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

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

Statutory Auditors:

M/s. Price Waterhouse, Chartered Accountants, (Firm Registration Number 301172E) retire as Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed the eligibility under Section 141 of the Act and the rules framed thereunder for re-appointment as Auditors of the Company. The Audit Committee and the Board recommends the re-appointment of M/s. Price Waterhouse, Chartered Accountants, as Statutory Auditors of the Company.

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

Secretarial Audit:

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

Acknowledgements:

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

For and on behalf of the Board of Directors

Pankaj Patal

Chairman

(DIN: 00151852)

Mumbai, July 28, 2016

ANNEXURE "A"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

As per the relevant provisions of the Act, the CSR spend requirement for the Company for the Financial year 2015-16 is ₹ 64.2 millions.

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

Below is a short summary for programmes under implementation:

- I. **Sexual Violence Prevention Center:**

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

- II. **Discovering Hands:**

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

- III. **Bayer Fellowship Program in Agro Science:**

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

For academic year 2015-16 under the program, Bayer is funding 48 students (31 M. Sc. and 18 Ph.D. students) across 7 universities disbursing a total of ₹ 4.3 Millions.

- IV. **Tale-Health Project:**

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

v. **Health & Educational Programmes:**

This project implements comprehensive Health programmes in the states of Maharashtra, Rajasthan, Telangana and Karnataka. In addition, it has rolled out a holistic educational program in Chandappa, a village near the Bayer R&D site close to Hyderabad. Some of the key achievements of this project in 2015-16 are distribution of 467 pairs of spectacles, nine cataract surgeries, dental treatment to 585 villagers, awareness generation on Menstrual hygiene - 550 sanitary napkins distributed and financial support to 160 Students in Chandappa.

vi. **Making Science Makes Sense:**

Making Science Makes Sense (MSMS) activities focus on making science learning fun. The programme has been designed for students of Class V and VI as it is in these years that science is introduced in schools as a full-fledged subject. The programme includes live demonstrations, experiments, audio-visual tools and interactive modules. MSMS reached out to around 12,500 students in the year 2015-16.

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

2. **The composition of the CSR Committee:**

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

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

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

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

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

b. Amount unspent: Nil

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

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



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Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project/ Programs 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount available (Budget) project/ programs were (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
2	Marneeshall is a Social Leadership Program initiated by Bayer India Human Resources Department. Rural Development activities taken up by Bayer volunteers in order to contribute to the society and schools team spirit under patronising Bayer employees. Activities carried out during Marneeshall are promoting kitchen garden, To create awareness on health and hygiene, To implement livelihood training activities.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects	In Kadavale village, Hoped District, Mangalore village, Dakshin in Karnataka	0.74	DE= 0.79 OH= 0.04	1.16	SEFOS (Samarodaya Integrated Farm Development Society)
3	Comprehensive educational interventions aimed at catering the need of forming a healthy socio-economic culture where the deserving class of society can avail quality education. Some of the activities include scholarships for the school-going children, financial support to the deserving students to pursue higher education, upgrade and maintain the educational set-up of targeted schools, improve the educational delivery process in the local schools, create IT-enabled smart content, skill development programs, school facility up-gradation including libraries, science labs, sports & cultural facilities and coaching. Bayer will also provide support by giving notebooks, uniforms, books and sports gear. Vocational training and training self-employment opportunities to the youth beyond school-going age will also be a part of the program	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects	In Terangala, Andhra Pradesh and Karnataka	11.53	DE= 10.30 OH= 0.33	11.03	Ashvini Foundation

Sr. no.	CSR project activity identified	Sector in which the Project is covered	Projects/ Programs 1. Local area/ others 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project/ programs etc. (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period (₹ in Millions)	Amount spent: Direct/through implementing agency
4	Comprehensive community health program in Odisha. The gaps in existing framework in the field of (a) health and hygiene. The program aims at improving the overall health status in the target locations by providing a very high quality holistic healthcare approach including health screening, treatment of cases diagnosed during the screening and health education.	CSR activity under item (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Sakshat Bharat Kosh and making available safe drinking water	In total 11 villages in the states of Maharashtra, Rajasthan, Telangana & Karnataka	5.12	DE= 4.88 OH= 0.24	5.12	School Health Annual Report Program (SHARP)
11	Bayer Fellowship Program in Agri Science. The program aims at encouraging research and development activities in agriculture. M.Sc. and Ph.D. students in leading Agriculture Universities of India will be given financial assistance to pursue their education and we benefit them and the agricultural sector.	CSR activity under item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Tamil Nadu, Telangana, Karnataka, Uttaranchal, Punjab, West Bengal and Odisha	4.53	DE= 4.31 OH= 0.22	4.53	Tamil Nadu Agricultural University, Coimbatore Andhra Pradesh Agricultural University, Hyderabad University of Agricultural Sciences, Dharwad Punjab Agricultural University Ludhiana Gour Hari Prasad Pant University of Agriculture and Technology, Pantnagar Uttarakhand Bihar Chandra Kishi Vastu/Kalyani, Kalyani, West Bengal AAU, Anand

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project/ Programme 1. Local area/ others 2. Specify the state and district where project / program was undertaken	Amount outlay (budget) project/ programme (Rs. in Millions)	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project or programme (DE) 2. Overhead (OH) (Rs. in Millions)	Cumulative expenditure spent upto to the Reporting period. (Rs. in Millions)	Amount spent/ Directthrough/ implementing agency
6	WASH (Water, Agriculture Sanitation and Hygiene) mainly focuses on public health through improving sanitation and conservation of pure natural resources. Preventive health care system can be improved in the target villages if cleanliness is enhanced and natural resources are protected from pollutants. The methodology mainly involves various trainings of the rural communities in order to change mind-set and habits.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Villages of Hologarwa, Kumbharia and Alura Mandala of Kurnool district in Andhra Pradesh	11.01	DE= 10.41 OH= 0.62	27.38	EFFORTS (A Society for the Development of Agriculture and Youth)
7	Making Science Make Sense: Project is designed under the theme 'Agriculture Education in the High School Students'. The main objectives of the program are: To impart minimum basic scientific, technical and practical knowledge on agriculture sciences/production to the students. To motivate the students to develop interest in agriculture activities and pursue it as one of future education. To develop scientific temperament among the students in the field of science.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Districts of Ranga Reddy and Medak in Telangana	0.73	DE= 0.76 OH=0.03	0.73	EFFORTS (A Society for the Development of Agriculture and Youth)
8	Sakshya Abhiyan is an initiative to promote the interests for higher studies. The program promotes scholarship scheme to meritorious children from rural India who have scored highest in 10th standard science stream. The program is open to all rural underprivileged children who have completed 10th Standard of schooling.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Program is open across India	0.75	DE=0.71 OH=0.04	0.75	SAROS (Servedays Integrated Rural Development Society)

Sr. no.	CSR project/activity identified	Sector in which the Project is covered	Project/Programs 1. Local area/ others 2. Specify the state and district where project/program was undertaken	Amount outlay (budget) project/programs etc. (₹ in Millions)	Amount spent on the project/programs Subheads: 1. Direct expenditures on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the Reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
8	Relief Programs towards Natural calamities – Earthquakes	CSR activity, under item (i) and (vii) Contribution to the CSR activity under item (i) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	NA	7.50	DE=7.50 OH= 0.30	7.50	Prime Minister's National Relief Fund
10	Research & Prevention Centre on Sexual Violence against Women & Children, The Program has 3 main goals: 1- Empiric research on causes, risk factors and impact of sexual violence on Indian society and individual victims (generate evidence based results to find new solutions and actions) 2- Social Emergency response office for at-risk people (mobile solution, help desk) 3- Preventive, physical (medical) treatment office for potential child sexual abusers (voluntary based)	CSR activity, under item (ii) 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	10.74	DE= 10.80 OH=0.36	10.74	Public Health Foundation of India, KEM Hospital & Research Center Pune. Scientific: Professor Chandra Sheela & Yash Health Summit



Sl. no.	CSR project/ activity identified	Sector in which the project is covered	Project/ Programs 1 Local area offices 2 Specify the state and districts where project / program was undertaken	Amount outlay (budget) project/ programs was (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spent upto to the reporting period. (₹ in Millions)	Amount spent: Direct/through implementing agency
11	Novel training center for Blind Women to become Medical Tactile Examiners (MTEs) in early Breast Cancer Detection. This way, a handicap becomes a gift for society. They support as personal assistants to medical doctors in early detection of breast cancer in the context of the existing healthcare system by using their extraordinary tactile capabilities.	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially amongst children, women, elderly and the differently abled and livelihood enhancement projects	New Delhi	7.25	DE= 2.50 OH= 0.30	7.80	DISHA Foundation
12	Bayer Science Talent: The international fellowship program of the Bayer supports extraordinary gifted students in order to help them realize individual study and research projects abroad. Bayer supports 5 school students who show special commitment to the subject of science. The Program supports scholarships for teenagers aged between 14 and 18, who are interested in science participate at the Bayer Science Camp in Denver, Colorado (USA).	CSR activity, under item (ii) Promoting education, including special education and employment enhancing vocational skills especially amongst children, women, elderly, and the differently abled and livelihood enhancement projects	Program is open across India	1.08	DE= 1.05 OH= 0.05	1.08	Direct implementation

Sr. no.	CSR project/ activity identified	Sector in which the Project is covered	Project Programs 1. Local area or others 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project/ programs wise (₹ in Millions)	Amount spent on the project programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period. (₹ in Millions)	Amount spent Direct/through implementing agency
13.	To provide specialist care and treatment in Primary Health Centers using Tele-Health technology of ECHO (Extension for Community Healthcare Outcomes Model). Kamara Trust in partnership with the state government of Karnataka will manage 14 PHC's in villages near Bengaluru city. The project aims to empower individuals, families and communities with essential knowledge that help them lead fuller and healthier lives. Also Kamara Trust with the help of ECHO will develop Tele-health facility to ten Primary Health Centers (PHCs) for management of diseases which need specialised care.	CSR activity under item (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kisan and making available safe drinking water	Karnataka	2.21	DE=0.10 OH=0.11	2.21	Kamara Trust
14.	The Program aims at improving agricultural productivity & livelihood support to small and marginal farmers through agriculture diversification. The main objectives of the program are (i) to improve productivity of small and marginal farmers, (ii) to help them diversify their livelihoods, (iii) to help marginal farmers move away from subsistence agriculture to income commercial agriculture through the use of agricultural technology, (iv) to bridge gap between government services, markets and farmers, (v) to address the gaps in information flow and inadequate extension services.	CSR activity under item (x) Rural Development projects	Pune (Maharashtra), in the state of Bihar	5.37	DE=6.11 OH=0.26	5.37	SM Sateja Foundation



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Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Project Programs 1. Local area - others 2. Specify the state and district where project/ program was undertaken	Amount budgeted/ project/ programs were (₹ in Millions)	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project or programs (DE) 2. Overheads (OH) (₹ in Millions)	Cumulative expenditure spend upto to the Reporting period (₹ in Millions)	Amount spent Direct/through implementing agency
15	Entertainment of Municipal school Faculty near Thane	CSR activity under Item (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Thane, Maharashtra	0.21	DE=0.20 OH=0.01	0.21	Akshita Foundation
16	Flood relief program in Tamil Nadu with focus on Health Initiatives. The program aims to implement various health care measures to prevent the spread of the epidemic disease.	CSR activity under Item (i) Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care, and sanitation (including contribution to the Swachh Bharat Kosh) and making available safe drinking water	Chennai region, Tamil Nadu	8.99	DE=8.90 OH=0.09	8.99	Concert Relief Foundation

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

Not Applicable

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

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

For and on behalf of the Board of Directors

Richard van der Merwe
Chairman - CSR Committee and Vice Chairman & Managing Director and CEO

Ulrich Stefer
Member - CSR Committee and Executive Director & CFO

Mumbai, July 08, 2015

IDM: 02763306

IDM: 03447177

ANNEXURE "B"

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 5(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended March 31, 2016.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken at Hindustanagar plant

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

(b) Capital investments on Energy conservation equipments

- During the year, the Company spent ₹ 4.75 Millions on energy conservation equipments. Due to the use of the energy conservation equipments, there was a saving of ₹ 1.00 Millions i.e. saving of 215,833 units of electricity consumption.

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

		Current Year (April 2015 - March, 2016)	Previous Year (April, 2014 - March, 2015)
A. Power and Fuel Consumption:			
1. Electricity:			
(a)	Purchased: Hindustanagar Plant		
	Unit (KWH)	1,485,670	1,412,005
	Total Amount (₹ in Millions)	27.82	15.88
	Rate / Unit (₹)	7.82	7.53
(b)	Own Generation: Hindustanagar Plant		
	Through diesel generator		
	Units (KWH)	4,135	1,324
	Units / litre of diesel oil	1,020	928
	Cost / Unit -	12.75	9.15
	No separate unit cost calculated since generation is marginal. More diesel consumption for trial running for keeping generator in order.		

B. Consumption per unit of production

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

II. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are as under:-

Research and Development (R & D)

1. Specific Areas

As the leader in Innovation and Excellence, your Company continues to provide novel, innovative and effective crop protection products and solutions greatly benefiting the Indian farming community to keep pace with the dynamic scenario and enhancing productivity. As a part of ongoing research and development activities, your Company is evaluating in India the feasibility of a number of early phase compounds which are under global development with the prospect of introduction of some of the promising compounds in future in India. Further, new molecules and mixtures are also being evaluated for use in variety of agricultural and horticultural crops covering a wide spectrum of pest and disease segments to ensure the suitability of product for marketing business.

Your Company successfully secured key product registrations viz:-

Crop Protection

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



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Environmental Science

- Your Company has got approval of key product Timpani 3G for household use. The product gives excellent efficacy against household insect pests especially against bed bugs.

On the R&D front, your Company was successful in obtaining approvals for extending use of existing products for management of insect pests, diseases and weeds on many crops viz. Foliar 350 EC on Onion, Soybean and Black gram, Nabis 75 WG on Grapes, Chili, Wheat and Mango, Jump 80 WG on Onion and Cabbage, Sumin 500 OD on Soybean, Topstar 80 WP on Sunflower and Whip Super 3 EC on Grasshopper.

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

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

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

With the focus on improving productivity, quality and reduce the investment of farmers, your Company is developing total package solution from seed to harvest in key agriculture and horticulture crops (cereal, cotton, fruit, brinjal and vegetables). Your Company continuously provides guidance and inputs to farming community on safe and judicious use of pesticides through various Stewardship and Sustainable Agriculture Projects. Your Company also provides a helpline dedicated to the farming community for seeking clarifications on appropriate use of its products.

2. Future Plans

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

The year 2018 has an interesting line-up with expected approvals launch of 5 globally renowned products in Crop Protection - 2 new fungicides for the control of powdery mildew and Anthracnose in Grapes and for the control of late blight diseases in Potato, 2 new insecticides for the control of sucking pests in Brinjal and Chili, a new plant growth regulator for use as defoliant and enhancing boll opening in Cotton to facilitate mechanical harvesting in one shot, a new product as seed treatment for the control of Asco and seedling rot diseases in Groundnut and Soybean, besides securing key label extensions for key Crop Protection products. In Environmental Science, a new product for control of household insect pests will be launched.

3. Expenditure on R&D

(₹ in Millions)

(a)	Capital	82
(b)	Recurring	250
(c)	Total	332
(d)	Total R&D Expenses are 0.75 % of the Revenue from Operation (Net)	

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

- (ii) Total foreign exchange utilised and earned:

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

ANNEXURE "C"
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 124 of the Act and Rule 11(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

DIN : 00121852

Mumbai, July 06, 2016



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ANNEXURE "D"

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN	124216MH1958PLC011173
Registration Date	September 08, 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 2501 1234
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	TSR Dronacharya Limited 5-10, Haji Mousa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mumbai - 400 017. Tel. No.: +91 22 6888 5454 Fax No.: +91 22 6856 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	28211	40

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/ILN	Holding/ subsidiary / associate	% of shares held	Applicable section
1.	Bayer AG Leverkusen, Germany	NA	Holding	10.40	2(48)
2.	Bayer CropScience AG Monheim, Germany	NA	Holding	18.58	2(48)
3.	Bayer SAS Lyon, France	NA	Holding	19.25	2(48)
4.	Bayer Vapi Private Limited Plot No 306/2, II Phase, GIDC, Vapi - 389 115	U99999GJ1999PTC048322	Holding	23.33	2(48)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(i) Indian									
(a) Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	8,198,584	0	8,198,584	22.38	8,246,312	0	8,246,312	22.22	0.58
(d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B) Any Other (specify):	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	8,194,994	0	8,194,994	22.39	8,248,312	0	8,248,312	23.32	0.94
(2) Foreign									0.00
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate	17,252,342	0	17,252,342	46.87	15,990,372	0	15,990,372	46.25	-1.32
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify):	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	17,252,342	0	17,252,342	46.87	15,990,372	0	15,990,372	46.25	-1.32
Total Shareholding of Promoter and Promoter Group (A)	25,256,307	0	25,256,307	68.99	24,244,884	0	24,244,884	68.58	-0.38
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds / UTI	2,131,616	250	2,131,866	8.55	2,597,613	250	2,598,103	8.45	-0.10
(b) Financial Institutions / Banks	8,347	4,395	12,742	0.03	9,344	3,498	12,942	0.04	0.00
(c) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	792,821	280	793,101	2.98	724,860	280	725,140	2.85	-0.04
(f) Foreign Institutional Investors	2,895,144	0	2,895,144	7.38	252,801	910	253,711	2.13	-9.18
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Foreign Portfolio Investors (Corporate)	536,556	0	536,556	1.47	2,479,031	0	2,479,031	7.81	5.55
(j) Any Other (specify):	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)	7,194,589	5,355	7,118,543	18.42	8,953,379	5,058	8,958,437	19.68	0.26
2. Non-Institutions									
(a) Bodies Corporate	1,395,999	4,136	1,396,135	3.52	1,519,479	4,728	1,519,607	3.72	0.88
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,088,507	434,571	2,523,078	6.89	1,878,481	411,626	2,290,106	6.79	-0.11
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	410,296	27,760	442,356	1.21	417,846	27,160	444,906	1.28	0.60
(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
(e) Trusts	1,155	99	1,254	0.01	1,250	99	1,349	0.01	0.00
(f) Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) Director	0	51	51	0.00	0	53	53	0.00	0.00
Sub-Total (B) (2)	3,795,567	466,586	4,257,951	11.63	3,797,652	443,622	4,199,894	11.74	3.12
Total Public Shareholding (B) = (B) (1) + (B) (2)	10,990,156	471,939	11,366,894	31.08	10,661,231	448,680	11,109,317	31.42	0.36
TOTAL (A)+(B)	36,147,663	471,939	36,619,601	100.00	34,906,915	448,680	35,354,081	100.00	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of shares held at the beginning of the year (April 01, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
GRAND TOTAL (A)+(B)+(C)	36,147,063	471,938	36,619,001	100.00	34,065,915	448,080	34,513,995	100.00	-0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bayer CropScience AG	5,584,523	15.52	0.00	5,584,523	15.53	0.00	-1.00
2	Bayer AG	3,844,385	10.50	0.00	3,676,380	10.40	0.00	-0.10
3	Bayer SAS	7,122,757	19.45	0.00	6,910,388	19.28	0.00	-0.16
4	Bayer Vapi Private Limited	8,138,336	22.23	0.00	8,248,212	23.33	0.00	-0.94
		25,256,901	68.56	0.00	24,419,503	68.53	0.00	-6.28

(iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year *	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Bayer CropScience AG				
	At the beginning of the year	5,584,523	15.52	—	—
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(388,432)	(0.73)	5,196,091	14.79
	March 18, 2016 Decrease in Shareholding (Promoter's share transfer)	(308,168)	(0.87)	4,887,923	14.08
	At the end of the year	—	—	4,887,923	14.08
2	Bayer AG				
	At the beginning of the year	3,844,385	10.50	—	—
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(168,517)	(0.46)	3,675,868	10.40
	At the end of the year	—	—	3,675,868	10.40
3	Bayer SAS				
	At the beginning of the year	7,122,757	19.45	—	—
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(312,356)	(0.85)	6,810,401	19.28
	At the end of the year	—	—	6,810,401	19.28
4	Bayer Vapi Pvt. Ltd.				

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year *	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	8,189,054	23.38	-	-
	October 23, 2015 Decrease in Shareholding (Buyback of Shares)	(256,418)	(0.73)	7,932,636	22.65
	March 18, 2016 Increase in Shareholding (Promoter share as treasury)	598,100	0.87	8,530,736	23.52
	At the end of the year	-	-	8,530,736	23.52

*Paid up share capital at the beginning of the year was 35,010,001 and at the end of the year post the buyback of shares the paid up share capital was reduced to 35,354,001

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

Sr. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Net Change	% to capital
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
1	Shri Sri Life Insurance Company Private Limited	717,595	2.51	1,320,881	3.74	402,886	1.14
2	Prudential Investments Of Mauritius Limited (formerly known as Prudential Investments Asia Limited A/C Prudential Investments Of Mauritius Ltd.)	688,765	1.87	752,420	2.13	68,655	0.19
3	WFOE Trustee Company Ltd	561,181	2.35	563,909	1.85	-277,272	-0.78
4	Indian Syndicate Investments (P) Ltd	493,940	1.38	441,236	1.36	-15,610	-0.05
5	Capenhurst International Small Company Fund	430,143	1.12	410,943	1.15	0	0.00
6	Merrill Lynch Investment (P) Ltd	421,838	1.15	408,910	1.16	-12,829	-0.04
7	Franklin Templeton Mutual Fund	357,828	0.84	355,813	1.01	48,185	0.14
8	Shriji Mutual Life Insurance Company Ltd.	303,908	1.26	322,485	0.91	-134,026	-0.39
9	Government Pension Fund Global	289,529	0.71	271,635	0.77	13,306	0.04
10	L.A. T. Mutual Fund Trustees Ltd	219,085	0.60	256,545	0.73	38,900	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
(a)	Dr. Vijay Malik, Chairman				
	At the beginning of the year	50	-	50	-
	Increase / Decrease in Shareholding	No change during the year			
	At the end of the year	50	-	50	-



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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
(i)	Mr. Shreed M. Kulkarni, Director	-	-	-	-
(ii)	Mr. A.R.R. Nadungadi, Director	-	-	-	-
(iii)	Mr. Vinod Khanna, Director	-	-	-	-
(iv)	Mr. Peter Muster, Director	-	-	-	-
(v)	Mr. Karimul H. Mistry, Director	-	-	-	-
(vi)	Dr. Rainer Juergens, Director	-	-	-	-
(vii)	Mr. Richard von der Marwe (KMP), Vice Chairman & Managing Director and Chief Executive Officer	-	-	-	-
(viii)	Dr. Thomas Hoffmann (KMP), Executive Director & Chief Financial Officer	-	-	-	-
(ix)	Mr. Ulrich Grottel – Additional Director	-	-	-	-
(x)	Mr. Rajar Vora (KMP), Vice President – Legal, Policies & Compliance & Company Secretary	-	-	-	-

* Dr. Vijay Mallya resigned as a Director with effect from June 30, 2018.

V. INDEBTEDNESS:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Mr. Richard von der Marwe Vice Chairman & Managing Director and CEO	Dr. Thomas Hoffmann Executive Director & CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42.01	25.39	67.40
	(b) Value of perquisites as 17(2) Income-tax Act, 1961	13.77	13.70	27.47
	(c) Profit in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Stock Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	55.78	39.18	94.96
	Ceiling as per the Act	₹ 475.2 millions being 10% of the Net Profit of the Company as calculated as per Section 196 of the Companies Act, 2013)		

B. Remuneration to other directors

(₹ in Millions)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
(1)	Independent Directors	Dr. Vijay Malviya	Mr. Shradha M. Kulkarni	Mr. A. K. R. Nedungadi	Mr. Vinod Shandari	
	* Fee for attending Board and committee meetings	0.80	0.81	0.81	0.81	2.73
	* Commission	1.25	1.25	1.25	1.25	5.00
	* Others, please specify	-	-	-	-	-
	Total (1)	1.55	2.06	2.06	2.06	7.73
(2)	Other Non-Executive Directors					
	* Fee for attending Board & committee meetings	-	-	-	-	-
	* Commission	-	-	-	-	-
	* Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1.55	2.06	2.06	2.06	7.73
	Ceiling as per the Act	₹ 47.5 Millions (being 1% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				
	Total Managerial Remuneration (A+B)					162.65
	Overall Ceiling as per the Act	₹ 522.7 Millions (being 11% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				

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

(₹ in Millions)

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

(DIN : 00131652)



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ANNEXURE "E"

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

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

Name of the Director/KMP	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees	Percentage Increase in remuneration
Mr. Richard van der Meer	Vice Chairman & Managing Director and Chief Executive Officer	4x-1	1.5%
Dr. Thomas Hilfranz	Executive Director & Chief Financial Officer @	3x-1	4.5%
Mr. Rajiv Wari	Company Secretary	NA	0%

@ Increase in Basic Salary

@ Placed as the Executive Director & Chief Financial Officer w.e.f. March 31, 2018

- b. The percentage increase in the median remuneration of employees in the financial year : 5.5%
- c. The number of permanent employees on the rolls of the Company : 1,057
- d. The explanation on the relationship between average increase in remuneration and Company performance:

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

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

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

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

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

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

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

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

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

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

NA

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

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

ANNEXURE "F"

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

TO

The Members

Bayer CropScience Limited

Bayer Institute, Central Avenue

Hyderabad-500007

Telangana, India

Phone: 900007

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

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

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

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

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

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

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

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

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

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

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

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



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We further report that -

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

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

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

We further report that-

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

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

For BNP & Associates
Company Secretaries
(Firm Regn. No. P2014MH037409)

Place: Mumbai
Date: May 13, 2016

Kayam Baksli
Partner
FCS 1844 /CP No. 2720

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

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The Members,

Bayer CropScience Limited

(The secretarial audit report of which has to be read along with this letter).

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

For BNP & Associates
Company Secretaries
(Firm Regn. No. P2014MH037400)

Place: Mumbai
Date: May 23, 2016

Kayoor Bakshi
Partner
FCS 4344 / CP No.2720



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company's philosophy of Corporate Governance is based on ensuring a successful and ethical business conduct / commitment to maximize shareholder value on a continuous basis while taking into the account of all the other stakeholders which is the primary responsibility of the Board of Directors, Management and Employees. We are committed to operating sustainably and addressing our social and ethical responsibilities as a Corporate Citizen. Our values play a central role in our daily work and are intended to guide us in fulfilling our mission. These values are represented by the word LIFE: Leadership, Integrity, Flexibility, Efficiency.

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

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

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

Corporate Compliance Program

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

The Corporate Compliance Policy ("the Policy") states that Bayer is unwaveringly committed to corporate compliance and will keep any business transactions that would violate compliance principles. The Policy also details the organizational 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 well for individual employees. The principles set forth in the Policy are designed to guide employees in their business-related actions and protect them from potential misconduct.

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

Bayer expects legally and ethically impeccable conduct from all its employees in day to day business operations, as the way they carry out their duties affects the Company's reputation. By ensuring regular dialogue between employees and their superiors, and providing training courses involving the Compliance Officer, the Company endeavors to acquaint its employees with internal codes of behaviour and with the respective statutory and regulatory requirements of the countries where they work that are of relevance to them. This lays the foundation for managing the business responsibly and in compliance with respective applicable laws. Employees may contact their respective supervisors or Compliance Officers for support and advice on ensuring legally compliant conduct in specific business situations.

2. BOARD OF DIRECTORS

The Board of Directors, along with its Committees, are entrusted with the responsibility to provide necessary guidance in the management and direct and supervise the performance of the Company, thereby ensuring stakeholder value.

CORPORATE GOVERNANCE REPORT (contd.)

Composition

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

Directorship in other companies / committee positions on March 31, 2016

Sr. No.	Name of Director	Category	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Memberships
1	Dr. Vijay Malviya, Chairman	Non-Executive Independent Director*	5	-	-
2	Mr. Richard van der Meer, Vice-Chairman*	Managing Director & CEO	-	-	-
3	Mr. Suresh M. Kulkarni	Non-Executive Independent Director	8	4	3
4	Mr. A.K. B. Nedungadi	Non-Executive Independent Director	2	-	2
5	Mr. Vimal Bhandari	Non-Executive Independent Director	2	2	2
6	Mr. Peter Mueller*	Non-Executive Non-Independent Director	-	-	-
7	Dr. Rainer Jurgens*	Non-Executive Non-Independent Director	-	-	-
8	Dr. Thomas Hoffmann*	Executive Director & Chief Financial Officer*	-	-	-
9	Mr. Ulrich Steffert*	Additional Director*	-	-	-

Notes:

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

Board Independence

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

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

1. BOARD PROCEDURE

The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to all the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by direction, as permitted by law, which is noted and conveyed in the subsequent Board meeting. The notice of Board meeting is given well in advance to all the Directors. The meetings are governed by a detailed agenda. All issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions. The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively, are circulated to the Directors in advance. The Managing Director briefs the Board on the overall performance of the Company. The Chairman of the Audit Committee briefs the Board on important matters discussed at the meetings of the Audit Committee. The statements of Shareholders' / Investors' grievances received and resolved are also placed quarterly before the Board.

**CORPORATE GOVERNANCE REPORT (contd.)**

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

Information given to the Board

The Board has complete access to all information within the Company whose business amongst others the following:

- Annual operating plans, budgets and updates.
- Capital budgets and updates.
- Quarterly and Annual business performance of the Company.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and members' service such as non-payment of dividend delay in share transfer etc.

Board Support

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

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

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

The 57th AGM of the Company was held on Tuesday, September 10, 2015 at 11.30 a.m. The attendance of the Directors at the Board Meetings and AGM held during the financial year ended March 31, 2016 is as under:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance	
			Board Meeting (including attendance by video conferencing)	Annual General Meeting
1	Dr. Vijay Malviya ¹	6	5	Yes
2	Mr. Richard van der Meer	6	6	Yes
3	Mr. Shaid M. Kulkarni	6	6	Yes
4	Mr. A.K.R. Nedergaard	6	6	Yes
5	Mr. Vinod Bhandari	6	6	Yes
6	Mr. Peter Mueller	6	2	No
7	Mr. Kulkarni B. Malviya ²	3	—	Yes
8	Dr. Regine Juergens	6	6	Yes
9	Dr. Thomas Hoffmann ³	6	6	Yes
10	Mr. Ulrich Saefer ⁴	1	1	NA

¹ Ceased as a Director w.e.f. 17.09.2016

² Appointed as a director w.e.f. 04.03.2016

³ Resigned as a director w.e.f. 31.03.2016

⁴ Resigned as a director w.e.f. 30.06.2016

CORPORATE GOVERNANCE REPORT (contd.)

Separate Meeting of Independent Directors

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

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

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

Board of Director Evaluation and Criteria for evaluation

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

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

Familiarization Programme for Non-Executive Independent Director

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

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

COMMITTEES OF THE BOARD

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

The Board has constituted the following Committees which are mandatory.

Audit Committee

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

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

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

CORPORATE GOVERNANCE REPORT (contd.)

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

Role of the Audit Committee:

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and reliable;
2. Recommendation for appointment, remuneration and term of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 124 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report, if any;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of assets, application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up action in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of remuneration of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To oversee the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

Stakeholders Relationship Committee:

In terms of Section 175(5) of the Companies Act, 2013 and Regulation 26 of the SEBI Listing Regulations, the Company has duly constituted Stakeholders Relationship Committee. Following are the terms of reference of the Stakeholders Relationship Committee:

CORPORATE GOVERNANCE REPORT (contd.)

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

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

The Committee held 4 meetings during the financial year ended March 31, 2016. The meetings were held on May 27, 2015, July 21, 2015, October 29, 2015 and February 02, 2016. The attendance at the meetings was as under:

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

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

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

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

Share Transfer Committee:

In compliance with the Regulation 40 of the SEBI Listing Regulations and in order to expedite the process of share transfer, power to approve share transfers has been delegated to officers of the Company.

Further, a sub-committee has been constituted for attending to matters relating to issue of duplicate share certificates, transmission of shares, split and consolidation, etc. The composition of the aforementioned Committee as on March 31, 2016 was as under:

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

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

Nomination and Remuneration Committee:

In compliance with Section 175 of the Companies Act, 2013, and Regulation 19 of SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee. The Committee comprises of four Non-Executive Directors, of which three are Non-Executive Independent Directors. The Nomination and Remuneration Committee comprises of Mr. Virel Bhambhani, a Non-Executive Independent Director as the Chairman and Mr. A. K. R. Nedungadi, Non-Executive Independent Director, Mr. Shreed M. Kulkarni, Non-Executive Independent Director and Mr. Peter Mueller, Non-Executive Non-Independent Director as members of the Committee.

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

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

**CORPORATE GOVERNANCE REPORT (contd.)**

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

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

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

Corporate Social Responsibility Committee:

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

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

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

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

5. REMUNERATION OF DIRECTORS

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

a) Non-Executive Independent Directors

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

Sr. No.	Name of Director	Sitting Fee	Commission	Total
1	Dr. Vinod Bhandari	0.30	1.25	1.55
2	Mr. Sharad M. Kulkarni	0.01	1.25	1.26
3	Mr. A.K.R. Nedungadi	0.51	1.25	1.76
4	Mr. Vinod Bhandari	0.50	1.25	1.75

b) Executive Directors

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

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

Sr. No.	Name of Director	Position	Salary & Allowances	Pengquisites	Total Salary	Contract Period
1	Mr. Richard van der Merwe	Managing Director & CEO	42.01	15.77	57.78	February 01, 2014 to January 31, 2016
2	Dr. Thomas Hoffmann	Executive Director & CFO	35.08	13.76	48.84	April 02, 2013 to March 31, 2016*

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

CORPORATE GOVERNANCE REPORT (contd.)

d) Service contract, notice period and severance fees

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

Dr. Thomas Hoffmann who had been appointed as a Whole-time Director of the Company from April 02, 2010 resigned from the Board of the Company with effect from the closing hours of March 31, 2016.

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

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

E. POLICIES

Whistle Blower Policy

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

Policy for Prevention of Sexual Harassment

Bayer's quest for competitive excellence consists of its commitment to lawful and ethical conduct and adherence to Bayer values. Integrity, honesty and respect for people remain some of its core values. The Company is committed to provide a safe & conducive work environment to its employees. The Company has formulated a 'Policy for Prevention of Sexual Harassment' (Policy) at workplace. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for redress contested or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Code of Conduct for Directors

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

Risk Management

Risk management encompasses all the organizational processes and actions for early identification of risks in the course of doing business and management of such risks. Risk management includes implementing systems to identify risks at an early stage, report them and take measures to mitigate them.

The Company has laid down procedures to inform the Audit Committee about risk assessment and mitigation procedures. These procedures have been periodically reviewed to ensure that risk management monitor and control risks pertinent to their business operations.

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

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

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

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

**CORPORATE GOVERNANCE REPORT (contd.)****Policy for Archival and Preservation of Documents**

In compliance with the requirement of Regulations 9 and 30(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted a Policy for Archival and Preservation of Documents. The documents that are required to be maintained under this Policy are preserved considering their importance, usefulness and information. The Company does recognize that all the documents whether in physical or electronic mode, form an important and integral part of the Company's records. The preservation of documents is important in order to ensure immediate access to the records, its retrieval and authentication.

Policy on Disclosure of Material Event/Information

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

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

7. COMPLIANCE OFFICER

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

8. GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date of AGM / Monday, September 12, 2016

Venue and Time : Yashwantrao Chavan Pratishthan Auditorium -
Y. B. Chavan Centre, Near Marolli Nagar,
Sec. J, Shreechandra Marg,
Mumbai - 400 021 at 11.00 a.m.

Dates of Book Closure

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

Proposed Date of Dividend Payment

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

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

Financial Calendar

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

Board Meetings for Quarterly Results

(Tentative and subject to change)

First Quarter Results	On or before August 14, 2016
Second Quarter and Half Yearly Results	On or before November 05, 2016
Third Quarter Results	On or before February 14, 2017
Fourth Quarter and Annual Results	On or before May 30, 2017

Corporate Identification Number (CIN): L34210MH1955PLC01172

Registered Office

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

CORPORATE GOVERNANCE REPORT (contd.)

Listing of Equity Shares on Stock Exchanges

Name and Address of Stock Exchange	BSE Limited (BSE) Phiroze Jeejeebhoy Towers Cross Street, Mumbai - 400 001.
Script Code	500203
Script ID	BAYERCROP
ISIN	(INE126K01003) (NSDL & CDSL)

The Company has paid the annual listing fees.

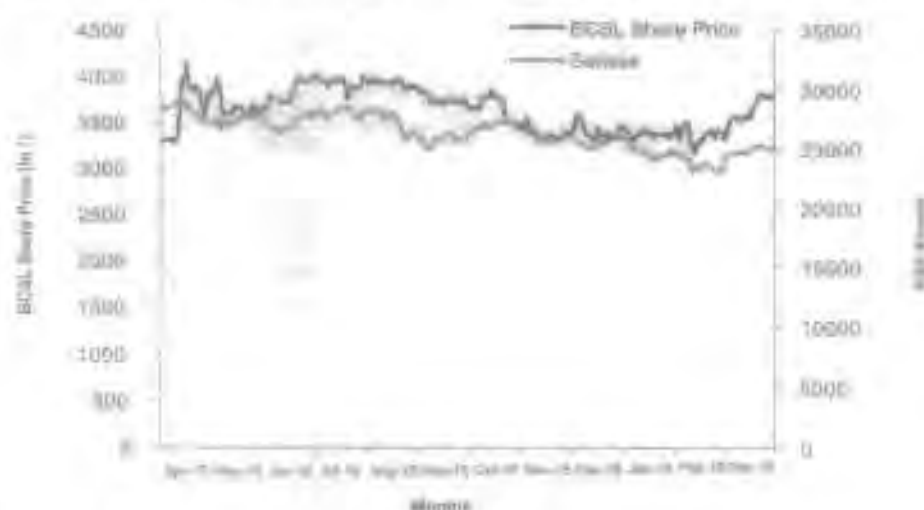
Stock Price Data

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

Month	Share price (in ₹)	
	High Price	Low Price
April 2015	4,294.00	3,245.00
May 2015	4,044.00	3,509.95
June 2015	4,030.00	3,575.00
July 2015	4,068.00	3,674.10
August 2015	4,005.00	3,810.05
September 2015	3,885.55	3,821.30
October 2015	3,800.00	3,451.00
November 2015	3,577.90	3,295.65
December 2015	3,727.55	3,240.50
January 2016	3,552.00	3,222.00
February 2016	3,550.10	3,115.00
March 2016	4,074.00	3,295.00

Stock Performance

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



Registrar & Share Transfer Agent

TSR Darashaw Limited (TSRD/L) acts as the Registrar and Share Transfer Agent of the Company. Share transfers, dividend payments, requests for duplicates, revalidation, transmission and other investor related requests are attended by TSRDL at its Registered Office situated at:

TSR DARASHAW LIMITED (Unit - Bayer CropScience Limited)
6/10, Haji Moons Parmawala Industrial Estate
20, Dr. E. Mahes Road, Near Famous Shale, Mahalaxmi, Mumbai - 400 011.
Tel No.: 022-6658 8484. Fax No.: 022-6658 8494
e-mail: reg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com
Contact Person: Ms. Mary George



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CORPORATE GOVERNANCE REPORT (contd.)

a) Branch Offices of TSDRL

1. **TSE DARASHAW LIMITED**
303, Barton Centre (5th Floor)
54, Mahatma Gandhi Road,
Bengaluru - 560 004
Tel No.: 080 - 2532 0021
Fax No.: 080 - 2556 0010
e-mail: tsdrl@tsedarashaw.com
2. **TSE DARASHAW LIMITED**
Bungalow No. 1,
"E" Road, Northen Town, Bhatkal, Jamshepur - 831 001
Tel No.: 0857-242 6616
Fax No.: 0857 - 242 0027
e-mail: tsdrl@tsedarashaw.com
3. **TSE DARASHAW LIMITED**
Talis Centre, 1st Floor,
42, A.L. Nehru Road,
Kolkata - 700 071
Tel No.: 033 - 2268 3067
Fax No.: 033 - 2268 3082
e-mail: tsdrl@tsedarashaw.com
4. **TSE DARASHAW LIMITED**
242, Saint Vihar,
1st Floor, Anand Road, Daryaganj,
New Delhi - 110 002
Tel No.: 011 - 2327 1000
Fax No.: 011 - 2327 1802
e-mail: tsdrl@tsedarashaw.com

b) Agent of TSDRL

Share Consultancy Services Limited,
3, Sunilnath Complex
2nd Floor, Preeti Nagar, Elmhurst,
Ahmedabad - 380 008
Tel No.: 079-2667 8038
e-mail: shareconsultancy154@netvill.com

Share Transfer System

The shares of the Company being in compulsory dematerialised form, are transferable through the depository system. Shares in physical form should be lodged for transfer with the office of the Company's Registrar & Share Transfer Agent, TSE Darashaw Limited, Mumbai or at their branch offices or at the Registered Office of the Company. The transfers are processed if technically found to be in order and complete in all respects. The transfers processed are approved by the Company on weekly basis.

Distribution of shareholding as on March 31, 2015

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1 - 500	10,372	1,349,171	94.91
501 - 1,000	636	184,926	2.73
1,001 - 2,000	255	363,510	1.28
2,001 - 3,000	90	162,597	0.33
3,001 - 4,000	32	113,293	0.16
4,001 - 5,000	17	74,437	0.08
5,001 - 10,000	45	320,916	0.22
10,001 and above	68	32,986,175	0.43
Total	20,412	35,354,001	100.00

Shareholding Pattern as on March 31, 2015

Category of Shareholder	Number of Shareholders	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(A) Promoter and Promoter Group				
(1) Indian Body Corporate	1	6,248,312	6,248,312	23.32
(2) Foreign Body Corporate	3	15,996,372	15,996,372	45.25
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4	24,244,684	24,244,684	68.58
(B) Public Shareholding				
(1) Institutions				
(a) Mutual Funds / LTF	62	3,863,103	3,863,103	8.43
(b) Financial Institutions / Banks	25	12,942	9,444	0.04
(c) Insurance Companies	5	724,440	724,090	2.05
(d) Foreign Institutional Investors/ Foreign Portfolio Investors - Corp	100	1,232,045	5,252,032	9.11
Sub-total (B)(1)	181	6,868,433	6,553,379	19.58

CORPORATE GOVERNANCE REPORT (contd.)

(2)	Non-Institutions				
(a)	Bodies Corporate	386	1,242,020	1,237,301	3.51
(b)	Individuals -				
i	Individual shareholders holding nominal share capital upto ₹ 2 lakh	19,710	2,410,159	1,998,451	6.63
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	6	424,808	397,648	1.20
(c)	Any Other				
i	LLP	11	7,529	7,529	0.02
ii	Trusts	3	1,318	1,250	0.00
iii	Closing Members	125	65,045	65,045	0.18
Sub-total (B)(2)		20,227	4,150,564	3,707,552	11.74
Total Public Shareholding (B) = (B)(1)+(B)(2)		20,408	11,109,317	10,651,231	31.42
Total (A)+(B)		20,412	35,354,061	34,865,815	100.00

List of Top 10 shareholders as on March 31, 2016

Sr. No.	Name of Shareholders	Number of shares	Percentage to Total Share Capital
1	Bayer Vao Private Limited	8,246,312	23.33
2	Bayer SAS	6,810,389	19.26
3	Bayer CropScience AG	5,508,593	15.56
4	Bayer AG	3,576,380	10.40
5	Bira Sun Life Trustee Company Pvt. Ltd.	1,320,681	3.74
6	Pinebridge Investments Asia Limited A/c Pinebridge Investments GF Masterfund Limited	752,438	2.13
7	HDFC Trustee Company Ltd	565,909	1.65
8	Indian Syndicate Investments (P) Limited	481,233	1.38
9	Copenhagen International Small Company Fund	410,143	1.16
10	Meenakshi Narayanan Investments (P) Ltd.	408,810	1.18

Pledge of Equity Shares

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

Dematerialisation of Shares and Liquidity

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

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

As of March 31, 2016 - 34,865,815 equity shares constituting 98.73% of the total shares issued by the Company are in dematerialised form.

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

Not Applicable

Plant Location

68/1 to 75/2, G.I.D.C. Industrial Estate, Himmatnagar - 382 001, Gujarat

**CORPORATE GOVERNANCE REPORT (contd.)****Address for correspondence**

Investors can correspond with

1. The Company at the following address:
Bayer CropScience Limited
 Law, Patents & Compliance Department
 Bayer House, Central Avenue,
 Higamandani Estate,
 Thane (West) - 400 803
 Tel. No.: 022 - 2531 1234
 Fax No.: 022 - 2545 5063
 e-mail: ir_bcs@bayer.com
 Website: www.bayer.in

2. TSROIL at the following address:
TSR Darashaw Limited
 (Unit - Bayer CropScience Limited)
 6-10, Haji Moola Fakhrawa Industrial Estate,
 20, Dr. E. Moola Road, Near Famous Studio,
 Mahesana, Mumbai - 400 511
 Tel. No.: 022 - 8056 6484
 Fax No.: 022 - 8056 6494
 e-mail: cs@unit@tsrdarashaw.com
 Website: www.tsrdarashaw.com

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

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

ir_bcs@bayer.com

9. OTHER DISCLOSURES

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

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

Special resolution passed in the previous 3 Annual General Meetings

Re-appointment of Dr. Thomas Hollmann as a Director and also the Whistleblower Director of the Company with effect from April 02, 2012. Passed unanimously at the AGM held on August 28, 2012.

Postal Ballot

During the year under review, a Special Resolution under Section 171 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1986, including any amendments thereof to buyback fully paid-up equity shares of ₹ 10 each not exceeding 12,55,000 equity shares at a price of ₹ 4,000 per equity share was carried by a postal ballot. The Postal Ballot was conducted pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as set out in the Notice dated June 12, 2013. The Board had appointed Mr. B. Nirmalshen, Practising Company Secretary, as the scrutineer to conduct the Postal Ballot process.

The said resolution was passed by the requisite majority.

Voting Result

Voting	Number of Votes	% of Total Votes
Votes For	31,481,582	99.975
Votes Against	8,013	0.025
Total	31,489,595	100.00

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

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

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

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

Details of non-compliance

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

Means of communication

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

Website: The results are also regularly posted on the Company's website: www.bayer.in. The Annual Report is also available on the website in a user-friendly and downloadable manner. Apart from this, official communications, Code of Conduct, Whistle Blower Policy, shareholding patterns, board structure, Code of Conduct and Code of Fair Disclosures – For prevention of insider trading, investor Presentations, etc. are also available on the Company's website.

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

For and on behalf of the Board of Directors

Pankaj Patel
Chairman

(DIN : 00131852)

Mumbai, July 08, 2016

RECOMMENDATIONS TO THE INVESTORS / SHAREHOLDERS

- Open a demat account and dematerialise your shares since it helps in immediate transfer of shares without payment of stamp duty.
- Provide NECS mandate to the Company in case of shares in physical form and ensure that correct and updated particulars of bank account are available with DP in case of shares held in demat form.
- Fill and submit nomination forms (to the Company / TSPID) – for Physical shares; to DP – for dematerialised shares).
- Obtain valid documents relating to purchase/sale of shares.
- Transfer shares prior to lock 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 to courier.



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CORPORATE GOVERNANCE REPORT (contd.)

CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members
Bayer CropScience Limited.

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

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

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

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

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

Nilesh A. Pradhan
Proprietor
C. P. No. 3859
FCS No. 3445

Mumbai, July 06, 2016.

CORPORATE GOVERNANCE REPORT (contd.)

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

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

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief we state that:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes in internal control over financial reporting during the financial year;
 - b) significant changes, if any in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- E. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to the 'whistle blowers' from unfair termination and other unfair or prejudicial employment malpractices; and
- F. We further declare that all the Board members and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct for the year under review.

For and on behalf of the Board of Directors

Richard van der Merwe
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 06769306)

Ulrich Stefer
Executive Director &
Chief Financial Officer
(DIN: 07447177)

Mumbai, July 05, 2016

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. OVERVIEW OF AGRICULTURAL SECTOR

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

As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.05 per cent of the Gross Value Added (GVA) during 2015-16.

The farm sector has experienced two years of low growth on account of two consecutive years of deficient south-west monsoon (June-September) rainfall, the only fourth such occurrence during the last 133 years (source: National Council of Applied Economic Research). The post-monsoon (October-December) rains also turned out to be below normal. As per the information of the Department of Agriculture & Cooperation and Farmers Welfare (dated 20th February, 2016) for 2015-16, the production of food grains and oil-seeds is estimated to decline by 0.5 per cent and 4.1 per cent, respectively, while the production of fruits and vegetables is likely to increase marginally.

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

Given the importance of the agriculture sector, the Government of India, in its Budget 2015-17, planned several steps for the sustainable development of agriculture. Budget 2015-17 proposed a slew of measures to improve agriculture and increase farmers' welfare such as 2.65 million hectares to be brought under irrigation, ₹ 267,000 crore (US\$ 42.11 Billions) grant is to be given to gram panchayats and municipalities and 100 per cent village electrification targeted by May 01, 2018.

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

The Government of India recognises the importance of micro-irrigation, watershed development and Pradhan Mantri Kisan Sinchay Yojana, thus, it allocated a sum of ₹ 5,300 crore (US\$ 877.6 Millions) for it. It urged the states to focus on this key sector. The state governments are compelled to allocate adequate funds to revitalize the agriculture sector, take measures to achieve the targeted agricultural growth rate and address the problems of farmers.

The Department of Agriculture and Cooperation under the Ministry of Agriculture has inked Memorandum of Understanding (MoU) agreements with 52 countries including the United States of America. In addition, the Department of Agriculture Research & Education (DARE) and the Department of Animal Husbandry, Dairying & Fisheries (DAHDF) under the Ministry of Agriculture have signed MoU agreements with other countries, taking the number of partnerships with other countries to 83. These agreements would provide better agricultural facilities in areas such as research and development, capacity building, germ-plasm exchange, post-harvest management, value addition/food processing, plant protection, animal husbandry, dairy and fisheries. The agreements could help enhance bilateral trade as well.

Given the correlation between improvement in agriculture and the development of the country, the Government of India adopted several initiatives and programmes to ensure continuous growth. It allocated ₹ 25,000 crore (US\$ 3.67 Billions) for the Rural Infrastructure Development Fund (RIDF), ₹ 1,500 crore (US\$ 220 Millions) for the long-term rural credit fund, ₹ 45,000 crore (US\$ 6.60 Billions) for the short-term cooperative rural credit fund and ₹ 25,000 crore (US\$ 3.67 Billions) for the short-term Regional Rural Banks (RRBs) refinance fund. It also marked an ambitious target of ₹ 6.5 lakh crore (US\$ 124.71 Billions) of agriculture credit during 2015-16.

2. INDUSTRY DEVELOPMENT

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

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

Crop care business performance has been a mixed bag. Market on food crops declined due to acreage decline – 3.4 m ha in Rice in key markets of Andhra Pradesh and Karnataka, 1 m ha in Cotton and 5.8 m ha in Corn. On the other hand fruits, vegetables and pulses witnessed an increase in market size due to better acreages (2% plus in vegetables and 12% plus in pulses) and attractive commodity prices.

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

1. REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

The Company's Revenue from operation (net) increased from ₹ 37,233 Millions in 2014-15 to ₹ 37,429 Millions in 2015-16. Profit before exceptional items less tax was ₹ 4,629 Millions in 2015-16 in comparison to ₹ 5,725 Millions in 2014-15.

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

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

Innovation has always been a cornerstone in Bayer's product offerings. In the year 2015-16, the Company successfully launched three new products Proflinor, Belti Expert and Laudisil which were received very well by the farmers. The Company has been able to outgrow the market on the strength of an outstanding portfolio in all indications. Despite the market conditions, the Company has grown in all indications. Fungicides were the star with a double digit growth based on a fantastic performance in Fruits and Ripe with our portfolio of Prolineer, Netivoil and Antiracal. Successful launch of Laudisil and sustained performance of Topical™ secured that herbicides too grew in double digit despite the no-growth of the market. In a very challenging insecticides market, the Company managed to sustain a mid-single digit growth on the strength of brands Confidor, Regentil and Farnil.

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

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

In the Agn-Seed, 2015-16 was a difficult year. Apart from heavy rain season, some other non-environmental factors affected our business. Changes in the Government Subsidy program in a few states had an adverse volume impact on our flagship hybrid rice business, which we could partially offset by good price developments. Millet business also suffered because of lower volumes which were partially offset by better prices. However our cotton business did very well mainly due to very good response to Surpassil First Class. Also we achieved further good growth with our Integrated Mustard Hybrid though still on a small base.

The Food Chain Partnership expresses our belief that together with our partners in the food chain we can build relationships that benefit everyone. The Company provides farmers with innovative crop protection products, seeds, and services, as well as advice on the optimal use of products and application technologies. These Partnerships also provide traceability and transparency – making ongoing quality improvements possible. Exporters and importers tend to consider not only the local quality standards of the producer country, but also those of the export market. As consumers become increasingly food-conscious, retailers face the challenge of maintaining and boosting consumer confidence in the products they sell. We have covered an area of 76 K ha with 150,000 farmers in vegetables, fruits and Basmati Rice. In 2015-16, the Company also signed two new agreements taking the total number of partnerships to 35.

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

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

The year 2015-16 has been a very good year for the Environmental Science business with an overall growth of 26 % over previous year. The Professional Pest Control business grew at a very healthy rate of 33 %. We increased our footprint by engaging directly with large Pest Management Professionals (PMPs). These activities yielded good results in growing the Pest Control Operations (PCO) business. Currently, the Company has 34 Bayer Network PCOs across 25 cities in India. Overall, in the background of increasing urbanization, will give Bayer Environmental Science Business an opportunity to grow and live the mission: Science For A Better Life.

4. OPPORTUNITIES, RISKS, CONCERNS AND OUTLOOK

The central challenge and at the same time opportunity of Indian agriculture is low productivity, evident in modest average yields. Wheat and rice are the two important cereals which are grown on the most fertile and irrigated areas in the country. And they use a large part of the resources that the government channels to agriculture, whether water, fertilizers, power, credit or procurement under the MSP program. Even then, average yields of wheat and rice in India are much lower than that of China's 106 per cent below in the case of rice and 28 per cent in the case of wheat. India happens to be the major producer and consumer of pulses, which is one of the major sources of protein for the population. India has low yields comparable to most countries. Given that India is the major

MANAGEMENT DISCUSSION & ANALYSIS REPORT (contd.)

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

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

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

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

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

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

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

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

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

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

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

5. CORPORATE SUSTAINABILITY

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

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

6. INTERNAL CONTROL SYSTEMS

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

7. CAUTIONARY STATEMENT

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

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

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.



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INDEPENDENT AUDITORS' REPORT**To the Members of Bayer CropScience Limited**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 2 of the Companies (Accounting) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 161(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Notes 5 and 24.
 - ii. The Company has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses. There are no long term derivative contracts as at March 31, 2016.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended March 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 046701

Place: Mumbai
Date: May 13, 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

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



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ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Place : Mumbai
Date : May 13, 2016

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: D46061

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bayer CropScience Limited on the financial statements as of and for the year ended March 31, 2016

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 7A on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding goods in transit and stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 36(i), (ii)(a), (ii)(b) and (ii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans granted by it. Further, the Company has not made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of sales tax, income tax, service tax and value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including duty of excise, provident fund, employees' state insurance, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs and cess which have not been deposited on account of any dispute. Refer Appendix I for the particulars of dues of income tax, sales tax, service tax, duty of excise, value added tax as at March 31, 2016 which have not been deposited on account of a dispute.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. Further, there were no dues payable to financial institution or Government or debenture holders as at the Balance Sheet date.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 36(a) of the Order are not applicable to the Company.



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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3 of the Independent Auditors' Report of audit data to the members of Bayer-CropScience Limited on the financial statements as of and for the year ended March 31, 2016

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a listed Company and the Ninth Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 185 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 344884

Place: Mumbai
Date: May 13, 2016

Appendix I

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

Sr. No.	Name of the Statute	Nature of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax The Income Tax Act, 1961	Income Tax liability	92	Assessment Years 1992-1993, 2002-2003, 2003-2004, 2007-2008, 2010-2011, 2011-2012, 2012-2013	Appellate Authority - up to Commissioner's level
	Sub Total		92		
2	Sales Tax The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax and Value Added Tax liability	676	Years 1977-1978 to 1984-1985, 1994-1995, 1995-1996, 1999-2000 to 2006-2007, 2008-2009 to 2012-2013, 2014-2015	Appellate Authority - up to Commissioner's level
			2	Years 1989-1990 to 1990-1991, 2007-2008, 2009-2010	Sales Tax Appellate Tribunal
	Sub Total		678		
3	Excise Duty The Central Excise Act, 1944	Excise-duty liability	3	Years 1986 to 1991, 1992 to 1997 and 2009	Appellate Authority - up to Commissioner's level
			2	Years 1993-1994, 2000-2001 and 2002-2003	Custom, Excise and Service Tax Appellate Tribunal
			14	Years 1994-1995, 2000-2001, 2001-2002 and 2002-2003	High Court
	Sub Total		21		
4	Service Tax The Finance Act, 1994	Service Tax liability	15	Years 2004 to 2007 and 2010 to 2013	Appellate Authority - up to Commissioner's level
	Sub Total		15		
	Total		804		



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Balance Sheet as at March 31, 2016

	Notes	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	354	356
Reserves and Surplus	3	17,205	19,965
		17,559	20,321
NON-CURRENT LIABILITIES			
Other Long-term Liabilities	4	94	103
Long-term Provisions	5	583	526
		657	629
CURRENT LIABILITIES			
Trade Payables	6		
- Total outstanding dues of Micro Enterprises and Small Enterprises		7	20
- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,446	2,647
Other Current Liabilities	4	2,832	3,127
Short-term Provisions	6	882	971
		6,167	6,765
Total		24,383	27,731
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	7A	3,156	3,210
- Intangible Assets	7B	25	8
- Capital work-in-progress		67	8
- Intangible Assets under development		3	8
		3,251	3,224
Non-Current Investments	9	34	34
Deferred Tax Assets (Net)	10	69	98
Long-term Loans and Advances	11	721	690
		824	810
CURRENT ASSETS			
Current Investments	8	364	254
Inventories	12	6,582	5,647
Trade Receivables	13	4,983	5,711
Cash and Bank Balances	14	7,632	11,304
Short-term Loans and Advances	15	714	670
Other Current Assets	15	53	111
		20,308	27,697
Total		24,383	27,731
Significant Accounting Policies	1		

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

In terms of our report of even date:

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Uday Shah
Partner
Membership Number: 048801

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

For and on behalf of the Board
Vice Chairman &
Managing Director
and CEO
Richard van der Merwe
DIN 06788305

Directors
Shardul Kulkarni
DIN 00003640
A.K.R. Nedungadi
DIN 00103214
Vimal Bhandari
DIN 00001318
Ulrich Steyer
DIN 07447177

Place: Mumbai
Date: May 13, 2016

Place: Mumbai
Date: May 13, 2016

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

T in Millions

	Note	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Revenue from Operations (Gross)		38,439	39,029
Less: Excise Duty		2,001	1,796
Revenue from Operations (Net)	16	37,429	37,233
Other Income	17	757	978
TOTAL REVENUE		38,186	38,211
EXPENSES			
Cost of Materials Consumed	18	8,584	8,616
Purchases of Stock-in-Trade	19	17,569	15,571
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(1,271)	(51)
Employee Benefit Expenses	21	2,251	2,269
Finance Costs	22	73	46
Depreciation and Amortisation Expense	8	247	253
Other Expenses	23	6,162	5,673
TOTAL EXPENSES		33,557	32,379
PROFIT BEFORE TAX		4,629	5,735
Tax Expense			
- Current Tax (including reversal for earlier years (0 (Previous Year Nil))		1,893	1,802
- Deferred Tax		27	43
		1,920	1,845
PROFIT FOR THE YEAR		3,000	3,890
Earnings Per Share (net of tax) - Basic and Diluted (Face Value per Equity Share - ₹ 10/-)	41	₹ 83.41	₹ 104.59

Significant Accounting Policies

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

In terms of our report of even date.

For Price Waterhouse
Firm Registration Number: 201112E
Chartered Accountants
Uday Shah
Partner
Membership Number: 046061

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

For and on behalf of the Board

Vice Chairman & Managing Director
and CEO Richard von der Weiden
DIN 00768365

Directors
Shamod Mulkarni
DIN 00003540
A.K.R. Medangad
DIN 00100214
Vimal Bhandari
DIN 00001310
Ulrich Stefer
DIN 07442177

Executive Director & CFO

Place Mumbai
Date May 13, 2016

Place Mumbai
Date May 13, 2016



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Cash Flow Statement for the year ended March 31, 2018

₹ in Millions

	01.04.2015 to 31.03.2018	01.04.2014 to 31.03.2015
A. Cash Flow from Operating Activities:		
Profit Before Tax	4,629	5,736
Adjustments for:		
Depreciation and Amortisation Expense	347	253
Interest Expense	73	46
Interest Income	(457)	(544)
Dividend Income	(114)	(156)
(Profit) Loss on Tangible Assets sold/ discarded (Net)	(6)	(3)
Profit on sale of Investments	(2)	
Bad Debts	7	33
Provision for Doubtful Debts (Net)	20	3
Liabilities no longer required written back	(91)	(104)
Provision for Employee benefits	19	27
Provision for indirect Taxes and Other Commercial Matters (Net)	27	81
Inventory write off/ write down	38	161
Unrealised foreign exchange (gain)/ loss	(16)	10
	(257)	(155)
Operating Profit before Working Capital changes	4,372	5,581
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	688	(1,815)
(Increase)/ Decrease in Other Receivables	(53)	(230)
(Increase)/ Decrease in Inventories	(971)	(376)
(Increase)/ (Decrease) in Trade Payables	(164)	(194)
(Increase)/ (Decrease) in Other Payables	(255)	744
Cash generated from Operations	3,618	3,809
Taxes Paid	(1,654)	(1,905)
Net Cash from Operating Activities	1,964	1,904
B. Cash Flow from Investing Activities:		
Purchase of Tangible/ Intangible Assets	(884)	(519)
Proceeds from Sale of Other Tangible/ Intangible Assets	34	30
Proceeds from Sale of Andambar Manufacturing Facilities (Refer Note 3d)	-	1,400
Loan given to Related Party	(1,168)	(1,080)
Loan repaid by Related Party	1,188	4,588
Proceeds from Sale of Investments	606	
Purchase of Investments	(714)	(254)
Interest Received	482	486
Dividend Received on Current Investments	114	138
Net Cash from Investing Activities	216	4,852
C. Cash Flow from Financing Activities:		
Redemption of Equity Shares (Refer Note 2(a))	(5,068)	
Interest Paid	(48)	(6)
Dividend Paid	(621)	(347)
Dividend Distribution Tax Paid	(126)	(38)
Net Cash used in Financing Activities	(5,863)	(411)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(3,673)	5,441
Cash and Cash Equivalents at the beginning of the year	11,297	4,856
Cash and Cash Equivalents at the end of the year	7,624	11,297

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

₹ in Millions

	As at 31.03.2016	As at 31.03.2015
Cash and Cash Equivalents comprise:		
Balance with Banks	7,524	11,047
Short-term highly liquid investment	102	200
	<u>7,624</u>	<u>11,247</u>

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Accounting Standard - 3 on Cash Flow Statements.
- 2) Short-term highly liquid investment consists of investments in Mutual Funds which are highly liquid and have an insignificant risk of change in value.
- 3) Previous Year's figures have been reclassified/ regrouped to conform to current year's presentation.

In terms of our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants
Uday Shah
Partner
Membership Number 048081

For and on behalf of the Board

Vice Chairman &
Managing Director
and CEO

Richard van der Merwe
DIN 08796305

Directors

Sharad Kulkarni
DIN 00003640

A.J.R. Nedungadi
DIN 00103214

Vinod Bhandari
DIN 00001818

Ulrich Stefer
DIN 07447177

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

Executive Director &
CFO

Place: Mumbai
Date: May 11, 2016

Place: Mumbai
Date: May 13, 2016



L.O.9

Notes to the financial statements for the year ended March 31, 2016*(All amounts in ₹ Millions, unless otherwise stated)***COMPANY PROFILE**

Bayer CropScience Limited ("The Company") is a Company incorporated under the Companies Act, 1956 having its registered office at Bayer House, Central Avenue, Hiranandani Estate, Thane - 400 607. The Company is engaged into 'Agri Care' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicides and various other agrochemical products and sale & distribution of hybrid seeds. Out of the total paid-up share capital of the Company, 66.58% is held by its promoters. The Company is listed on the Bombay Stock Exchange, Mumbai. The Company has its own manufacturing site at Hiranandani in the State of Gujarat.

1. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Accounting**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, all the standards of accounting or any other standard issued or prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 2(1)(53) of the Companies Act, 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

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

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

(b) Use of Estimate

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

(c) Tangible Assets

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

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

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

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

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

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

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

(All amounts in ₹ Millions, unless otherwise stated)

(4) Intangible Assets

Intangible Assets are stated at cost (acquisition or development cost accumulated amortisation impairment losses, if any).

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

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

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

(9) Borrowing Costs

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

(f) Impairment of Assets

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

(g) Investments

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

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

(h) Inventories

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

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

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

(i) Foreign Currency Transactions

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

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

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



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

(All amounts in ₹ millions, unless otherwise stated)

(j) Revenue Recognition

Sale of goods is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods and these are inclusive of excise duty but net of trade discounts, rebates and sales tax.

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

Export incentives are recognised on an accrual basis.

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

(k) Employee Benefits

a. Defined Contribution Plans

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

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

The Superannuation Fund applicable to certain employees is a defined contribution plan as the Company makes contributions to Managerial employees' Superannuation Scheme which is administered by Life Insurance Corporation of India ('LIC') and has no further obligation beyond making the payment to the insurance company.

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

The Company's contributions to the above funds are reported in the Statement of Profit and Loss every year.

b. Defined Benefit Plans

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

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

c. Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

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

e. Other Employee Benefits

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

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

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

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

(All amounts in ₹ Millions, unless otherwise stated)

(i) Operating Lease*As a lessee:*

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

As a lessor:

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

(ii) Taxation

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

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

(iii) Provision, Contingent Liabilities and Contingent Assets

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

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

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

When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' is made.

Contingent Assets are not recognised in the financial statements.

(iv) Cash and Cash Equivalents

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



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

(All amounts in ₹ Millions, unless otherwise stated)

2. SHARE CAPITAL

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

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

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

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

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

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

	Number of Shares	
	01.04.2010 to 31.03.2015	01.04.2010 to 31.03.2015
Aggregate number of Equity Shares bought back	4,144,745	2,879,745

d) Pursuant to the approval of the Board of Directors on June 3, 2015 and Shareholders of the Company through postal ballot, results of which were declared on July 25, 2015, the Company bought back 1,265,000 equity shares (representing 2.45% of the equity capital) at a price of ₹ 4,000/- per equity share aggregating to ₹ 5,060 through the tender offer route. In terms of Public Announcement dated July 22, 2015. After extinguishment of 1,265,000 Equity Shares on October 26, 2015, the Issued, Subscribed and Paid-up Equity Capital of the Company reduced from 36,619,001 equity shares to 35,354,001 equity shares.

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

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

	Number of Shares	
	As at 31.03.2016	As at 31.03.2015
Ultimate Holding Company:		
Bayer AG, Germany	3,676,360	3,844,969
Subsidiaries of Ultimate Holding Company:		
Bayer Vapi Private Limited, India	5,248,312	5,100,364
Bayer S.A.S., France	6,810,390	7,122,757
Bayer CropScience AG, Germany	5,509,593	5,084,301

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

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

(All amounts in ₹ Millions, unless otherwise stated)

3. RESERVES AND SURPLUS

	As at 31.03.2016	As at 31.03.2015
Capital Redemption Reserve		
Balance as at the beginning of the year	29	29
Add: Transfer from Surplus in Statement of Profit and Loss (Refer Note 2(d))	12	-
Balance as at the end of the year	41	29
General Reserve		
Balance as at the beginning of the year	3,277	2,604
Add: Transfer from Surplus in Statement of Profit and Loss during the year	381	583
Balance as at the end of the year	3,658	3,187
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	16,657	14,134
Add: Profit for the year	3,008	3,630
Less: Appropriations		
- Interim Dividend (Refer Note (a) below)	-	136
- Dividend Distribution Tax on Interim Dividend	-	25
- Proposed Dividend (Refer Note (b) below)	801	823
- Dividend Distribution Tax on Proposed Dividend	118	131
- Transfer to General Reserve	301	383
- Premium paid on Buy-back of shares (Refer Note 2(d))	5,048	-
- Transfer to Capital Redemption Reserve (Refer Note 2(d))	13	-
Balance as at the end of the year	13,586	14,657
	17,205	15,983

- a) During the previous year, pursuant to the approval of Board of Directors at its meeting held on September 17, 2014, the Company declared payment of Interim Dividend of ₹ 4.00 per equity share amounting to 148.
- b) The Board of Directors, in their meeting held on May 13, 2016 proposed a dividend of ₹ 17.00 per share for the year ended March 31, 2016 (Previous Year ₹ 17.00 per share) amounting to 801 (Previous Year 823). The proposal is subject to approval of Shareholders at the Annual General Meeting.

4. OTHER LIABILITIES

	Long-term		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Unpaid Dividend (Refer Note (a) above)	-	-	8	0
Other:				
- Advances from Customers	-	-	795	870
- Discounts/ Rebates payable to Customers	-	-	1,172	1,418
- Deposits from Customers	-	-	96	90
- Payable for Capital Purchases (Refer Note 40)	-	-	13	17
- Accounts for Anticipated Sales Returns	-	-	202	106
- Payable to Employees	94	102	430	503
- Payable towards Statutory Liabilities	-	-	115	112
	94	102	2,632	3,127

- a) There are no amounts as at year-end which are due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.



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

(All amounts in ₹ Millions, unless otherwise stated)

5. PROVISIONS

	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits:				
- Gratuity	170	152	36	10
- Compensated Absences	39	51	100	81
- Pension	5	8	1	1
- Long Service Award	4	6	3	1
Other Provisions:				
- Provision for Direct Tax Matters (Net of Advance Tax of 155 (Previous Year 158)) [Refer Note 3a) below]	24	19	-	-
- Provision for Indirect Tax Matters [Refer Note 3a) below]	85	64	-	-
- Provision for Commercial and Other Matters [Net of Payment of 5 (Previous Year 5)] [Refer Note 3a) below]	253	227	-	-
- Provision for Current Income Tax [Net of Advance Tax of 1,591 (Previous Year 1,760)]	-	-	15	15
- Proposed Dividend	-	-	801	800
- Dividend Distribution Tax on Proposed Dividend	-	-	123	130
	563	520	882	977

a) Disclosure of Provisions for Contingencies

	Direct Tax (net of advance tax)	Indirect Tax	Commercial and Other Matters (net of payments)
Balance as at the beginning of the year	12 (9)	64 (64)	223 (140)
Add: Additional provision	12 (3)	1 (1)	26 (9)
Balance as at the end of the year	34 (12)	65 (64)	253 (147)

Figures shown in brackets are in respect of previous year.

Provisions represent estimates made for probable liabilities arising out of pending disputes, litigations, commercial transactions with statutory authorities/ third parties. The outflow with respect to the said matter depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to accurately ascertain the timing of the outflow. During the year, an amount of Nil (Previous Year 33) is recognised under the head "Purchases of Stock-in-Trade" [Refer Note 19], 29 (Previous Year 25) is recognised under the head "Finance Costs" [Refer Note 22] and Nil (Previous Year 23) under the head "Other Expenses - Rents and Taxes" [Refer Note 22] as an additional provision towards Commercial and Other Matters.

6. TRADE PAYABLES [Refer Note 40]

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

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

(All amounts in ₹ Millions unless otherwise stated)

7A. TANGIBLE ASSETS

Assets	Gross Block (at Cost)			Depreciation/Amortisation				Impairment Loss				Net Book Value	
	As at 01.04.2015	Additions	Deletions	As at 31.03.2016	As at 01.04.2015	For the Year	On additions	As at 31.03.2016	As at 01.04.2015	For the Year	On additions	As at 31.03.2016	As at 31.03.2015
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Land	188	-	-	188	-	-	-	-	-	-	-	-	188
Buildings	2,754	19	-	2,773	97	48	-	145	-	-	-	-	2,870
Plant and Equipment	(1,915)	(1,458)	(84)	(3,457)	(244)	(58)	(167)	(471)	(73)	(4)	(78)	(1)	(225)
Furniture and Fixtures	571	46	11	628	238	47	7	332	-	-	-	-	273
Leasehold improvements	(2,454)	(1,588)	(2,087)	(6,129)	(1,435)	(151)	(1,168)	(2,754)	(88)	(1)	(26)	(1)	(225)
Transportation Assets	189	32	2	223	47	18	3	68	-	-	-	-	142
Computer equipment	(153)	(85)	(38)	(276)	(75)	(18)	(47)	(140)	(1)	(1)	(14)	(1)	(142)
Other equipment	3	-	1	4	3	-	1	4	-	-	-	-	-
Goodwill	245	81	86	412	188	31	47	266	-	-	-	-	123
Other Equipment (including Disasters)	(328)	(87)	(88)	(503)	(148)	(26)	(16)	(190)	(1)	(1)	(1)	(1)	(251)
Other Equipment (including Disasters)	814	74	54	942	210	65	25	300	-	-	-	-	210
Total	1,754	212	110	2,076	944	220	82	1,338	-	-	-	-	2,150
	(4,800)	(2,613)	(2,100)	(9,513)	(2,252)	(241)	(1,499)	(3,992)	(144)	(7)	(244)	(1)	(5,210)

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

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

7B. INTANGIBLE ASSETS

Assets	Gross Block (at Cost)			Amortisation				Net Book Value	
	As at 01.04.2015	Additions	Deletions	As at 31.03.2016	As at 01.04.2015	For the Year	On additions	As at 31.03.2016	As at 31.03.2015
Goodwill	83	-	-	83	83	-	-	83	-
Computer Software	(83)	11	(1)	(73)	(83)	11	(1)	(73)	(83)
Technical Know-how	78	26	22	126	70	8	22	97	21
Patents	(20)	(2)	(1)	(23)	(28)	(12)	(1)	(41)	(31)
Other Intangible Assets	15	-	2	17	15	-	2	17	15
Total	189	35	22	246	176	7	22	245	23
	(184)	(3)	(1)	(188)	(199)	(12)	(1)	(212)	(201)

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



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

(All amounts in ₹ Millions, unless otherwise stated)

8. DEPRECIATION AND AMORTISATION EXPENSE

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Depreciation and Amortisation Expense		
- on Tangible Assets	238	241
- on Intangible Assets	8	52
	<u>247</u>	<u>293</u>

9. INVESTMENTS

	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
INVESTMENT PROPERTY				
Freehold Land	34	34	-	-
INVESTMENT IN MUTUAL FUNDS				
(Current, Non-Trade and Unquoted) - Lower of Cost and Fair Value				
8,623,926 (Previous Year Nil) units of ₹ 10/- each in OHFL-Primesec Arbitrage Fund	-	-	101	-
9,345,842 (Previous Year Nil) units of ₹ 10/- each in HDFC Arbitrage Fund	-	-	101	-
7,822,382 (Previous Year Nil) units of ₹ 10/- each in IDFC Arbitrage Fund	-	-	101	-
Nil (Previous Year 4,751,309) units of ₹ 10/- each in Kotak Equity Arbitrage Fund	-	-	-	81
5,876,808 (Previous Year Nil) units of ₹ 10/- each in L&T Arbitrage Opportunities Fund	-	-	81	-
Nil (Previous Year 14,604,581) units of ₹ 10/- each in Reliance Arbitrage Advantage Fund	-	-	-	152
Nil (Previous Year 4,017,104) units of ₹ 10/- each in Reliance Investment Arbitrage Fund	-	-	-	81
	<u>34</u>	<u>34</u>	<u>384</u>	<u>254</u>

a) Aggregate cost of Unquoted Investments 384 (Previous Year 254)

b) Aggregate fair value of Unquoted Investments in Mutual Funds 384 (Previous Year 254)

10. DEFERRED TAX

	As at 31.03.2016	As at 31.03.2015
Deferred Tax Assets		
Liabilities allowed on payment basis	168	148
Disallowances under Section 40(a)(i) and 40(b)(ia)	58	51
Provision for Doubtful Debt/ Advances/ Deposits	59	31
	<u>285</u>	<u>230</u>
Less: Deferred Tax Liabilities		
Depreciation/ Impairment of Assets	<u>206</u>	<u>155</u>
	<u>206</u>	<u>155</u>
Net Deferred Tax Assets/ (Liabilities)	<u>89</u>	<u>75</u>

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

(All amounts in ₹ Millions, unless otherwise stated)

11. LOANS AND ADVANCES

(Unsecured - considered good unless stated otherwise)

	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Capital Advances	2	4	-	-
Security Deposits:				
- Considered Good	136	81	31	25
- Considered Doubtful	8	5	-	-
	143	87	31	25
Less: Provision for Doubtful Deposits	6	8	-	-
	136	81	31	25
Other Loans and Advances:				
- Advances to-recoverable from Vendors	-	-	38	23
- Loans to receivables from Employees	-	1	20	22
- Prepaid Expenses	9	9	41	39
Fringe Benefit Tax (Net of Provision for Taxation 125 (Previous Year 125))	3	3	-	-
- Advance payment of Income Tax (Net of Provision for Taxation 12,588 (Previous Year 10,743))	448	442	-	-
- Balance with Government Authorities	127	135	564	542
	721	630	714	670

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

12. INVENTORIES

(Lower of Cost and Net Realisable Value)

	As at 31.03.2016	As at 31.03.2015
Raw Materials (Includes in transit 874 (Previous Year 754))	2,305	2,547
Packing Materials (Includes in transit 1 (Previous Year Nil))	54	25
Semi-Finished Goods (Refer Note (a) below)	138	108
Finished Goods (Includes in transit 101 (Previous Year 111)) (Refer Note (a) below)	1,904	1,546
Stock-in-trade (Includes in transit 725 (Previous Year 110)) (Refer Note (a) below)	2,129	1,095
Stores and Spare Parts	12	10
	5,582	5,547

(a) Details of Inventories

Class of Goods

	Semi-Finished Goods	Finished Goods	Stock-in- trade
- Active Ingredients	-	372	1,225
- Formulations	(14)	(309)	(189)
- Solids	138	1,532	849
- Others	(174)	(1,277)	(807)
	-	-	54
	(-)	(-)	(50)
	-	-	8
	(-)	(-)	(10)
	138	1,904	2,129
	(188)	(1,940)	(1,086)

Figures shown in brackets are in respect of previous year.



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Notes to the financial statements for the year ended March 31, 2015 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

13. TRADE RECEIVABLES

	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Secured, considered good				
- Debts outstanding for a period exceeding six months from the date they are due for payment	-	-	-*	-
- Others	-	-	51	36
	-	-	51	36
Unsecured, considered good				
- Debts outstanding for a period exceeding six months from the date they are due for payment	-	-	400	201
- Others (includes due from a Private Company in which a Director is a Director 26 (Previous Year 21))	-	-	4,512	5,454
	-	-	4,912	5,655
Unsecured, considered doubtful				
- Debts outstanding for a period exceeding six months from the date they are due for payment	155	107	-	-
- Others	8	36	-	-
Less : Provision for Doubtful Debts	163	143	-	-
	-	-	-	-
	-	-	4,953	5,711

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

14. CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with banks

- In Current

In Fixed Deposits (less than 3 months maturity)

Short-term highly liquid investments (Refer Note 1a) (in ₹)

Other Bank Balances

In Fixed Deposits

In Margin Deposits**

Earmarked balances with banks in:

- Unpaid Dividend Accounts

	As at 31.03.2016	As at 31.03.2015
	109	109
	7,335	10,493
	100	207
	-	-
	-	-
	-	-
	8	8
	7,632	11,204

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

** Under lien with bank towards bank guarantees.

(a) Investment in Mutual Funds

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

₹1,637 (Previous Year Nil) units of ₹ 1,000/- each in Kotak Mutual Fund - Liquid Scheme

Nil (Previous Year 200.221) units of ₹ 1,000/- each in Union KBC Liquid Fund

	100	
	-	276
	100	276

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

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

(All amounts in ₹ Millions, unless otherwise stated)

15. OTHER CURRENT ASSETS

(Unsecured – considered good unless stated otherwise)

	As at 31.03.2016	As at 31.03.2015
Accrued Interest Receivable	32	37
Other Receivables (Includes due from a Private Company in which a Director is a Director 4 (Previous Year 4))	21	59
	<u>53</u>	<u>111</u>

16. REVENUE FROM OPERATIONS

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Sale of Goods [Refer Note (a) below]	<u>33,442</u>	<u>37,949</u>
Other Operating Revenue:		
Royalties from Group Companies and Third Parties	638	927
Trailing Charges	-	25
Export Incentives	148	723
Scrap Sales	9	9
Revenue from Operations (Gross)	<u>34,237</u>	<u>39,633</u>
Less: Excise Duty [Refer Note (b) below]	<u>2,001</u>	<u>1,795</u>
Revenue from Operations (Net)	<u>32,236</u>	<u>37,838</u>

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

Class of Goods	Finished Goods		Stock-in-trade	
	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
- Active Ingredients	4,395	5,058	5,749	4,549
- Formulations	10,270	10,599	12,458	11,796
- Seeds	-	-	4,788	4,974
- Others	-	-	90	273
	<u>14,665</u>	<u>15,657</u>	<u>23,075</u>	<u>21,592</u>

(b) The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered for free goods, breakage/damages, captive consumption and spoiled goods, which has been disclosed as excise duty expense in Note 23.

17. OTHER INCOME

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Dividend Income	487	544
Dividend Income from Current Investments	114	136
License No Longer Required Written Back	91	104
Rent Income [Refer Note 33]	80	77
Profit on Tangible Assets sold/Disposed (Net)	8	7
Profit on sale of Investments	2	-
Miscellaneous	7	10
	<u>789</u>	<u>878</u>



Notes to the financial statements for the year ended March 31, 2015 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

18. COST OF MATERIALS CONSUMED

	01.04.2015 to 31.03.2015	01.04.2014 to 31.03.2014
Raw Materials		
Opening Stock	2,642	2,491
Add: Purchases	7,886	8,453
	10,528	10,944
Less: Closing Stock	2,308	2,682
Cost of Raw Materials consumed	8,221	8,262
Packing Materials consumed	341	335
	8,564	8,597
(Refer notes below)		
(a) Includes 28 (Previous Year 5) on account of write off/write down in carrying values of Raw Materials and Packing Materials.		
(b) Materials Consumed		
Class of Goods		
- Active Ingredients	6,554	6,584
- Others	2,010	2,013
	8,564	8,597
(c) Value of Imported and Indigenous Materials Consumed		
	Amount	%
Imported	6,455	75
	(6,384)	(91)
Indigenous	2,109	25
	(1,032)	(10)
	8,564	100
	(8,516)	(100)

Figures shown in brackets are in respect of previous year.

19. PURCHASES OF STOCK-IN-TRADE

	01.04.2015 to 31.03.2015	01.04.2014 to 31.03.2014
Class of Goods		
- Active Ingredients	5,607	4,006
- Formulations	7,981	7,628
- Shells	1,639	1,750
- Others	82	186
	15,289	13,570

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

Opening Stock:		
- Semi-Finished	186	225
- Finished	1,648	1,754
- Stock-in-trade	1,066	827
	2,900	2,806
Closing Stock:		
- Semi-Finished	136	186
- Finished	1,964	1,846
- Stock-in-trade	2,129	1,096
	4,229	3,128
Increase in inventories (Refer Note (a) below)	(1,271)	(51)

(a) Includes 1 (Previous Year 166) (net of amount recovered from insurance company) 11 (Previous Year 6) on account of net write off/write down in carrying values of Semi-Finished Goods, Finished Goods and Stock-in-trade.

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

(All amounts in ₹ Millions, unless otherwise stated)

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
21. EMPLOYEE BENEFIT EXPENSES (Refer Note 25 and 37)		
Salaries and Wages	1,995	1,852
Contribution to Provident and Other Funds	89	80
Gratuity	94	135
Staff Welfare Expenses	116	102
	<u>2,294</u>	<u>2,169</u>
22. FINANCE COSTS		
Interest Expense - Others	73	46
	<u>73</u>	<u>46</u>
23. OTHER EXPENSES (Refer Note 37)		
Consumption of Stores and Spare Parts (Refer Note (a) below)	18	29
Power and Fuel	31	118
Rent (Refer Note 33(a))	120	162
Repairs and Maintenance		
- Buildings	13	34
- Plant and Equipment	1	15
- Others	56	31
	<u>100</u>	<u>103</u>
Insurance	26	26
Rates and Taxes	110	166
Excise Duty (Refer Note 16(b))	59	85
Job Work Charges (Refer Note 36)	901	779
Freight Outward and Clearing Charges	609	608
Travelling and Conveyance	374	438
Communication	138	121
Directors' Sitting Fees	1	1
Commission to Non-Executive Directors	5	3
Payments to Auditor (Refer Note (b) below)	5	1
Advertisements, Publicity and Sales Promotion	1,687	1,543
Cash Discounts	768	833
Commission	85	101
Legal and Professional Fees	491	440
Dogations	89	28
Royalty	6	18
Bad Debts	7	33
Less: Withdrawn from Provision for Doubtful Debts	5	31
	<u>2</u>	<u>2</u>
Provision for Doubtful Debts	25	34
Foreign Exchange Fluctuations (Net)	42	35
Miscellaneous	259	319
	<u>5,102</u>	<u>5,673</u>



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

(All amounts in ₹ Millions, unless otherwise stated)

22. OTHER EXPENSES (contd.)

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

	Amount	%
Imported	1	6
	(1)	(1)
Indigenous	17	94
	(28)	(25)
	16	100
	(29)	(102)

Figures shown in brackets are in respect of previous year

(b) Payments to Auditor:

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
(i) As Auditor:		
- for statutory audit	3	3
- for limited review	2	1
- for certification	-	-
(ii) For other audit services in respect of:		
- Tax Audit	1	1
- Audit of Group Reporting Package	2	1
- Others	-	-
(iii) Reimbursement of out-of-pocket expenses	-	-
	8	5

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

All the figures include Service tax

24. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts towards:

	As at 31.03.2016	As at 31.03.2015
a) Direct Tax Matters	544	532
b) Indirect Tax Matters (Excise duty, Customs duty, Service tax and Sales tax)	738	779
c) Litigation/ claims filed by customer/ vendor/ labour	83	86
d) Litigation/ demands raised by other Statutory Authorities	117	39

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

25. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts (net of advances) remaining to be executed on capital account	29	27
b) Value of customs duty in respect of export obligation (payment/ advance towards) remaining to be met at year end	176	142
c) Bank Guarantees issued in favour of various statutory authorities	915	704

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

(All amounts in ₹ Millions, unless otherwise stated)

26. RESEARCH AND DEVELOPMENT EXPENSES

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

(a) Above expenses are net of recoveries.

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

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

(i) Ultimate Holding Company : Bayer AG, Germany

(ii) Parties under common control *

- Bayer (China) Limited, China
- Bayer (Proprietary) Limited, South Africa
- Bayer (South East Asia) Pte. Ltd., Singapore
- Bayer A/S, Denmark
- Bayer Animal Health GmbH, Germany
- Bayer BioScience Private Limited, India
- Bayer Business Services GmbH, Germany
- Bayer Business Services Philippines Inc., Philippines
- Bayer Business and Technology Services LLC, U.S.A.
- Bayer Co. (Malaysia) Sdn Bhd, Malaysia
- Bayer CropScience AG, Germany
- Bayer CropScience LP, U.S.A.
- Bayer CropScience Limited, Bangladesh
- Bayer de Mexico S.A. de C.V., Mexico
- Bayer Direct Services GmbH, Germany
- Bayer HealthCare Pharmaceuticals Inc., U.S.A.
- Bayer Intellectual Property GmbH, Germany
- Bayer Middle East FZE, UAE
- Bayer Pakistan (Private) Limited, Pakistan
- Bayer Pharmaceuticals Private Limited, India
- Bayer S.A., Argentina
- Bayer S.A.S., France
- Bayer Thai Company Limited, Thailand
- Bayer Veda Private Limited, India (the Enterprise in respect of which, the Company is an Associate effective April 21, 2014)
- Ceresro Deutschland AG, Germany
- Ceresro (Hong Kong) Limited, Hong Kong (formerly Bayer MaterialScience Limited, Hong Kong)
- Ceresro (India) Private Limited, India (formerly Bayer MaterialScience Private Limited, India)
- Nurelma India Private Limited, India
- Nurelma Vegetable Seeds Private Limited, India
- PT. Bayer Indonesia, Indonesia

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

(iii) Key Management Personnel

Name	Designation
- Mr. Richard van der Marw	Vice Chairman & Managing Director and CEO (from February 1, 2014)
- Dr. Thürese Hufnagel	Executive Director & CFO (Upto March 31, 2016)
- Mr. Ulrich Stiller	Executive Director & CFO (from April 1, 2016)



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

(All amounts in ₹ Millions, unless otherwise stated)

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

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

Nature of Transaction	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Recoveries made	✓	47
Dividend paid	65	16
Professional/ Support Charges Incurred	8	7
	As at	As at
	31.03.2016	31.03.2015
Outstanding Receivables (net of Payables)	-	35
Outstanding Payables (net of Receivables)	1	-

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

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

Nature of Transaction	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Sale of Goods		
Bayer CropScience AG	4,964	5,391
Others	544	608
	5,508	6,000
Recoveries from Group Companies		
Bayer Vapi Private Limited	220	168
Bayer BioScience Private Limited	121	122
Bayer CropScience AG	105	112
Bayer Business Services GmbH	91	79
Bayer Pharmaceuticals Private Limited	85	89
Nunhara India Private Limited	62	61
Covestro (India) Private Limited	40	46
Others	11	3
	755	710
Trailing Charges recovered		
Covestro (India) Private Limited	-	25
	-	25
Rent Income		
Covestro (India) Private Limited	26	74
Bayer Pharmaceuticals Private Limited	17	16
Bayer BioScience Private Limited	9	10
Bayer Vapi Private Limited	7	✓
Others	✓	✓
	59	50
Interest Income		
Covestro (India) Private Limited	-	330
Bayer Vapi Private Limited	60	31
	60	361
Purchase of Goods		
Bayer CropScience AG	9,046	7,092
Bayer BioScience Private Limited	3,652	3,776
Others	473	841
	13,171	11,709

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

(All amounts in ₹ Millions, unless otherwise stated)

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

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

Nature of Transaction	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Professional/ Support Charges Incurred		
Bayer Business Services GmbH	182	210
Bayer Business Services Philippines Inc	68	-
Bayer CropScience AG	63	(10)
Others	38	38
	<u>351</u>	<u>548</u>
Rent Expense		
Bayer BioScience Private Limited	14	15
Bayer Vapi Private Limited	2	-
	<u>16</u>	<u>15</u>
Royalty Expense		
Bayer Intellectual Property GmbH	8	15
	<u>8</u>	<u>15</u>
Dividend paid		
Bayer Vapi Private Limited	130	78
Bayer S.A.S.	121	68
Bayer CropScience AG	103	58
	<u>354</u>	<u>204</u>
Sale of Fixed Assets		
Covestro (India) Private Limited	8	227
Others	-	-
	<u>8</u>	<u>227</u>
Purchase of Fixed Assets (including Capital work-in-progress)		
Bayer CropScience LP	14	7
Bayer Business Services GmbH	7	1
Bayer CropScience Limited, Bangladesh	7	-
Covestro (India) Private Limited	-	1
	<u>28</u>	<u>9</u>
Employee related liability paid/ payable on transfer of employees		
Covestro (India) Private Limited	10	13
Bayer BioScience Private Limited	3	8
Bayer Vapi Private Limited	4	-
	<u>17</u>	<u>21</u>
Employee related liability taken over on transfer of employees		
Bayer BioScience Private Limited	3	1
Bayer Vapi Private Limited	3	-
Others	-	-
	<u>6</u>	<u>1</u>
Short-term Loan given to (Refer Note 30)		
Bayer Vapi Private Limited	1,106	1,096
	<u>1,106</u>	<u>1,096</u>
Short-term Loan repaid by (Refer Note 36)		
Bayer Vapi Private Limited	1,106	1,096
Covestro (India) Private Limited	-	2,500
	<u>1,106</u>	<u>4,596</u>



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

(All amounts in ₹ Millions unless otherwise stated)

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

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

	As at 31.03.2016	As at 31.03.2015
Outstanding Receivables (net of Payables)		
Bayer CropScience Limited, Bangladesh	51	35
Bayer Vapi Private Limited	42	-
Munimur (India) Private Limited	37	16
Bayer Pharmaceuticals Private Limited	36	28
Bayer Pakistan (Private) Limited	23	10
Corestro (India) Private Limited	7	41
Bayer CropScience AG	-	183
Others	13	19
	211	380
Outstanding Payables (net of Receivables)		
Bayer CropScience AG	597	-
Bayer Intellectual Properties GmbH	6	18
Bayer Business Services GmbH	1	10
Bayer BioScience Private Limited	-	46
Bayer Vapi Private Limited	-	27
Others	59	3
	663	104

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

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

Related Party	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Mr. Richard van der Merwe	56	60
Dr. Thorsten Hoffmann	39	42
	95	102

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

28. EMPLOYEE BENEFITS

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

a) Brief description of the Plans:

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

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

Particulars	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Provident Fund	54	57
Superannuation	24	25

* included in Note 21 - Employee Benefit Expenses

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

(All amounts in ₹ Millions, unless otherwise stated)

20 EMPLOYEE BENEFITS (contd.)

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

	Gratuity (Funded plan)		Pension (Non-funded plan)	
	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
(i) Changes in Present Value of Defined Benefit Obligation:				
Opening present value of defined benefit obligation	464	438	7	8
Current service cost	31	26	-	-
Interest cost	38	41	1	1
Actuarial loss/ (gain)	18	92	(1)	-
Transfer of Employees (Net) **	(7)	(18)	-	-
Benefits paid	(33)	(98)	(1)	(2)
Closing present value of defined benefit obligation	532	484	6	7
** Represents liability taken over/ (discharged) in respect of employees transferred from/ (to) Group Companies				
(ii) Change in Fair Value of Plan Assets:				
Opening fair value of plan assets	300	276	-	-
Expected return on plan assets	27	24	-	-
Actuarial gain/ (loss)	(2)	-	-	-
Contributions by employer	35	56	-	-
Benefits paid	(33)	(86)	-	-
Closing fair value of Plan Assets	327	300	-	-
(iii) Actual return on Plan Assets	25	24	-	-
(iv) Amount recognised in the Balance Sheet:				
Present value of defined benefit obligation as at year end	532	484	6	7
Less: Fair value of plan assets as at year end	(327)	(300)	-	-
Net (asset)/ liability recognised	205	184	6	7
Recognised under:				
Long Term Provision [Refer Note 5]	170	152	5	6
Short Term Provision [Refer Note 5]	35	32	1	1
	205	184	6	7
(v) Expenses recognised in the Statement of Profit and Loss:				
Current service cost	31	26	-	-
Interest cost	39	41	1	1
Expected return on plan assets	(27)	(24)	-	-
Net actuarial loss/(gain) recognised in the current year	21	92	(1)	-
Total expense (included in Note 21 - 'Employee Benefit Expenses')	64	105	-	-
(vi) Expected employer's contribution for the next year	36	32	-	-



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

(All amounts in ₹ Millions, unless otherwise stated)

25. EMPLOYEE BENEFITS (contd.)

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

	Gratuity (Funded plan)		Pension (Non-funded plan)	
	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
(vi) Principal actuarial assumptions used:				
Discount rate (per annum)	7.81%	7.66%	7.81%	7.66%
Expected rate of return on plan assets (per annum)	8.10%	8.20%	Not Applicable	Not Applicable
Attrition Rate (per annum)	5 - 10 %	5 - 10 %	5 - 10 %	5 - 10 %
Salary Escalation rate (per annum)	12% for Next year, 10% for subsequent 2 years and 8% thereafter	12% for Next 2 years, 10% for subsequent 2 years and 8% thereafter	Not Applicable	Not Applicable

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

(vii) Asset information:

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

(ix) Other Information:	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014	01.04.2012 to 31.03.2013	01.04.2011 to 31.03.2012
Gratuity (Funded Plan)					
Present value of defined benefit obligation at the end of the year	(933)	(988)	(980)	(914)	(941)
Fair value of plan assets at the end of the year	327	309	279	270	327
Surplus/ (deficit)	(295)	(138)	(162)	(144)	(114)
Experience adjustments on plan liabilities - gain/ (loss)	(28)	(45)	(32)	(23)	(20)
Experience adjustments on plan assets - gain/ (loss)	(2)	-	-	3	6
Pension (Non-funded Plan)					
Present value of defined benefit obligation at the end of the year	(8)	(7)	(8)	(8)	(7)
Surplus/ (deficit)	(6)	(7)	(8)	(9)	(11)
Experience adjustments on plan liabilities - gain/ (loss)	1	1	1	-	2

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

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

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

(All amounts in ₹ Millions, unless otherwise stated)

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

For the Year	No. of Shareholders	No. of Equity Shares	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
2014-15 (First Dividend)	4	17,053,783	298	-
2014-15 (Interim Dividend)	4	17,053,783	-	68
2013-14 (Final Dividend)	4	17,053,783	-	84

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

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
30. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	9,959	9,229
Packing Materials	12	28
Stock-in-trade	4,402	2,934
Stores and Spare Parts	1	1
Capital Goods (including Work-in-Progress)	94	32
31. EXPENDITURE IN FOREIGN CURRENCY		
Professional Fees	275	268
Other Expenses	81	71
Communication	59	43
Salary	51	47
Royalty	8	10
32. EARNINGS IN FOREIGN EXCHANGE		
Export of Goods calculated on F.O.B. basis	6,442	6,287
Revenues from Group Companies	206	247
33. OPERATING LEASE		
a) Assets taken on lease:		
The Company has taken certain residential flat and offices under non-cancellable operating lease and lease rent amounting to 16 (Previous Year 52) has been recognised under the head Other Expenses - 'Rent' under Note 22 to the Statement of Profit and Loss.		
The future minimum lease payments under non-cancellable operating lease is as follows:		
Period	As at 31.03.2016	As at 31.03.2015
Not later than one year	12	16
Later than one year and not later than five years	10	6
Later than five years	-	-
The Company has entered into cancellable leasing arrangement for offices, residential, guest house and warehouse premises. The lease rental of 154 (Previous Year 130) has been recognised under the head Other Expenses - 'Rent' under Note 22 to the Statement of Profit and Loss.		
Further, the Company has received sub-lease rental of 12 (Previous Year 18) which has been recognised under the head Other Income - 'Rent Income' under Note 17 to the Statement of Profit and Loss.		
b) Assets given on lease:		
Additionally, the Company has given Land (disclosed as Investment Property) and portion of Building on operating lease under cancellable lease arrangement during the year. The lease rentals aggregating to 86 (Previous Year 50) has been recognised under the head Other Income - 'Rent Income' under Note 17 to the Statement of Profit and Loss.		



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

(All amounts in ₹ Millions, unless otherwise stated)

34. SEGMENT REPORTING

The Company has identified business segment as its primary segment. In accordance with Accounting Standard 17 - "Segment Reporting", the Company has determined its business segment as "Agri Care". Since, entire Company's business is from Agri Care there are no other primary reportable segments. Thus the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of change of depreciation and amortisation during the year are all as reflected in the Financial Statement as at and for the year ended March 31, 2016.

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

Secondary Segmental Reporting

	91.04.2015 to 31.03.2016	91.04.2014 to 31.03.2015
1. Revenue from Operations (Net)		
(a) Segment - India	21,760	20,831
(b) Segment - Exports	5,829	5,564
	<u>37,429</u>	<u>26,213</u>
2. Segmental Assets (excluding Deferred Current Tax Assets)		
(a) In India	23,453	28,513
(b) Outside India	414	877
	<u>23,867</u>	<u>27,190</u>
3. Capital Expenditure during the year in India	300	212

35. The Company uses forward contracts to hedge its risk of net exposure associated with foreign currency fluctuations. The Company does not enter into any forward contract which is intended for trading or speculative purposes.

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

As at	Currency	₹ Buy/ (Sell)	Number of Contracts	Amount in Foreign Currency Millions	₹ equivalent in Millions
March 31, 2016	US Dollar	Buy	2	3	241
March 31, 2015	US Dollar	Sell	1	4	263

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

Particulars	Currency	Amount in Foreign Currency Millions	₹ equivalent in Millions
- Payable	US Dollar	10	542
- Receivable	US Dollar	(3)	(1)
- Payable	EUR	(4)	(237)
- Payable	EUR	2	13
- Payable	EUR	(2)	(7)
- Payable	THB	2	(1)
- Receivable	CHF	1	(1)
		<u>(1)</u>	<u>(1)</u>

Figures shown in brackets are in respect of previous year.

* Amount is before the rounding off as adopted by the Company.

36. The Company has given loans to Bayer Vapi Private Limited during Current Year ₹ 1.00 (Previous Year ₹ 0.00) for capital investment and general business purpose and to Covestro (India) Private Limited (formerly known as Bayer MaterialScience Private Limited) ₹ 1.00 (Previous Year ₹ 0.00) for working capital purpose which were repaid during respective years by both the parties. These loans were given in compliance with Section 186 of the Companies Act, 2013 and in accordance with the terms and conditions of agreements entered with both the parties.

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

(All amounts in ₹ Millions, unless otherwise stated)

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

a) Amount spent

Particulars	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Donations	89	28
Employee Benefit Expenses	4	1
Other Expenses	2	4
	<u>95</u>	<u>34</u>
b) Gross amount required to be spent by the Company	<u>95</u>	<u>39</u>

38. Pursuant to the approval of Board of Director's vide its resolution dated July 30, 2012, the Company had entered into a 'Business Transfer Agreement' with Decosa Fine Chemicals (India) Private Limited, to sell, convey, assign and transfer the Chemical Manufacturing Facility at Andeshwar, as a going concern on a stamp free basis and an 'Asset Transfer Agreement' with Cavestro (India) Private Limited (formerly known as Bayer Material Science Private Limited), to sell and transfer all the assets related to the Poly-isocyanate Unit located within the Andeshwar facility. The transactions were concluded at the close of business hours of May 31, 2014. Upon conclusion of both the transactions, the Company had recognised net gain of ₹ 3 (net of impairment loss of ₹ 44 recognised during the year ended March 31, 2014) and realised proceeds of ₹ 468 during the year ended March 31, 2015.

39. During the year, the Company has recognised a charge of ₹ 258 (Previous Year ₹ 18) towards job work charges for the shortfall in the submitted quantities.

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

	As at 31.03.2016	As at 31.03.2015
(i) (i) Principal amount due and remaining unpaid to any supplier at the end of accounting year [includes capital payables ₹ 0.01 (Previous Year ₹ 0.40)]	7	36
(ii) Interest amount due and remaining unpaid to any supplier at the end of accounting year *	-	-
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the suppliers during the year	30	81
(iv) 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	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-

* Current Year ₹ 0.02 (Previous Year Nil)

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



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

(All amounts in ₹ Millions, unless otherwise stated)

41. EARNINGS PER SHARE

Particulars	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Profit After Taxation	3,009	3,630
Weighted average number of equity shares outstanding at year end	36,076,364	28,610,001
Normal Value Per Equity Share (in ₹)	10	40
Earnings Per Share (net of tax) (Basic and Diluted) (in ₹)	83.41	184.69

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

Signature to Notes 1 to 42

For Price Waterhouse
Firm Registration Number: 301113E
Chartered Accountants
Uday Shah
Partner
Membership Number: 040061

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

For and on behalf of the Board
Vice Chairman &
Managing Director
and CEO
Richard van der Merwe
DIN 06768305

Directors
Sharad Kulkarni
DIN 00005040
A.K.R. Nedungadi
DIN 00103214
Vimal Bhandari
DIN 00001318
Ulrich Stefer
DIN 07447177

Place : Mumbai
Date : May 13, 2016

Place : Mumbai
Date : May 13, 2016

Facts

	2006	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
€ in Millions										
Revenue from Operations (Net)	7,745	12,383	14,528	17,341	21,573	22,723	27,253	32,452	37,233	37,429
Profit Before Tax	891	529	1,508	1,964	1,988	2,044	15,632	4,408	5,735	4,829
Net Cash from Operating Activities	388	1,404	348	824	1,223	1,067	1,383	2,815	3,004	1,944
Dividend (including interim dividend)	95	95	111	158	158	188	197	201	789	801
Dividend %	24%	24%	28%	40%	40%	42%	59%	56%	210%	170%
Dividend Payout Ratio %	17%	19%	12%	12%	12%	12%	2%	7%	20%	20%
Share Capital	385	385	385	385	388	385	385	380	560	554
Reserves and Surplus	2,919	5,299	4,118	5,203	6,335	7,552	16,918	17,057	18,983	17,205
Borrowings	1,081	582	437	1,140	1,868	-	-	-	-	-
Gross Block	3,435	4,274	4,518	5,077	5,831	4,738	5,414	6,958	4,346	4,514
Net Block	1,554	2,479	2,701	3,208	3,537	2,565	3,457	4,448	3,224	3,251
Net Current Assets	2,778	1,139	1,580	2,835	5,204	4,881	15,562	12,583	18,817	14,141
Employee Benefit Expenses	871	1,221	1,343	1,411	1,566	1,553	1,810	2,040	2,268	2,253
Number of Employees	1,020	1,158	1,325	1,351	1,302	1,147	1,181	1,217	1,043	1,087
₹										
Earnings Per Share (on the basis of profits after tax)	14.38	12.43	23.81	32.22	33.30	35.19	294.11	75.14	104.58	83.41
Book Value per Share	83.91	93.53	114.17	141.72	170.38	200.70	488.95	475.79	555.15	496.66
Share Price at Stock Exchange — High	303.40	474.50	343.00	693.00	1,173.00	899.00	1,341.80	1,829.20	3,018.90	4,334.00
— Low	101.00	108.05	180.20	224.90	635.15	675.05	748.00	1,065.05	1,384.55	2,115.80
Number of Shareholders	21,180	18,882	18,803	19,324	21,251	21,431	20,865	19,136	20,647	20,412

Notes:

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



NOTES

**Bayer CropScience Limited**

Corporate Identification No. (CIN) - L24210MH1986PLC011173

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

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

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

Name of the Member(s): _____

Registered Address: _____

E-mail id: _____

Folio No. / Share ID No. _____ DP ID No. _____

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

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

As my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 56th Annual General Meeting of the Company to be held on Monday, September 12, 2016 at 11.00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below

Sr.No.	Resolution	For	Against
1	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for financial year ended March 31, 2016		
2	Determination of dividend on Equity Shares for the financial year ended March 31, 2016		
3	Re-appointment of Mr. Pawan Munshi (DIN: 00562162) as a Director		
4	Re-appointment of Auditors and fixing their remuneration		
5	Appointment of Mr. Ulrich Stefan as the Wholesale Director (DIN: 07447177) & Chief Financial Officer of the Company		
6	Appointment of Mr. Pankaj Patel (DIN: 00131823) as the Non-Executive Independent Director of the Company		
7	Ratification of Cost Auditors' remuneration		
8	Approval of transaction with Bayer CropScience Private Limited		
9	Adoption of new Articles of Association of the Company		

Signed this _____ day of _____ 2016

Signature of shareholder: _____

Affix
Reverse
Stamp**NOTES:**

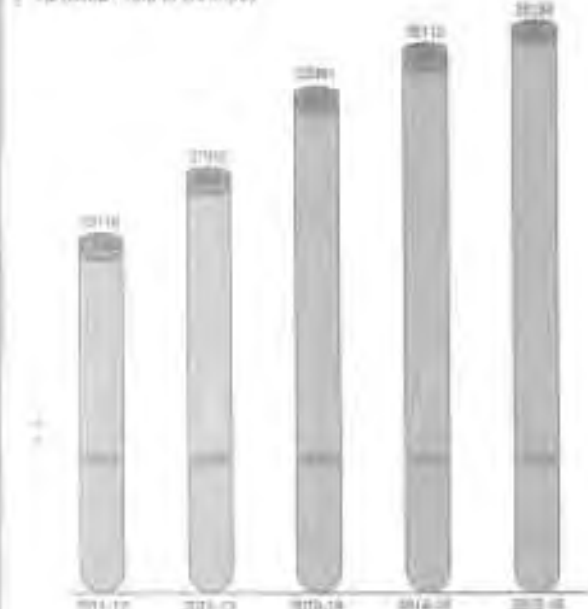
- Please put tick(✓) in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- This Form of Proxy in order to be effective should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

TOTAL REVENUE

(₹ in Millions)

OTHER INCOME

REVENUE FROM OPERATIONS

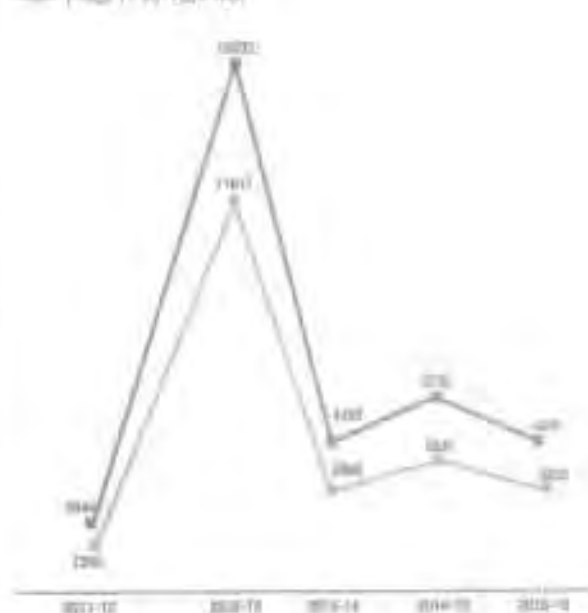


PROFITS

(₹ in Millions)

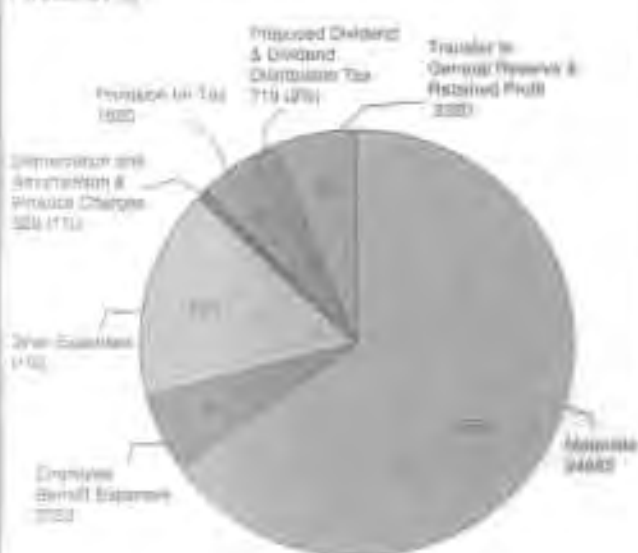
PROFIT BEFORE TAX

PROFIT AFTER TAX



DISTRIBUTION OF REVENUE 2015-16

(₹ in Millions)

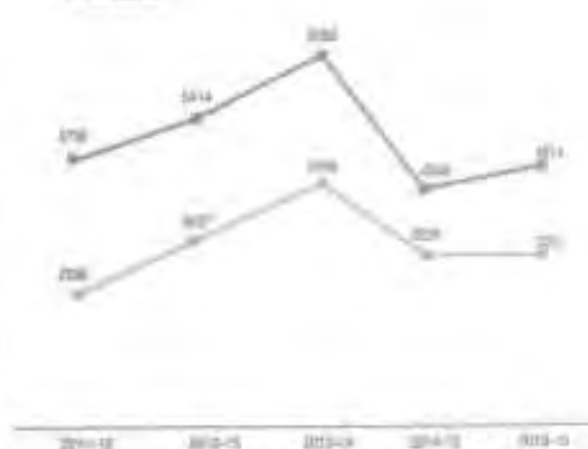


FIXED ASSETS

(₹ in Millions)

GROSS BLOCK

NET BLOCK





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WAYSS CHEMICALS LIMITED

(Incorporated in India under the Companies Act, 1956) (CIN: U28120MH1995PLC000004)

(Listed on BSE)

(In Rupee Crores)

For the year ended

PARTICULARS	30.09.2018	30.09.2017
	UNAUDITED	AUDITED
ASSETS		
Non-current Assets		
Fixed Assets, Net of Depreciation	1,329	1,580
Goodwill	91	12
Investment Properties	98	102
Intangible Assets	24	40
Financial Assets	701	649
- Government Securities	1,044	-
- Other Financial Assets	190	175
Current Tax Assets (Net)	943	603
Other Assets	201	300
Total Non-Current Assets	6,124	6,507
Current Assets		
Inventory	1,284	1,393
Financial Assets		
- Trade Receivables	11,347	6,381
- Cash and Cash Equivalents	60	5,160
- Bank Deposits other than Cash and Cash Equivalents	51	11
- Other Financial Assets	439	893
Other Assets	1,419	1,092
Total Current Assets	24,580	24,739
TOTAL ASSETS	30,704	31,246
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	940	940
Other Equity	18,127	17,440
Total Equity	19,067	18,380
Liabilities		
Non-Current Liabilities		
Provisions	74	443
Deferred Tax Liabilities (Net)	100	101
Total Non-Current Liabilities	174	544
Current Liabilities		
Financial Liabilities		
- Short-term Debt	1,178	-
- Trade Payables	10	10
- Other non-current liabilities due to employees and other creditors	10	10
- Trade Payables due to vendors other than current suppliers and other creditors	1,608	1,614
Other Financial Liabilities	303	303
Other Current Liabilities	1,239	1,163
Provisions	440	1,324
Current Tax Liabilities (Net)	473	32
Total Current Liabilities	13,440	13,839
Total Liabilities	13,614	14,383
TOTAL EQUITY AND LIABILITIES	32,681	32,763

2. The Company has retained 1,25,000 equity shares of Rs.10/- each (FV) at a price of ₹ 1,250.00 per share, representing 7.28% holding, ("Investment"), with a view to form a Holding in Gauran (the "HAC") in the form of a trust by way of (a) (a) and (b) to the public subscription of FV, pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on 11.11.2017, by way of 100% FV (a) and (b) to the public subscription of FV, pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on 11.11.2017. Subsequent to initial recognition, change in the value of the investment at each reporting period will be calculated through Other Comprehensive Income (OCI). The results for the quarter and half year ended September 30, 2018 include loss of ₹ 45 lakhs recognized in Other Expenses on account of initial recognized amount of ₹ 1.25 lakhs recognized in OCI on account of subsequent change in fair value of the investment.

3. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company, in its meeting held on October 12, 2018. The above results have been subjected to limited review by the Statutory Auditors of the Company.

By order of the Board

 Manish Mehta
 Executive Director & Chief Financial Officer
 (By Chairperson)


 Manish Mehta
 Date: October 12, 2018

TO THE BOARD OF DIRECTORS OF BAYER CROSCIENCE LIMITED

1. We have reviewed the Unaudited Financial Results of **BAYER CROPSCIENCE LIMITED** ("the Company"), for the Quarter and six months ended September 30, 2016 included in the accompanying Statement of Unaudited Financial Results ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI - Listing Obligations and Disclosure Requirements Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standards on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Head - Law, Patents & Compliance
and Company Secretary**

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

 **amantha**
Samipada 5 Narayankar
(Partner)
(Membership No. 102911)

MUMBAI, October 23, 2018

Monsanto India Limited

Certified True Copy

For MONSANTO INDIA LIMITED

MONSANTO



Yamika Gupta

YAMIKA GUPTA

Executive Director, India Region

2017-18

Annual Report

Creating Value Through Innovative Farm Solutions





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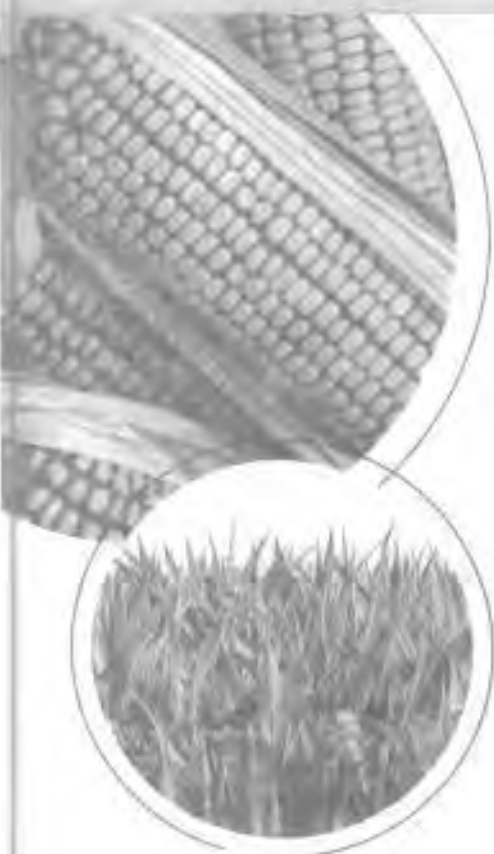


Members are requested to:

1. Direct all shares-related correspondence to Link Intime India Private Limited (R & T).
2. Bring their copy of the Annual Report to the Annual General Meeting (AGM).
3. Send their queries, if any, relating to the account of the Company, at least 10 days before the AGM so that the necessary information is made available at the meeting.

Forward-Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we intentionally make, contain forward-looking statements that we expect to be results based on the management's plan and assumptions. We have taken various measures to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar substance in conjunction with any discussion of future performance. We cannot guarantee that these forward-looking statements will be achieved, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and various other factors, some of which are beyond our control. Risks of uncertainties materialize or become more acute, our business plan, operations, actual results could vary materially from the anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly disclose any forward-looking statements, whether as a result of new information, future events or otherwise.



Agricultural growth in India is a key to economic development in the country and therefore farmers' success becomes a major factor to the country's development. It is therefore important to give the farmer the right policies and technologies thereby enabling increased productivity and growth.

India's population continues to grow at a fast pace, while the amount of arable land we have, remains limited. With vagaries of the weather, we still need to grow more to feed the nation. Therefore, it is important to bring technology in the hands of the farmer. The latest developments in technology, breeding and seeds should be used to help the farmer.

Indian agriculture is poised at the edge of a potential revolution, one that can take care of the needs of an ever-prospering nation. At Monsanto India Limited, we remain committed to creating value for the country's farmers and to achieve this, we:

- Provide them with high-yielding seeds and crop protection solutions
- Advise them with crop management solutions and timely field-related information beneficial for their crops
- Support communities by promoting sustainable agriculture, ensure human rights and promote initiatives in water availability, education, healthcare and nutrition



**At Monsanto India Limited, we believe in
Creating Value Through Innovative Farm Solutions.**

Translating this commitment into reality involves recognising the role that numerous farming families play in our economy, understanding the needs of these communities and contributing through our efforts, products, services and focussed initiatives at the grass-root level every single day.

Monsanto Global

FAST FACTS

Fortune 500 Company

Headquarters: St. Louis, Missouri, United States

Globally:

- 20,000+ employees globally
- Facilities in 69 countries
- Committed to a carbon neutral footprint by 2021

GLOBAL PRODUCT PORTFOLIO

- Agriculture and Vegetable Seeds
- Plant Biotechnology Traits
- Crop Protection Chemicals



Products and Solutions: We research, develop, test, and collaborate with others to bring the best in agricultural innovation and products, guided by the principles of good science and continuous improvement.

Human Rights: We care about living and working conditions at our locations, and we work to respect and advance human rights. We prohibit the use of child or forced labour, and we work to provide a safe, diverse, and inclusive workplace free from harassment and violence. Compensation that meets or exceeds the legally required minimum, lawful working hours, and freedom for our employees to associate with organisations of their choosing are also issues important to us.

Charitable Giving: We've contributed millions of dollars to help provide solutions for education and critical needs in communities around the world through The Monsanto Fund.

Partnerships: We partner with other organisations to work together and develop solutions to tackle some of the world's biggest challenges.

Research and Development: The Company invests nearly USD 1.5 billion annually towards Research and Development. The R&D efforts primarily concentrate in the areas of biotech traits, elite germplasm, breeding, genomics research, and improving the present product line seeds and herbicide formulations. All activities are undertaken based on the complete understanding of the evolving requirement of the farmers. Concerted and consistent R&D focus has resulted in bringing to the market innovative and sustainable products that assist farmers in enhancing yields and farm income while using fewer natural resources.



Awards and Recognitions: Monsanto has been consistently recognised over the years for innovation, leadership, workplace satisfaction and corporate responsibility. Some of the recent awards that acknowledge its contributions:

- Glassdoor Best Places to Work 2018
- India vehicle safety programme won the Dupont Safety and Sustainability 2017 Asia Pacific – Regional Safety Award at an award ceremony in Singapore (September 2017)
- India vehicle safety programme won the Federation of Indian Chambers of Commerce and Industry (FICCI) Motor Safety Award – Best Corporate Road Safety Programme Category (November 2017)
- Savasee Site won first prize in Competitiveness of Indian Industry (CII) Western Region ESM Excellence Award (Modern State Manufacturing Company) (December 2017)
- Fortune® Magazine's 2016 list of World's Most Admired Companies
- 100% on Human Rights Campaign's 2018 Corporate Equality Index
- National Association for Female Executives (NAFE) 2018 Top 50 Companies for Executive Women
- Digital Edge Project Award 2018
- WBENC's America's Top Corporations for Women's Business Enterprise 2017
- Model Top 100 Innovator in Diversity & Inclusion 2018



Monsanto India Limited

KEY HIGHLIGHTS, FY 2017-18

Net Sales (₹ Cr) **672.12**

EBITDA (₹ Cr) **171.94**

PAT (₹ Cr) **164.56**

Employees **257**

Market Capitalisation (₹ Cr) **4,763.02**
as of March 31, 2018

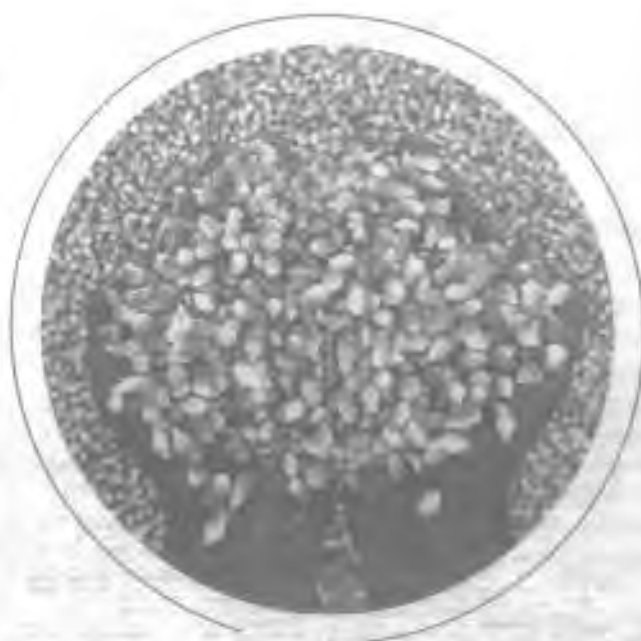
Net Worth (₹ Cr) **640.39**
as of March 31, 2018



MII, established in 1975, works on the parent company's philosophy of helping farmers to produce more and earn more while conserving natural resources. Over the years, we have empowered Indian farmers through our high-yielding hybrid maize seeds, crop protecting glyphosate herbicide and farm services to promote better agronomic practices.

Through our robust R&D prowess, breeding technology and techniques, extensive agronomic activities, and on-farm technology development, we are deeply committed to improving the agricultural scenario in the country.

We have partnered with various stakeholders to extend our presence and reach out to more farmers and provide them necessary support for a successful harvest. We also work with several NGOs across the country to focus on holistic development of farmers and rural communities.



ROBUST GEOGRAPHIC PRESENCE

- Headquartered in Mumbai (Maharashtra, India)
- Branch offices in Mumbai, Kolkata, Coimbatore, Hyderabad and New Delhi
- Manufacturing facilities at Silvassa (herbicide plant), Shamirpet (maize conditioning plant) and Eluru (seed processing plant)
- Maize breeding stations at Udaipur and Bengaluru
- Quality assurance laboratory at Hyderabad

PRODUCT PORTFOLIO

- DEKALB® - India's highest selling hybrid maize seeds
- Roundup® - World's highest selling glyphosate-based herbicide
- Dr. DEKALB - An IT-based mobile platform that provides farmers valuable information and advice relating to better agronomic practices to help improve their crop yields and quality

CERTIFICATIONS

- ISO 14001 for Environment Safety
- OHSAS 18001 for ESH (Environment, Safety and Health) management system

STOCK TICKER

- BSE code: 524084
- NSE symbol: Monsanto



Our Commitment to Sustainable Agriculture

At Monsanto, our commitment goes beyond fields and farms. Our focus is to make agriculture sustainable. By helping farmers in producing more and conserving more, we sustain both farms and farmers. By harvesting more success, we make agriculture more viable and rewarding. People around the world depend on agriculture and the hard work of farmers for their most basic needs. With global population expected to grow by 40 percent in the next few decades, agriculture will need to become more productive and sustainable in order to keep pace with rapidly increasing demands.

We are committed to developing technologies that enable farmers to produce more crops while conserving more of the natural resources that are essential to their success. Producing more. Conserving more. Improving lives. That's sustainable agriculture. And that's what Monsanto is all about.

Producing more

Monsanto works with farmers from around the world to make agriculture more productive and sustainable. Our technologies enable farmers to get more from every acre of farmland. These yield gains come from a combination of advanced plant breeding, biotechnology, and improved farm-management practices.

Conserving more

We've strengthened our goal to double crop yields by committing to doing it with one-third fewer resources such as land, water, and energy per unit produced. We continue to develop high-quality seeds and improve on-farm practices that enable farmers to better manage weeds, pests, and environmental stresses. We work with partners to develop conservation systems that are better for the planet. We make these tools of innovation available to the people who have the most direct relationship with the land - the millions of farmers around the world.

Improving lives

The technology we use to develop better seeds and the partnerships we nurture to develop new agronomic practices, can drive big increases in yield and productivity. As all the world's farmers raise themselves from poverty to prosperity, many more people will also prosper, through healthier diets, greater educational opportunities, and brighter futures fuelled by more robust local economies.



Our Pledge

The Monsanto Pledge is our commitment to how we do business. It is a declaration that compels us to listen more, to consider our actions and their impact broadly, and to lead responsibly. It helps us to convert our values into actions, and to make clear who we are and what we champion.



Integrity: Integrity is the foundation for all that we do. Integrity includes honesty, decency, consistency, and courage. Building on these values, we are committed to:

Dialogue: We will listen carefully to diverse points of view and engage in thoughtful dialogue. We will broaden our understanding of issues to better address the needs and concerns of society and each other.

Transparency: We will ensure that information is available, accessible, and understandable.

Sharing: We will share knowledge and technology to advance scientific understanding, to improve agriculture and the environment, to improve crops, and to help farmers in developing countries.

Benefits: We will use sound and innovative science and thoughtful and effective stewardship to deliver high-quality products that are beneficial to our customers and to the environment.

Respect: We will respect the religious, cultural, and ethical concerns of people throughout the world. The safety of our employees, the communities where we operate, our customers, consumers, and the environment will be our highest priority.

Act as Owners to Achieve Results: We will create clarity of direction, roles, and accountability; build strong relationships with our customers and external partners; make wise decisions; steward our Company resources; and take responsibility for achieving agreed-upon results.

Create a Great Place to Work: We will ensure diversity of people and thought; foster innovation, creativity and learning; practice inclusive teamwork; and reward and recognize our people.



Chairman's Review



Dear Shareholders,

Indian agriculture is evolving quickly and the country's determined pursuit over the last few years to create a strong agricultural foundation to help farmers improve their livelihood is making good progress. The Union Government has been steadfastly pursuing its vision of making farmers the central focus in all activities. While it has unveiled numerous programmes and has a well-defined strategy, one of the aspects that could propel this growth further would be to provide a single unified national agriculture market and facilitate hassle-free movement of agricultural commodities which would enable farmers to sell their produce at the best available prices in the market.

Major players in this sector have contributed using several strategies such as improving crop yields, achieving operational excellence and sustainable creation of value. In this continued quest for improving farmer livelihood, there is scope for agriculture companies and the government to be partners in this transformation journey. Your Company too has played and continues to strive to play its rightful role in this phase.

At Monsanto India Limited (MIL), we have always brought to the forefront several years of experience and expertise in the field of agriculture technologies and have provided farmers some of the most advanced products and know-how that empower them to enhance farm yields. Our focus continues to be towards finding innovative solutions to help India's farmers grow more while using less of the planet's natural resources.

Our hybrid maize seeds from the DEKALB® portfolio are launched after sustained research and testing thereby ensuring that they address a wide range of farmer needs. These hybrids have played a key role in ensuring the country's maize farmer's achieve bumper harvests. At the same time, our glyphosate-based herbicides have effectively helped in curbing growth of weeds that have the potential to impact crop yields. In addition, we retain our focus on leveraging information technology in agriculture and our highly advanced IT-based mobile platform, *Dr. DEKALB* provides a gamut of

information to farmers anytime, anywhere. A majority of the country's leading maize farmers registered with us enjoy the benefits of these services.

Over the last several decades, MIL's products and services have helped the country's farmers prosper. As we look at the year ahead, we believe our innovative farm solutions will continue to create value for them.

While we continue to focus on our business, we have not lost sight of giving back to society especially the country's rural communities. MIL's CSR activities primarily focus on the areas of promoting sustainable agriculture, health and sanitation, education and integrated community development.

At MIL, our endeavour is to constantly innovate and we strive to continuously engage and provide a holistic environment that supports development and growth for our employees.

As you would be aware, Bayer recently announced the completion of their acquisition of Monsanto globally. We are excited at this merger as this will bring together Bayer's Plant Protection and Biological products and Monsanto's expertise in Seeds, Bimtech Traits and Digital Agriculture. This will provide a strong foundation to develop customised solutions that will benefit farmers across the globe including India.

I would like to take this opportunity to once again thank you the shareholders for all the support provided and would like to assure you that we remain dedicated to creating value both for our farmers and shareholders that is sustainable and inclusive.

Yours sincerely,

Satish Kumar
Chairman



Message from the Managing Director

DEAR SHAREHOLDERS,

As we conclude another year of our commitment to farmers, I take this opportunity to thank you for your unstinted support in our endeavour.

India is the world's largest democracy with a demographic dividend that makes it the home to one of the youngest populations in the world. This growing population puts us as a country in an enviable position and will require quality food and nutrition. With limited natural resources and vagaries of the weather, it is necessary to optimally use land and other natural resources to cater to the needs of a growing population. These steps will aid us in achieving the goal of sustainable agriculture.

The year 2017 was a mixed bag for farmers. According to the Economic Survey 2018, while the overall agriculture sector is expected to grow by about 2.1 percent in FY 2017-18, India's farmers had to counter other challenges like low commodity prices and access to market. The Government's intent to increase agricultural productivity and double farmers' income by helping them get reasonable prices for agricultural production, are a welcome move. The focus on rural welfare and the creation of rural infrastructure – both social and agricultural – is encouraging.



Over the years, we have learnt from various experiences, implemented customer insights, accelerated our R&D efforts and leveraged information technology solutions to make informed decisions in areas like Breeding, Technology Development, Supply Chain and Sales. More importantly, it has helped us develop products that suit their on-field requirements.

Our commitment has been exemplified by the fact that farmers continue to repose their trust on the DEKALB® brand. The team's campaign titled "जोड़ें अपनी बख्खरी" was extremely successful in striking an emotional chord with farmer customers and extending the brand's reach far and wide. The team also maintained a continuous engagement programme that provided guidance to our farmers throughout their crop cycle starting from selection of the best hybrids, to the correct planting practices and any other support during the entire planting season.

The DEKALB® Margdarshak programme, a strategic initiative leverages the leadership trail of the early adopters and progressive farmers using DEKALB® hybrids into Monsanto Margdarshaks. These farmers who serve as brand ambassadors for the DEKALB® brand are provided regular agronomic trainings, weather and market information, access to agriculture innovation and knowledge of DEKALB® hybrids.

Lack of resources and knowledge often hinders smallholder farmers from reaping the benefits of innovation. To address this challenge, the team has developed an innovative platform titled "DEKALB Advantage" that helps develop a connect with farmers and retailers.

The yield potential of a crop depends on a multitude of factors. This includes providing the right nutrition for the crop during the growth phase. The presence of weeds around the main crop can significantly impact yields by depriving the main plant of water, nutrients and sunlight. It is therefore essential for farmers to manage their fields effectively.

Roundup® a broad spectrum, post-emergent systemic herbicide has consistently provided efficient weed control. Farmers have enjoyed significant savings in cost and resources (labour, time and water). Notwithstanding dry conditions in specific geographies, low acid rains, competition from China-based imports, the strength of the Roundup® brand and responsiveness of the team helped deliver a strong year.

The results of your Company showcase the efforts put in by the team. Profit After Tax (PAT) increased by 9 percent

from ₹ 151.44 crore in FY 2016-17 to ₹ 164.58 crore in FY 2017-18, while net sales rose from ₹ 640.91 crore in FY 2016-17 to ₹ 667.44 crore in FY 2017-18.

The wheels of success need to be well-oiled to deliver results. And it is our people who form the spokes of this well-oiled wheel. Our people are our biggest asset and we have showcased our commitment to them by focusing on their training and development – both at the managerial and leadership levels. The steadfast focus and high levels of engagement that we have seen across the organisation is testimony to these efforts.

The team has also displayed a high level of responsiveness and commitment towards society and these efforts have been recognised externally. While the India Vehicle Safety Team won the DuPont Safety and Sustainability 2017 Asia Pacific – Regional Safety Award, your Company's Silvassa site won the Confederation of Indian Industry's (CII) Western Region ESH Excellence Award in the Medium Scale Manufacturing Category.

At Monsanto, our vision is to improve lives by partnering with communities to deliver sustainable and lasting solutions. Through our flagship programmes DISHA and SHARE, we touch the lives of more than 50,000 children and over 1 lakh farmers respectively. Over the last year, we have successfully completed 3 key projects that focus on learning effectiveness, integrated community development and sanitation.

At Monsanto, we remain committed to India's rural communities and each of our team members is determined to 'leave a mark' by making a lasting contribution.

On behalf of the Board of Directors, I take this opportunity to thank you for trusting your Company and providing your constant support to all of us.

Yours sincerely,

Sanjiv Sarin
Managing Director



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Our commitment has been exemplified by the fact that farmers continue to repose their trust on the DEKALB® brand. The team's campaign titled 'खेपे अपने खसयाक' was extremely successful in striking an emotional chord with farmer customers and extending the brand's reach far and wide. The team also maintained a continuous engagement programme that provided guidance to our farmers throughout their crop cycle starting from selection of the best hybrids, to the correct planting practices and any other support during the entire planting season.

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On behalf of the Board of Directors, I take this opportunity to thank you for trusting your Company and providing your constant support to all of us.

Yours sincerely,

Shripa Mittal, Director
Managing Director



Creating Value Through High-Yielding Hybrid Seeds

Maize is an important crop as it is less water consuming as compared to other cereals. Farmers gain higher yields per hectare and more importantly it can be grown across the year. Its multiple utilities as food, fodder and feed, makes it a farmer's best friend as it helps enhance farmers' incomes and livelihoods.

At Monsanto, we always strive to deliver the best for our farmer customers by leveraging new-age tools and methods of doing business.

Over the years, DEKALB® as a brand has extended its reach far and wide and this is testimony to our variety of new-age hybrids. The team has always focused on understanding the customer's needs and hence "Customer Focus" has been the mantra to improve the brand status and differentiate ourselves from the competition.



It is no surprise therefore that **DEKALB®** has been extremely successful in striking an **emotional chord** with our customers with the campaign "**Seed Your Success**" or "**Boein Apni Kamyabi**" as we believe that the performance of our hybrids would help our farmer customers to succeed in the field which eventually translates into success in life.

DEKALB® has also embarked on a **continuous engagement** programme that helps our farmer customers throughout their crop cycle starting from providing the best hybrid options developed using **innovative technologies** that help them follow the **right planting practices** and being **supportive of any help or support** required during the process.

DEKALB® has leveraged **on-ground teams and technological support** to make sure that farmers are engaged with the brand.

Some of the vehicles which **DEKALB®** uses to leverage support for the farmer customers are **Dr. DEKALB** – a call centre platform to ensure support to the farmers on all their needs and a network of **Margdarshaks** – Ambassador farmers who are helping their fellow-farmers connect with the brand.

DEKALB® Advantage is another platform developed for improving the connect of the brand with the retailers selling **DEKALB®** hybrids.

These efforts in passing the convenience to our farmer customers has received tremendous response and we continue to deliver the very best for India's farmers by leveraging the latest tools and techniques.





WHAT I HAVE ACHIEVED TODAY IS ONLY BECAUSE OF DEKALB®

Name: Manoj Kumar Mandal
Location: Bhairi, Midway, Kathua

Age: 45 years
Gender: Male
Marital Status: Married
No. of children: 2
Occupation: Farmer

My life was miserable in the last ten years, from someone who was just managing to make ends meet to becoming a prosperous farmer today. I own about 37 acres of land of which I grow corn in 32 acres. Over the last decade, I have grown DEKALB® most of the time.

As I progressed, I started using different types of DEKALB® hybrids, best suited for my land and increased my acreage with bumper harvests each year. This Rabi season I have sown DEKALB® Pioneer in 7 acres of land and DEKALB® 9120 in 25 acres and have got excellent harvests.

The Monsanto team introduced me to a new hybrid called DEKALB® 9188 this year. I have witnessed the performance of this hybrid in the nearby fields and I'm confident about the value it will soon create for me and my family.

I will be forever be grateful to DEKALB® and Monsanto, for transforming our lives and helping us lead a happy and peaceful life."



ISKO LAGAYA TOH PARIVAAR NE HAMESHA ZYADA PAAYA

Name: Hriday Ram Verma
Location: Lakhanpur, Mau, Nainital

Age: 45 years
Gender: Male
Marital Status: Married
No. of children: 2
Occupation: Farmer

DEKALB® Hybrid: Pioneer 3

"My journey with DEKALB® hybrids started five years back when I was experimenting with new and innovative methods to farm. I would regularly attend Government-organized seminars and meet representatives of various seed companies in the process. At one such event, I met representatives from Monsanto. During my interaction with them, they understood my needs and recommended hybrids best suited for my soil. My expectations from the seeds were to get good yields with respect to the input efforts and costs.

The wide range of hybrids available under the DEKALB® portfolio enables me to choose seeds as per my soil type and climatic conditions. This has given me good yields and improve my returns on investment. I am proud to say that every year, I have seen my yields go up and have been able to get the highest benefit amongst my fellow farmers.

DEKALB® is the key to my financial success – I have built a new house, purchased two tractors and land. In the process, I have also earned the nickname of "The DEKALB® Man".

I firmly believe that "Isko lagaya Toh Parivaar ne hamesha Zyada Paya".



"Brand **DEKALB**[®] continues to be the most favoured by farmer customers across the country. The brand has consistently outperformed competition by creating value for its customers. Our focus has always been to provide superior products and engage with the farmers to ensure and deliver on our brand promise "*Seed Your Success*". Our conscious effort of understanding farmer needs and developing farmer-focussed hybrids has enabled them to grow more.

The launch of various farmer engagement initiatives through on-ground teams and innovative digital tools has received positive traction amongst our farmer customers. The journey that we embarked upon few years back to improve our connect with customers is now showing results."

Ajit Kumar
India Marketing Lead



Creating Value Through Farmer Engagements

The idea to have a full-fledged mobile platform Dr. DEKALB was based on feedback received from the field. Today, it offers relevant information to farmers across the entire agricultural cycle – from the time of buying seeds, pre-sowing, crop management and harvesting. Farmers can simply call the designated number and once they are registered on this mobile platform, agronomic advisory are available to them 365 days a year.

The DEKALB® Margdarshak Programme is a strategic initiative that aims to guide and train farmers on the right farm products and practices and leverages the leadership trait of the most progressive farmers using DEKALB® hybrids into Monsanto Margdarshaks. These farmers who serve as brand ambassadors for the DEKALB® brand are provided regular agronomic trainings, weather and market information, access to agriculture innovation and knowledge of DEKALB® hybrids.

Presently, Monsanto has over
14,000 Margdarshaks in
10,000 villages across India.





ADVISORY JUST A PHONE CALL AWAY

Name: Rishi Pal Singh

Location: Jasar, Bulandshahr

Rishi Pal Singh believes there is never an end to learning and raising one's performance. That's where he leverages Dr. DEKALB and quenches his thirst for more knowledge.

"When officials from Monsanto visited our fields, and conducted meetings, they advised us on suitable hybrids like DEKALB® for the Kharif season.

During those meetings, they have also advised us on various agronomic practices like irrigation and pest management to help improve yields. But, after sowing the hybrids, I forgot most of these tips on crop management and cultivation. When I referred to the literature, shared by the team, I got to know about Dr. DEKALB, where the team answered all my queries.

Now, we receive regular advisories on weather forecasts, effective ways to grow corn and information related to soil health. All these information and advisories help us gain better yields.

Through Dr. DEKALB, the Company suggested me to grow the correct hybrids during the spring season and after following their advice, I have secured highest yield in my village during the spring season.

I have also connected my farmer friends, who grow other hybrids, to the Dr. DEKALB platform to seek suggestions on hybrids suitable for the spring season. This is an extremely helpful platform for farmers like us. I thank the Company for the same.



CREATING VALUE THROUGH CONNECT

Name: Brahmanand Jha

Location: Noher, Gwalpara, Madhepura

Brahmanand Jha speaks of his experiences with DEKALB® and why he is proud to be a Margdarshak farmer.

"My journey is a lesson to any individual who believes that an educated person will never get into farming. When I started farming after completing my Masters in Arts, I was very apprehensive about becoming a farmer and wanted to become a corporate professional.

My association with Monsanto is over two decades old. It began in 1998 when the Company introduced its first corn seeds called "900 M". Our lives have changed ever since and we feel proud to be farmers from India.

In 2017, the team enrolled me as part of the DEKALB® Margdarshak Programme which guides and trains farmers on the right products and practices. We are then able to share this information to fellow farmers and also serve as brand ambassadors for the DEKALB® brand.

The icing on the cake however came in 2017 when Monsanto selected a few progressive farmers from my state and took them to their manufacturing plant in Hyderabad. This is, by far, the best initiative any Company has undertaken and it helped improve our knowledge. We were taken through the entire process of seed development to delivery – from the seed processing and germination to the supply chain process till it reaches farmers like us.

It was an extremely engaging and encouraging visit and I will always be thankful to the Company for taking us through this.

Creating Value By Enhancing Breeding Capabilities

With economic development, value-added corn usage is becoming popular as snacks and breakfast cereals and is a fast-growing market given the increasing health consciousness of consumers. With a large area under cultivation and low productivity, corn has a strong potential for production growth in coming years.

In the last couple of years, Monsanto's corn breeding team has transformed the way breeding delivers the products and pipeline. We strive to develop products with better adaptation to local environment with higher yields, disease resistance, tolerance to other biotic and abiotic stresses and better quality.

Key activities undertaken in the breeding and fielding highlights include:

- Breeding 3.0 - or drive improvements in breeding methods, testing operations and infrastructure
- Building a smarter pipeline to create a 100% predictive and prescriptive pipeline across tech and commercial
- Product placement to leverage product segmentation and commercial trait utility approach to performance and improve growers experience by reducing input and support requirements



These activities translate into better product placement and returns for farmers. As a key player in this segment, we continue to invest significantly in breeding and discovery to develop products suitable to local conditions and bring value to farmers.

*Addressing customer needs through constantly
refreshing the portfolio*

Season	Hybrids
Wet	• DEKALB® 9178
	• DEKALB® 8181
Dry	• DEKALB® 8171
	• DEKALB® 9165
Spring	• DEKALB® 9162





HAR HAAL MEIN BEMISAAL

Name: Kuldeep Kumar

Location: Ramkua, Sasarganj, Firozabad

Kuldeep Kumar, a farmer, farmer from Ramkua, Sasarganj, Firozabad has been the consistent user of DEKALB® hybrids.

Interviewed by: Dr. Anurag Kumar, Director, Punjab Agricultural University

"I have been sowing DEKALB® hybrid seeds since the last four years and I can vouch for the fact that I have never faced any challenges till date.

With their powerful disease-resistance capabilities, the superior traits of DEKALB® seeds are not just limited to giving us the best productivity; they also act as a catalyst for soil conservation. As a farmer, I feel extremely proud that I can conserve precious resources like soil and reduce water loss.

The benefits of DEKALB® seeds are so well defined that every year I am a hundred percent sure about my harvest. Over the years, I have also understood the advantages of DEKALB® hybrids:

- Ability to tolerate severe heat
- Reliable germination and quality through disease prevention power
- Absence of seed-borne diseases

All my dreams have come true through the continuous high yields of DEKALB® hybrids.

Thank you DEKALB® for giving us the best quality of hybrid seeds and increased profitability!"



A QUALITY CROP CAN WITHSTAND ALL WEATHER CONDITIONS

Name: Pappu Keshvaji

Location: Amblyapur, Bhi, Badaun

Pappu Keshvaji, a farmer from Amblyapur, Bhi, Badaun has been the consistent user of DEKALB® hybrids.

"My association with DEKALB® seeds goes back a long time. Over the years, they have provided seeds that have delivered high yields and thus consequently increasing my faith in the brand.

I have always seen DEKALB® hybrids provide good germination. The plants are very green and tall and have good vigour. With the roots being disease-free and extremely strong, they can withstand adverse weather conditions, attributes required for ensuring good crop health.

All these features make DEKALB® hybrids the best.

I have been planting DEKALB® 9108 Bt since the last few years and have started planting DEKALB® 2144 recently. Compared to other hybrid seeds, DEKALB® hybrids harvest early which saves cost and gives us enough time to plan for the next cropping season. DEKALB® 2144 with its superior traits like longer cob length, orange-coloured grain and absence of diseases, is one of the best suited hybrids for the Kharif season.

I will continue to sow DEKALB® seeds in my fields today as well as in future and I will always suggest to my family, friends and all farmers to grow DEKALB® hybrids."



"At Monsanto, our focus has always been to accelerate innovation and technologies that bring in higher efficiency and transform breeding programs to develop products that impact farmers across the country. A dedicated team continues to work on our mission to create greater value for our customers through constant innovation and passionate execution."

HB Hemareddy
Asia Row Crops Breeding Lead



Creating Value Through Technology

Creating value in the future needs many ways combined to having the best technology for the business. To maximize the benefits of technology, we need to know the right way to use the technology. The text-based page is more suitable for the farmers, customers and the business.



THIS PLATFORM ALLOWS ME TO CONNECT WITH THE COMPANY DIRECTLY

Name: Magsood

Location: Rikya, Baharachi

Magsood believes the DEKALB® Advantage platform will help farmers deal in connect with Monsanto directly. Below is a picture on recurrent pattern of the sales numbers.

"Firstly, I feel proud to be a DEKALB® retailer. I have been selling DEKALB® seeds for the past 7 years and I have complete trust on the brand. The tagline of the brand "Boyein ipai komyabi" is not only for farmers but also for retailers like us.

I am very thankful to Monsanto for launching the retailer loyalty programme DEKALB® Advantage which provides additional benefit for retailers. Earlier, we used to get benefits from distributors, but, thanks to DEKALB® Advantage, we get direct benefits from the Company.

DEKALB® Advantage helps us to know our real sales strength, it keeps us motivated to achieve our targets and touch the next slab for better rewards and recognitions. This programme has helped me achieve the target of the best retailer for the Company.

DEKALB® Advantage gives advantages to the highest seller. I thank Monsanto for being farmers and channel partners' first choice".





"We continue our digital journey with the dissemination of relevant agronomic information at the right time and the right place to our farmers. At Monsanto, we remain committed to deploying the best available technologies for our farmer customers."

Unnikrishnan Nair
IT Lead



Creating Value Through Innovative Weed Management Solutions



"Despite various challenges dominating the external environment, Roundup® continued to maintain its leadership position. This is ample testimony to the fact that the superior quality of our weed management solutions has secured the trust of numerous farmers across India. We continue to take new strides into the markets where we have been wanting to be present."

Gaurav Ketyal
Sales Lead



Roundup® is a broad spectrum, post emergent systemic herbicide brand for weed management. It provides efficient weed control and can be used on farms, public spaces, roadsides, alongside railway tracks and gardens. The use of Roundup® facilitates significant savings in cost and resources (labour, time and water). A best-in-class weed control solution, Roundup® is the most trusted herbicide brand in the Indian market.



BETTER CROP THROUGH QUALITY WEED MANAGEMENT

Name: Vipari Kumar

Location: Ramkua, Sirsaganj, Firozabad

For Vipari Kumar, time is of essence and that is where Roundup® delivers. He speaks about how competition has been as much to Roundup®'s on-field performance.

"I used Roundup® Speed on my fields on June 16, 2018 and the result? I got rid of all unwanted plants (weeds) within 8 days.

And why is this such a remarkable achievement?

Simply because other similar products in the same category take close to 14 days to get rid of unwanted plants. Roundup® works faster!

With the introduction of Roundup® Speed, I feel the fertility and the quality of our soil has also significantly improved since weeds are destroyed completely and thus soil nutrition is maintained. Unlike other products in the same category, we do not need to keep resupplying Roundup® in the fields.

Roundup® Speed has given me better cost benefits compared to other solutions. With the introduction of this product, I feel, our fields are much more nourished now and crops sown in the coming seasons look good. Ever since we have started using Roundup® Speed, we have seen a definite increase in yields. Our yields have increased by about 20 percent.

We save both time and money by using this product. Our profits have also increased.

I can confidently say that Roundup® Speed is a more powerful and more effective product.

I would like to thank Monsanto for introducing such a good product to the farmers.



WONDERFUL PRODUCT AT A VERY AFFORDABLE PRICE

Name: Deben Tamuli

Location: Labnya Tea Estate, Tingrai, Tinsukia

Deben Tamuli continuously works towards eradication of weeds in a safe and efficient way and that's what makes Roundup® his most preferred brand in protecting the crops in his garden.

"I have been using Roundup® for the last eleven years. Every year, the product has helped me eradicate almost all the weeds in my garden without causing any damage to other crops. Being a non-selective and systemic herbicide, it helps control the growth of weeds effectively. Thus, the productivity of my crops has also increased.

When we use other contact herbicides, the control periods are of shorter duration, which leads to more number of herbicide sprays to control the weeds. As a systemic herbicide, control duration of Roundup® Speed is more than other contact herbicides. In tea plantations, problems related to weeds start from the month of April with the onset of monsoons and continue till the month of September. Due to higher weed infestation during this period, we spray Roundup® two or three times at every interval.

This is the best product for my garden. I also suggest other small growers nearby to use Roundup® for better weed control. There is a positive sentiment around Roundup® from my peer growers. We feel safe using this herbicide as it is a PPC-approved chemical and can be used on any type of unwanted weeds.

I am thankful to Monsanto for delivering such a wonderful product at a very affordable price. We are now getting better control over the weeds and ensuring better productivity.

Creating Value for Our Communities

Creating value for all by helping the world prosper and improve the lives of future generations.

At Monsanto, we have two flagship programs that reiterate our commitment to being a socially responsible corporate. Projects under SHARE (Sustainable Harvests – Agriculture, Resources and Environment) are focussed on helping 71,500 directly and 1 lakh farmers indirectly across 4 states in increasing their household incomes sustainably by creation of water management and irrigation infrastructure, improving agronomic practices and building market linkages.

Projects under the program DISHA, are focussed on women and children in the rural communities and aim to improve their health, nutrition and education. In partnership with reputed NGOs, we provide mid-day meals to 50,000 children in 450 government schools across 5 states, improving the teaching-learning practices to impact learning levels of 48,000 children in Bihar and provide sanitation and drinking water facilities to around 1 lakh community members across 65 villages in 5 states.

One of the key projects that we focus on are the "Mini Science Centres" that strive to provide an experiential learning opportunity to students while making learning concepts in science fun and interesting. Striving to improve scientific literacy of over 5,000 children, 11 "Mini Science Centres" have been set up in Nanded, Maharashtra promoting a practical approach to learning.

In addition, we have invested in "Early Childhood Education" with a focus on improving the motor and cognitive skills of children helping them prepare for formal schooling. As a part of this initiative, 16 Anganwadi centres in Aurangabad, have been refurbished creating a safe and child-friendly learning environment.





NURTURING YOUNG MINDS FROM AN EARLY AGE

Name: Jayanti Shukla

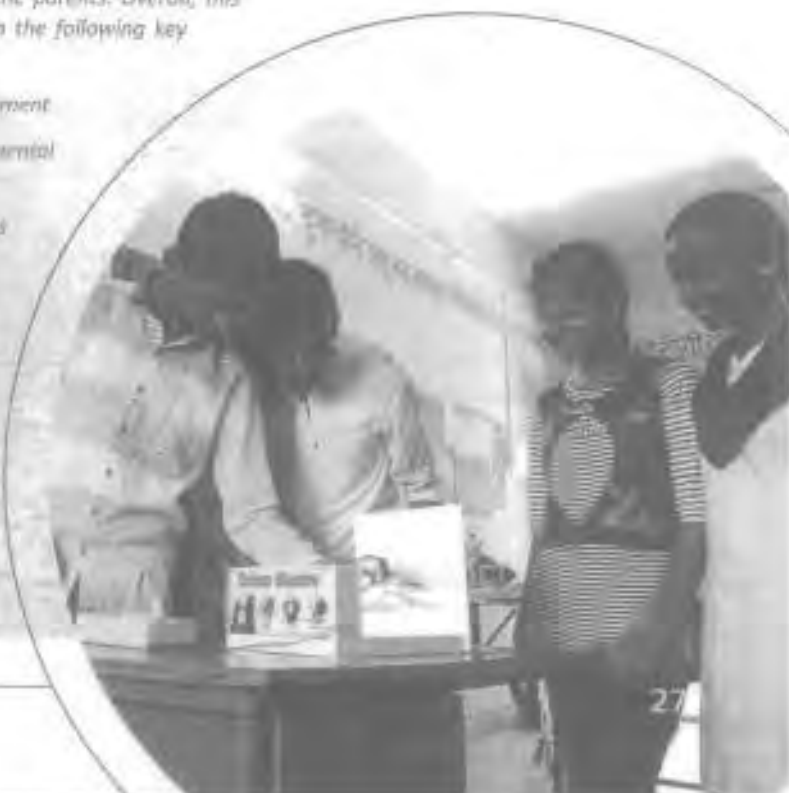
Location: CEO, United Way Mumbai

Jayanti Shukla has focused on the holistic development of children from a very young age. Partnering with Monsanto, she could ensure an enabling environment to help these young ones to grow.

"Through our partnership with Monsanto on Project Ankur, we are focussed on developing the school readiness among children from underprivileged communities in Aurangabad. The word 'Ankur' means 'seedling', and just as a seedling needs to be nurtured to allow it to grow into a tree, kids require appropriate guidance on mental and physical development during their critical ages between 0-6 years. This will help them to grow up as healthy adults with the appropriate capacity to contribute towards the welfare of the society. Project Ankur focusses on these formative years of children, thereby ensuring they develop cognitive, physical, social and emotional skills towards school readiness. Monsanto's support towards Project Ankur has helped us to enable all this in the ICDS Anganwadis that the children go to. Our collaborative efforts include ensuring a safe and nurturing environment and helping in the capacity building of Anganwadi sevikas and the parents. Overall, this has helped in enlist community participation and is focussed on the following key objectives:

1. Improve children's health status as well nurture holistic development
2. Strengthen parents' capacities to meet the child's developmental needs
3. Co-ordinate and implement policies amongst various departments to promote child development
4. Enhance capacities of community level committees to monitor and strengthen functioning of Anganwadi centres and engage community stakeholders in creating an enabling environment.

Monsanto's stewardship in these interventions has been exemplary and has enabled us to reach the last-mile among the communities. This truly reflects the ethos of what Maria Montessori has to say on importance of early childhood education - "The most important period of life is not during studies, but the first one, the period from birth to the age of





ON A MISSION TO FEED 5 MILLION CHILDREN BY 2020

Dr. Neelam Kishore Mehta

National Director - Corporate Partnerships, The Ashraya Patra Foundation

Very thankful to Monsanto for our long-standing strategic partnership to make a difference in our communities by improving the lives of children from different schools across multiple states in India. These contributions from Monsanto have always been a great benefit for The Ashraya Patra Foundation and helped us in our mission to reach out to 5 million underserved children by 2020.

With the support from Monsanto India, we were able to reach out to 30,000 children from Government schools in Ahmedabad, Bangalore and Lucknow. We have witnessed an active classroom participation from the children. This has been possible as the student-centric education while their stomachs are full with nutritious food throughout the academic year. Through our collaboration, we have been able to create better value for our communities and we believe we have much more left to do. We are extremely proud of this partnership and the CSR committee's belief in the cause that we have taken up. We have been able to measure the solid societal impact we were able to produce as a result of Monsanto's actions.

By joining hands with Monsanto India, we want to strategically amplify this impact by reaching out to more children across the country in the coming years. We look forward to a continued partnership with Monsanto in our journey to eliminate classroom hunger and malnutrition in India!





"As a responsible organisation, it is extremely satisfying to see communities benefit from our efforts to drive inclusive growth. Our CSR initiatives in Education, Health and Nutrition are focussed on benefiting women and children in farm families, who need support the most, to have a shot at a better future."

Arnab Das
Corporate Engagement Lead



Creating Value for Our People

"We are an organisation of people, not assets. Working together, we create value and grow the foundation for growth."

"Monsanto, our business, farmers and agriculture are enabled by a purpose-driven collaborative grassroots approach to create the future."

Our field team, 80 percent of whom are from rural backgrounds, work in villages daily, and are focussed round-the-year on working with farmers in their fields to help them optimise their yields, across states. Be it 45-degree plus heat, or helping farmers drain fields when there is flooding or crop lodging.

It is humbling that we're recognised for our contributions by both external and internal stakeholders.



"The way to progress is to constantly innovate. At Monsanto, we strive to continuously engage and provide an all-inclusive environment that support holistic development and growth. Our employees are our strength and we focus on providing them with an enabling environment to perform and achieve their potential."

Jaldeep Iyengar
Human Resources Lead





A CONSISTENT COMMITMENT FOR THE LAST 25 YEARS

Name: Chandan Thakur

RC Ops and India SC Effectiveness Lead

Chandan Thakur has been with the organisation for 25 years and he reminisces some of the best moments that he has had with Monsanto.

"My journey with Monsanto began 24 years 11 months and 26 days back. It was July 13, 1993, when I began my journey and what a journey it has been!

I vividly remember that on my very first day at work, I was asked to travel to the fields with my reporting manager, and that was within a few hours of joining duty. As a young professional, working with a leading agriculture company, it provided me the right exposure and understanding of the Indian agriculture sector and the opportunity to work and interact very closely with farmers. Working in the rural setup, provided me the opportunity to learn local languages and supported the learning and knowledge sharing of best practices.

At Monsanto, our vision of Produce more, Conserve more and Improve lives, has created an end-to-end value chain where farmers were the recipients of integrated farming solutions, technological innovations, and constant agronomic advisory services.

My association with Monsanto is based on the three core values: Safety, Community Development and Workplace Culture.

With Safety as the primary aspect of business at Monsanto, the objective is to establish a safe culture both on the job as well as off the job.

Much before CSR became the norm for Indian Corporates, Monsanto's commitment to improve the lives of the communities in and around us has helped to inculcate compassion and the urge to contribute to society. I feel proud and honoured to be a part of an organisation, whose undying industry-leading efforts in eradicating child labour from the production fields alongside continuing with the sustainability initiatives like water conservation and clean energy generation.

Monsanto's human resources policies and people development initiatives have inculcated my values not only as an individual, but as a thorough team player. It helped me do my duty with integrity while respecting individuals and supporting diversity and inclusion.

Over the years, the agile work culture has helped me to unlearn old change management while championing the beliefs of teamwork.





I CAN PROUDLY SAY THAT MONSANTO IS MY FIRST HOME

Name: Naina Amin

Designation: Assistant Manager - Corporate Law (Asia & Africa)

"I read in the year 1993, while I was awaiting my graduation results, I got an opportunity to join Monsanto as an assistant staff. The company was a legend and this was an opportunity of a lifetime and something that I did not want to give a miss. So, I said myself knowing very well that it was a temporary profile.

And after the completion of my final examinations, I started working at Monsanto. Within the span of 10 days, I was confirmed as a full-time employee and my job knew no bounds!

The three months that I worked as a temporary employee not just helped me hone my skills on varied subjects, but also enabled me to interact with people from diverse backgrounds. When Monsanto's full-time employee, it was one of the most memorable moments in my journey with Monsanto - a journey that continues even after 27 years!

What makes this journey so memorable is also the valuable guidance and mentoring by my managers and seniors who have blessed me with all the experience. I am grateful to them for teaching me and always believing in me. Growing from a "Typist/Clerk" to Assistant Manager - Corporate Law (Asia & Africa), this is testimony to Monsanto's culture of nurturing young talent.

It is an extremely special feeling to be acknowledged for being the first woman employee at Monsanto India. But I don't think there would be many who would have had the unique privilege of witnessing the growth of a business from a ₹ 40 crore to ₹ 675 crore, with our work space in Mumbai increasing from 1,000 square feet to 30,000 square feet! Our team, meanwhile, grew from a mere 38 to over 257 people.

My journey at Monsanto has been an enlightened and enriched one and it has made me who I am today. The Company has stood by me when I was going through an extremely turbulent phase in my personal life with my mother being diagnosed with cancer. My managers and seniors have always supported me by allowing me to work from home during my mother's treatment or when I was personally suffering from any health-related issues.

The Company has always taken care of the safety of women employees by providing us with travel facilities when we may have had to stay back late and work. And there have been many such days specially during times when we are involved with numerous major projects.

I can proudly say that Monsanto is my first home.

Thank you again for this great honour and the opportunity to share my thoughts and memories.

I hope we will continue to do our best for our Company and experience continued success.

Let me but not the least Monsanto is, was and will always be an integral part of me!"



Board of Directors



Sekhar Natarajan
Chairman

Sekhar Natarajan has been associated with Monsanto for over three decades now and has been instrumental in guiding Monsanto India Limited to its present position.

Sekhar with his strong passion for India's agriculture sector has contributed significantly towards the growth of the sector and the country's farmers. Presently, he provides strategic counsel and business guidance to the Company and represents the organisation at industry forums.

Prior to his stint as Chairman, he has performed various roles like Chief Financial Officer, Business Development Head, Sales and Marketing Head, Global Corporate Strategy Lead at Monsanto's headquarters in St. Louis (USA) and the India Business Lead.

A qualified Chartered Accountant and Cost Accountant, he possesses extensive knowledge and experience in Business Development and Mergers & Acquisitions. After his retirement in 2010, he is the Managing Partner of M/s. S. N. Consultants, a strategic consulting company that provides services to both local and international companies.



Shilpa Shridhar Director
Managing Director

Shilpa is an accomplished professional with over 22 years of extensive and diverse experience across the Food & Agriculture Industry (Bunge and Monsanto) and Consulting (Arthur Andersen and KPMG). She is passionate about agriculture and its contributions to enhance farm livelihood through relevant innovation and sustainable solutions.

Shilpa has been with Monsanto for 11 years in varied roles. Prior to her current role as Managing Director, she has successfully led several teams in Marketing & Product Management, Strategy and Corporate Engagement.

She is an MBA, Chartered Accountant, Cost Accountant and Post Graduate in Commerce. Her interests include travelling, music, cooking, watching sports and reading books on management for perspective building.





Independent Director

He is an M.A. and LL.B. graduate from the prestigious Mumbai University. A renowned professional in corporate and commercial laws, he is a Senior Partner at M/s. Crawford Bayley & Co., a leading firm of Advocates and Solicitors in Mumbai. He has been on the Board of MIL since 1973. He is also a Director on the Boards of several other reputed companies.



Prakash Phadnis Independent Director

He is a Chemical Engineer from UDCT, Mumbai, and an MBA from IIM, Ahmedabad, having extensive knowledge and experience in consumer goods industry. He has been on MIL's Board since January 2006. He recently retired from the Tatas as Global President Water and Functional Beverages. Prior to this, he as Managing Director and CEO ran Heinz in India and South Asia for over a decade, starting his career in Glaxo. He is on the Board of Welspun Group and Uflex Limited and a trustee on the Board of United Way, Mumbai. He has been conferred the prestigious Udyog Ratna Award by the Karnataka Government and the Wisatix Foundation in 2001 for his notable contribution to the food industry.



Manjivendra Ravishankarra Bangla Bose Supply Chain Lead - India & South East Asia

Bangla Bose has 23 years of supply chain experience in operational and leadership roles across various world geographies (India, Asia, US, North America) and divisions (Row Crops & Vegetable Seeds and Crop Protection).

Bose started his career in Monsanto in October 1995 in Corn seed production. And held various roles with increasing responsibilities in India organisation till 2008. He relocated to Monsanto, Singapore in 2008 and held various regional roles. He was Asia-Pacific Supply Chain Lead between 2012-2015 and was responsible for Row crops, vegetables and crop protection supply chain operations leading a team of 250+ people.

Bose relocated from Singapore to St Louis, US in 2015 and led North America Pre-commercial production operations across US mainland, Hawaii, Puerto Rico, Mexico and Canada. In this role, he led a team of 400+ people, across 12 different sites. He relocated to Hyderabad, India in August 2017 in his current role as Supply Chain Lead - India & South East Asia.

Bose has a Post-Graduate Degree in Agronomy from Agricultural College, Bapatla.

Notice

Notice is hereby given that the 68th Annual General Meeting of the Members of Monsanto India Limited (CIN - L74999MH1949PLC007912) will be held on Tuesday, August 28, 2018 at 11.00 a.m. at Rangaswar Hall, Y. B. Chavan Centre, 8th Floor, Gen. Jaganath Bhisale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018, comprising the audited Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and the Statutory Auditors thereon.
2. To declare Final Dividend on equity shares.
3. To appoint a Director in place of Mr. Sekhar Natarajan (DIN: 01031445), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, and further based on the recommendation of the Audit Committee and the Board, the appointment of M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting be and is hereby ratified at such remuneration, inclusive of applicable taxes and reimbursement of travelling and out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors and the Board of directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient for implementing and giving effect to this resolution."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 161(1) of the Companies Act, 2013 (the "Act") for the time being in force including any statutory modifications or any amendment or any re-enactment thereof from time to time, and Articles of Association of the Company, Mr. Bangla Bose Radha Krishna Mallipaddi (DIN: 07999286), who was appointed as an additional director of the Company with effect from November 23, 2017 by the Board of Directors of the Company to hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

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

"RESOLVED THAT in furtherance to the resolution passed on August 10, 2017 approving the transactions with the related parties entered/ to be entered for each of the financial years ending March 31, 2018 and March 31, 2019 and pursuant to the provisions of Section 188 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (including a committee thereof) of the Company to authorise the Management of the Company to carry out the following additional transaction(s) in ordinary course of business and on an arm's length price, as may be appropriate, for settlement of liability arising out of stock options scheme/other equity based awards granted by Monsanto Company, USA of an aggregate value not exceeding the following limits:

1. ₹ 13 crore to be paid by the Company during the financial year ending March 31, 2019;
2. ₹ 3 crore to be paid by the Company during the financial year ending March 31, 2020;
3. ₹ 2 crore to be paid by the Company during the financial year ending March 31, 2021

on principal terms mentioned in the Explanatory statement annexed hereto."



RESOLVED FURTHER THAT each of the Board of Directors and the Management of the Company be and is hereby authorized, as may be appropriate or relevant, to implement and to give effect to the above resolution and from time to time to take all steps whatsoever and of all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient or incidental thereto including finalizing the ancillary and incidental terms in relation to the transaction and to sign deeds, applications, documents and writings in relation thereto."

2. To ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019 and to consider, and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions, and the Companies (Audit and Auditors) Rules, 2014, as amended and subject to guidelines and approvals as may be required from the Central Government's appointment of M/s. ASK & Associates, Cost Accountants, to audit Cost Accounting records with respect to Chemical business of the Company for the financial year ending March 31, 2019 at a remuneration of ₹ 3,00,000/- per annum (Rupees Three Lakh only) plus applicable taxes and out of pocket expenses in the course of audit, be and is hereby ratified and the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient to implementing and giving effect to this resolution.

3. To consider and, if thought fit, pass the following resolution as a Special Resolution for continuation of Mr. H.C. Ashier, Non-Executive Independent Director:

RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (which will be effective from April 01, 2019) (issued vide SEBI Notification dated May 09, 2018, including any statutory amendment(s) or modification(s) thereto or re-enactments) thereof for the time being in force) and subject to such other applicable laws, rules, regulations etc. as may be applicable in this regard, and pursuant to the recommendation and approval of the Nomination & Remuneration Committee and the Board of Directors, a consent of the members be and is hereby accorded to continue the appointment of Mr. H.C. Ashier, DIN: 00124803, as a Non-Executive Independent Director of the Company beyond the age of 75 years from the period beginning from April 1, 2018 until the expiry of his tenure

on August 01, 2021 as per the terms of appointment and renewal thereof."

RESOLVED FURTHER THAT each of the Board of Directors and the Company Secretary of the Company be and is hereby authorized, as may be appropriate or relevant, to implement and to give effect to the above resolution and from time to time and to do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient or incidental thereto.

By Order of the Board of Directors

Mumbai

June 22, 2018

Monika Gupta

Company Secretary & Compliance Officer

Registered Office

Abul's Centre, 9th Wing, 5th Floor, 9C,

Maharaj Cyber Road, Andheri (East)

Mumbai - 400 092, India

Tel No. : +91-22-4247 6450/5702 9851

Fax No. : +91-22-4247 4707/6702 3361

IMPORTANT NOTES:

1. M/s. MSA&A Associates, Chartered Accountants, (Firm Registration No. 106047W) were appointed as the Statutory Auditors of the Company to hold the office for a period of five (5) consecutive years commencing from the conclusion of the 6th Annual General Meeting held on August 10, 2017, subject to ratification by the members of every Annual General Meeting. Further, pursuant to the modification of certain sections of the Companies (Amendment) Act, 2017 with effect from May 7, 2018, the requirement of annual ratification of the Statutory Auditors by the members is no longer required. However, as matter of abundant precaution, the ratification by the members is being sought this year at Item No. A of the Notice. Taking into consideration this recent amendment, the annual ratification will not be sought next year onwards.
2. IN TERMS OF SECTION 105 OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER(S) OF THE COMPANY.

Proxy Form has been provided in the Annual Report.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of



the Company, carrying voting right may appoint a single person as Proxy and same person shall not act as Proxy for any other person or member.

The instrument of Proxy, to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than forty-eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on a poll.

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business to be considered at the meeting, is annexed hereto.
4. Members are requested to intimate, indicating their folio number, the changes, if any, of their registered addresses to the Company at its registered office or to the Company's Registrar and Share Transfer Agent ("RTA") viz. Link Intime India Private Limited, C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083. In case shares are held in physical form or to their respective Depository Participant ("DP") in case the shares are in dematerialised form.

The particulars recorded with the DP's will be considered for making the payment of dividend either by issuing physical instruments or through Electronic Clearing System ("ECS"). The members are requested to take appropriate action in the matter, in their own interest, to avoid delay in receiving the payment of dividend.

5. Trading in the Company's shares through stock exchanges is permitted only in dematerialised/electronic form. The equity shares of the Company have been registered with both National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") to enable members to hold and trade the securities in dematerialised/electronic form. Pursuant to Securities and Exchange Board of India (SEBI) circular dated June 08, 2018 and its provisions, members holding shares in the Company in physical form are requested to avail of the facility of dematerialisation.
8. The Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, August 8, 2018 to Friday, August 10, 2018** (both days inclusive) for annual closing and determining the entitlement of the members whose name appear in the Register of Members as on Tuesday, August 7, 2018, to the final dividend for the year ended March 31, 2018.

7. The dividend of ₹ 15/- per Equity Share, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be made on or after August 26, 2018 as under:

- a. To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be available to the Company by NSDL and CDSL as at the end of the day on **Tuesday, August 7, 2018.**
- b. To all those members holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on **Tuesday, August 7, 2018.**

8. Members seeking any information or clarification on the Annual Report are requested to write to the Company Secretary at least seven (7) days prior to the Annual General Meeting, so as to enable the Company to keep the information ready and provide the replies at the Meeting.
9. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more in the name of Investor Education and Protection Fund ("IEPF") Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Suspense Account on its website at www.monsantoindia.com.

The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.

10. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the amount of dividends remaining unclaimed for a period of seven (7) years from the date of transfer to the Unpaid Dividend Account are required to be transferred to "Investor Education and Protection Fund" (IEPF) established by the Central Government. The details of unpaid dividend are placed on the website of the Company at www.monsantoindia.com.

Accordingly, the Company has transferred unclaimed dividend amounts of ₹ 1,23,548 and ₹ 1,98,230 from the



dividend for the year ended March 31, 2016, and interim dividend for the year 2016-17 respectively, to IEPF.

10. The Ministry of Corporate Affairs (MCA) notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 on September 5, 2016 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 on February 26, 2017 ("IEPF Rules") which are applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of information thereof by them etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial year 2009-10, as on date of the 67th Annual General Meeting held on August 10, 2017, on the website of the IEPF viz. www.iepf.gov.in
11. Securities and Exchange Board of India (SEBI) and its circular dated June 06, 2018 has amended the provisions of SEBI LODR, pursuant to which the transfer of shares shall be possible only when such shares are held in dematerialised form. The Circular shall be effective within 180 days from the date of publication of the official gazette i.e. December 06, 2018. In view of the said mandate, Members holding shares in physical form are requested to get their shares dematerialised at the earliest.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the registrar any change in address or demise of any member as soon as possible. Member are also advised not to leave their bank accounts dormant for long.
13. Members who have not encashed their final dividend warrants for the year 2016-17 or thereafter, are requested to write to the Company or the Registrar and Transfer Agent. The total amount of unclaimed dividend has been disclosed in the financial statements. Members are requested to note that the unclaimed dividends will be transferred to the IEPF on the below mentioned due dates.

Dividend and Year	Dividend per share (₹)	Date of Declaration	Due Date for transfer to IEPF
Final Dividend 2010-11	10	26-09-2011	02-12-2018
Interim Dividend 2011-12	10	14-11-2011	20-01-2019
Final Dividend 2011-12	10	03-08-2012	09-10-2019
Interim Dividend 2012-13	10	31-10-2012	06-01-2020
Final Dividend 2012-13	12	02-08-2013	08-10-2020
5 th Interim Dividend 2013-14	50	29-05-2013	04-08-2020
2 nd Interim Dividend 2013-14	12	24-10-2013	30-12-2020
Final Dividend 2013-14	30	22-08-2014	26-10-2021
Interim Dividend 2014-15	18	03-11-2014	08-01-2022
Final Dividend 2014-15	18	03-08-2015	08-10-2022
Interim Dividend 2015-16	15	02-11-2015	08-01-2023
2 nd Interim Dividend 2015-16	15	15-03-2016	21-05-2023
Interim Dividend 2016-17	18	03-11-2016	09-01-2024
Final Dividend 2016-17	18	10-08-2017	18-10-2024
Interim Dividend 2017-18	15	13-11-2017	29-01-2025

15. According to the provisions of the Act, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims. In case of non-receipt of the dividend warrants, the members are requested to contact the Company's RTA/the Registrar of Companies as under:

Dividend for the financial year	Contact	Action by member
Up to 1994-95	Office of the Registrar of Companies, Maharashtra, Mumbai "EVEREST" 5 th Floor, 100, Marine Drive Mumbai-400 002.	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
1995-96 to 2010-11 (Interim)	The unpaid amount has been transferred to Investor Education and Protection Fund and is recoverable from the IEPF Authority	By making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in
2010-11 (Final)	Link Infline India Private Limited E-101, 247 Park, L.B.S Marg, Vikhili (West), Mumbai - 400 083.	Request letter on plain paper.

14. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Amendment Rules, 2015, as substituted vide a notification dated March 19, 2015 of the Ministry of Corporate Affairs and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by ICS, the Company is pleased to provide its Members the facility to exercise their right to vote at the 68th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Link Intime India Private Limited (LIPL).

The instructions for e-voting are as under:

- i. Visit the e-voting system of LIPL. Open browser by typing the following URL: <https://instavote.linkintime.co.in>.
- ii. Click on "Login" tab, available under "Shareholders" section.
- iii. Enter your User ID:
 - a. For Members holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

- b. For Members holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
- c. For Members holding shares in Physical Form: Your User ID is Event No + Folio Number registered with the Company

- iv. Next enter password and image verification code (CAPTCHA) as shown on the screen.
- v. If you are holding shares in demat form and had registered on the e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

- vi. The Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign-Up" tab available under "Shareholders" section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Members holding shares in Demat Form or Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat Members as well as physical members). Members who have not updated their PAN with Depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. Please enter the DOB/DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iii).

- vii. If Members holding shares in Demat Form or Physical Form has forgotten password then Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT". In case Member is having valid email address, Password will be sent to the Member's registered e-mail address. Else, a Member can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm.

- viii. The password is to be used by demat Members for voting on the resolutions placed by the company in which they are a Member and eligible to vote, provided that the company opts for e-voting platform of LIPL.

- ix. For Members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

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- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/view "Event No" of the company.
 - On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "FAVOUR/AGAINST" for voting. The option "Favour" implies that you assent to the resolution and option "Against" implies that you dissent to the resolution. You may cast your vote by selecting appropriate option i.e. Favour/Against as desired.
 - Click on the "VIEW RESOLUTIONS" FILE LINK if you wish to view the entire resolution details.
 - After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES"; else to change your vote, click on "NO" and accordingly modify your vote.
 - Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
 - You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.
 - The general guidelines for shareholders are:
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to e-Voting system of LIPL: <https://instavote.linkurtime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
 - They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
 - During the voting period, Members can login any number of time till they have voted on the resolution(s) for a particular event.
 - Members holding multiple demat/physical accounts shall choose the voting process separately for each of the folios/separately.
 - In case the Member(s) have any queries/concerns regarding e-voting, please refer the Frequently Asked Questions (FAQ's) and Instavote e-voting manual available at <https://instavote.linkurtime.co.in>, under Help section or write an email to enquiries@linkurtime.co.in.
15. The voting period begins on August 24, 2018 at 09:00 a.m. and ends on August 27, 2018 at 05:00 p.m. During the period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 21, 2018, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.
 16. The voting rights of Members shall be in proportion to their share(s) of the paid up equity share capital of the Company as on the cut-off date of August 21, 2018.
 17. Mr. Ganesh Naddar, Chartered Accountant in practice (Membership No. 039297) - failing him Mr. Atish D'souza, Practising Company Secretary (Membership No. F.C.S No.5550, Certificate of Practice No-5137) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 18. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting at the general meeting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
 19. The results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.momantomdia.com and on the website of CDSL immediately after the result is declared by the Chairman and communicated to BSE Limited and NSE.
 20. Electronic copy of the Notice of the 68th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/Depository.

Participants(s) for communication purposes unless any Member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 68th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (09.00 a.m. to 05.00 p.m.) on all working days except Saturdays, Sundays and Public Holidays up to and including the date of the 68th Annual General Meeting of the Company.
22. The Members holding shares in physical form can avail of the nomination facility by filing Form SH-13 (in duplicate) pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or its RTA and, in case of shares held in demat form, the nomination has to be lodged with their DP. For convenience, nomination form is attached at the end of the Annual Report.
23. Members may also note that the Notice of the 68th Annual General Meeting and the Annual Report for F.Y. 2017-18 will also be available on the Company's website www.monsantoindia.com. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours (09.00 a.m. to 05.00 p.m.) on all working days except Saturdays, Sundays and Public Holidays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company's investor email: investorcare.india@monsanto.com.
24. Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Directors seeking appointment/re-appointment at the 68th Annual General Meeting, forms integral part of the notice as Annexure. The Directors have furnished the requisite declarations for their appointment/re-appointment.
25. Route map giving directions to the venue of the meeting is annexed to the Annual Report.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (the "Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 to 7 of the accompanying Notice.

ITEM NO. 5

The Explanatory Statement for this Item No. 5 is being provided as per Section 102 of the Companies Act, 2013 (the "Act").

Mr. Bangla Bose Radha Krishna Mallipaddi was appointed as an Additional Director of the Company, as recommended by the Nomination and Remuneration Committee ("NRC"), with effect from November 23, 2017, by the Board of Directors under Section 161 of the Act. In terms of Section 161(1) of the Act, Mr. Bangla Bose Radha Krishna Mallipaddi holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director.

Mr. Bangla Bose joined Monsanto Group in October, 1995 as Field Production Officer responsible for Hybrid Corn Seed Production based at Karimnagar, Telangana. He assumed the role of Seed Production Research Lead (SPR) for India and established SPR processes and organization across Corn, Sunflower and Hybrid Rice crops and lead the entire row crop production as Row Crop Production Manager, India. He then moved to Singapore and was responsible for various roles in Supply Chain including planning, manufacturing and leading supply chain operations for Asia Pacific region. He then moved to St. Louis, USA to lead the North America Pre-commercial production organization. Mr. Bangla Bose returned to India in October, 2017, and in his current role is handling India Supply Chain operations.

A Master in Agronomy, Mr. Bangla Bose has extensive and diverse career experience of over 22 years across manufacturing and supply chain operations in multiple global geographies.

Your Directors recommend the appointment of Mr. Bangla Bose Radha Krishna Mallipaddi as a Director of the Company.

Except Mr. Bangla Bose being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution except and to the extent they are Members of the Company.

A3.2

ITEM NO. 6

Monsanto Company, USA is related party within the meaning of section 2(76) of the Act and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regulation 23(A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that all material related party transactions shall require approval of the Members through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

The shareholders in their last meeting held on August 18, 2017 have approved the acquisition with Monsanto Company, USA for the financial years ending March 31, 2018 and March 31, 2019. Also, we are aware that Bayer AG has successfully completed the acquisition of Monsanto Company, USA, thereby necessitating certain payments which require approval of Members.

The Audit Committee and the Board of Directors of the Company have reviewed and approved the proposal and recommend the same to Members for their approval for the below mentioned resolution:

Monsanto Company, USA operates stock option scheme/other equity based awards (herein after referred to as "ESOP") for specific category of employees as a part of its global effort to hire and retain the best talent. The scheme has been established by Monsanto Company, USA, over the years, pursuant to which the employees of Monsanto India Limited ("MIL" or "Your Company") are granted equity-based stock options/restricted stock units of Monsanto Company, USA pursuant to Company Policy.

Further, Monsanto Company, USA has the obligation to settle the ESOP liability with the employees of the Company and the costs associated with the ESOP are finally accounted and borne by MIL. Your Company has been appropriately accruing such ESOP costs in the past financial years. The costs incurred for such ESOP in financial year ending March 31, 2018 is ₹ 1.49 Crore (Refer Note 24 to financial statements of FY 2017-18). Based estimates made by the management, the cost of such ESOP are expected to be not more than ₹ 6 Crore in total, spread over the next three financial years i.e. year ending March 2019, year ending March 2020 and year ending March 2021.

Pursuant to the closing of the deal between Monsanto Company, USA and Bayer AG (global acquisition), all accumulated ESOP gains are required to be directly paid by your Company to its

employees under the scheme. Your Company, hence, is expected to settle the liability obligations of Monsanto Company, USA, with respect to employees of MIL.

Even at present, the Company is ultimately bearing the total liability arising out of ESOP. Accordingly, there is no increase in the burden of ESOP in respect to ESOP payments to be made by the Company.

The proposed transactions are in the ordinary course of business and at arm's length basis. Based estimates made by management, the amount that will have to be paid to the employees shall be an aggregate value not exceeding the following limits:

1. ₹ 15 crore to be paid by the Company during the financial year ending March 31, 2019;
2. ₹ 1 crore to be paid by the Company during the financial year ending March 31, 2020;
3. ₹ 2 crore to be paid by the Company during the financial year ending March 31, 2021.

Your Directors, recommend the passing of the resolution as set forth in Item No. 6 of this Notice as Ordinary Resolution.

Save and except Mr. Shripa Srinivas Divakar, Managing Director and Mr. Suresh Vaidya, CFO, to the extent if they resuscitate stock option entitlements, none of the Directors nor other Key Managerial Personnel and their respective firms are in any way concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 7

Proposal for appointment of Cost Auditor for 2018-19 was recommended by the Audit Committee to the Board of Directors in its Meeting held on May 15, 2018. Pursuant to provisions of Section 148 of Companies Act, 2013 and Rules made thereunder the Board of Directors has re-appointed M/s. ABK & Associates, Cost Accountants, as Cost Auditors of the Company. M/s. ABK & Associates have submitted a letter regarding their eligibility for appointment as Cost Auditors, which will be available for inspection at the registered office of the Company during 9.00 a.m. to 5.00 p.m. on all working days except Saturday, Sundays and Public Holiday upto and including the date of the 68th Annual General Meeting of the Company.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is to be verified by the shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7, except as a member of the Company.

ITEM NO. 8

The Members of the Company at the 66th Annual General Meeting held on August 10, 2016, interalia had appointed Mr. H. C. Asher as an Independent Director of the Company under the provisions of Sections 149, 152 and Schedule IV of the Companies Act read with rules made thereunder for a period of five consecutive years w.e.f. August 10, 2016. Based on the report of the Uday Kotak Committee, Securities Exchange Board of India (SEBI) vide its circular dated May 09, 2018 has amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has now mandated all Listed Companies vide regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 to obtain shareholders' approval vide special resolution for appointment/continuance of appointment of any non-Executive Director who has attained the age of 75 years. The said provision comes into effect from April 1, 2019.

Since Mr. H. C. Asher has attained the age of seventy five years, consent of the Members by way of Special Resolution is sought by the Company in compliance with Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, for continuance

of his appointment/ re-appointment as an Independent Director of the Company beyond the age of 75 years for the period from April 01, 2019 till the expiry of his tenure i.e. August 09, 2021.

Considering the role played by the Mr. H. C. Asher in the growth of your company and in order to reap the benefits of his rich and varied experience and continuous guidance, the Board recommends continuance of Mr. H.C. Asher as a Non-Executive Independent Director till the expiry of his term i.e., August 9, 2021, by passing special resolution as set out at Item No. 8.

Except Mr. H.C. Asher, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution except and to the extent they are a Members of the Company.

By Order of the Board of Directors

Mumbai
June 22, 2018

Monika Gupta
Company Secretary & Compliance Officer

Registered Office:

Ahura Centre, 'B' Wing, 5th Floor, 96,
Mahakali Caves Road, Andheri (East),
Mumbai - 400 093, India.
Tel No.: +91-22-4247 8450/8702 9851
Fax No.: +91-22-4247 4707/8702 3361

Annexure

Details of Directors retiring by rotation or seeking appointment / re-appointment in the ensuing Annual General Meeting

Name of Director	Mr. Saktar Bhatnagar	Mr. Rangia Bose MRD	Mr. H.C. Ashwari
Director Identification No.	01031445	0098286	00024863
Date of appointment	01/12/2006	28/11/2017	06/08/1973
Date of birth	14/12/1953	09/04/1971	02/01/1934
Expertise in specific functional areas	He has global experience in Business Development and Mergers and Acquisitions and holds several leadership positions.	He has extensive and diverse career experience over 22 years across manufacturing and supply chain operations in multiple global geographies.	He is a recognized expert in legal field particularly matters relating to Corporate law.
Qualifications	Chartered Accountant, and Cost Accountant	Master in Agronomy	B.A., LL.B.
Directorships in listed companies	- Monsanto India Limited (L) - Seewurth International Private Limited (U) - Maharajah Hyomi Sleep Company Private Limited (U) - Ingersoll-Rand India Limited (L) - Aditya Bala Solutions Limited (L)	Monsanto India Limited (L)	- Monsanto India Limited (L) - Aditya Bala Solutions Private Limited (U) - Diamond Best Marketing Private Limited (U) - East Hapsco (India) Private Limited (U) - Hind Fibers Limited (U) - The Indian Card Clothing Company Limited (L) - Ingersoll-Rand (India) Limited (L) - Kellogg Energies Limited (L) - P&S Technologies Private Limited (U) - TUV India Private Limited (L)
Committee Chairmanship/ Membership as on March 31, 2018	Monsanto India Limited - Audit Committee (M) - Stakeholders' Relationship Committee (M) Aditya Bala Solutions Private Limited - Audit Committee (C) - Stakeholders' Relationship Committee (C) Ingersoll-Rand (India) Limited - Audit Committee (C)	-	Monsanto India Limited - Audit Committee (M) - Stakeholders' Relationship Committee (C) Ingersoll-Rand (India) Limited - Stakeholders' Relationship Committee (M) The Indian Card Clothing Company Limited - Audit Committee (C) - Stakeholders' Relationship Committee (C) Kellogg Energies Limited - Stakeholders' Relationship Committee (C)
Shareholding in Monsanto India Limited	600 Equity shares	-	-

* Directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and their Committees (membership) are excluded. Membership and Chairmanship of Audit Committees and Stakeholders' Relationship Committee of Public Companies have been included in the above table. (M) – Member, (C) – Chairman, (L) – Listed, (U) – Unlisted.

Mumbai
Date 23/ 2018

Registered Office:
Aurora Centre, B Wing, 5th Floor, 95,
Mahakali Caves Road, Andheri (East),
Mumbai - 400 083, India
Tel No: +91-22-4247 6450/6702 9857
Fax No: +91-22-4247 4307/6702 3361

By Order of the Board of Directors
Monika Gupta
Company Secretary & Compliance Officer

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FINANCIAL SUMMARY FOR 10 YEARS

	End-A5*		Previous GAAP							(R in Crores)
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Statement of Profit and Loss										
Revenue from operations	672.52	645.86	536.41	546.63	576.40	436.54	367.86	358.26	410.14	387.00
Other Income	17.22	12.87	19.34	31.06	19.51	22.79	20.94	13.50	12.54	15.16
Total Income	689.74	658.73	555.75	577.69	595.91	459.33	388.80	371.76	422.68	402.16
Profit Before Depreciation, Interest & Tax	180.28	174.81	122.05	137.31	158.04	86.56	70.42	61.36	69.53	103.51
Depreciation	12.90	9.00	9.32	7.92	11.20	10.89	9.00	10.81	11.46	13.35
Profit Before Interest & Tax (PBIT)	167.38	165.81	112.73	129.39	146.84	75.67	61.42	50.55	58.07	90.16
Interest	1.35	1.10	0.66	0.41	0.51	0.70	1.20	0.28	0.39	0.24
Profit Before Exceptional Items & Tax	166.03	164.71	112.07	128.98	146.33	74.97	60.22	50.27	57.68	89.92
Exceptional Items	1.86	1.29	2.89	-	-	-	-	-	-	-
Profit Before Tax (PBT)	167.89	166.00	109.16	128.98	146.33	74.97	60.22	50.27	57.68	89.92
Tax	0.00	11.24	7.91	27.68	15.45	7.63	9.95	7.46	3.95	13.38
Profit After Tax (PAT)	167.89	154.76	101.25	101.30	122.88	67.34	50.27	42.81	53.73	76.54
Dividend	51.70	25.89	51.79	62.14	158.82	37.99	34.52	17.26	10.10	20.71
Dividend - ₹ per share	30.00(10)	15.93(10)	30.00(10)	36.00(7)	92.00(16)	22.00(5)	20.00(4)	10.00(1)	17.50(2)	24.00(1)
Balance Sheet										
Fixed Assets (Net)	116.75	106.51	95.03	87.85	88.50	89.16	91.98	92.72	115.60	113.62
Investments	311.05	347.63	157.40	189.48	268.73	250.84	195.78	151.36	101.72	57.97
Net Current/Non Current Other Assets	213.58	29.25	160.71	97.00	(10.73)	67.32	96.62	130.24	195.10	143.82
Total Assets	640.38	583.39	413.14	374.33	344.50	407.32	384.38	374.32	351.58	315.41
Share Capital	17.26	17.20	17.20	17.26	17.26	17.20	17.20	17.26	17.26	17.26
Reserves and Surplus (as per Ind-AS now this is called Other Equity)	623.12	566.19	395.94	357.07	327.24	390.16	367.18	357.06	334.32	306.78
Net Worth (Shareholders' Fund)	640.38	583.39	413.14	374.33	344.50	407.32	384.38	374.32	351.58	315.41
Key Ratios										
On Sales (PBT) %	26	25	20	24	24	17	16	14	14	22
On Capital Employed (PBT) %	27	31	27	35	40	19	16	14	19	26
On Shareholders' Funds (PAT) %	26	28	25	28	36	17	13	11	15	23
PAT Share (PAT) ₹	95.34	87.74	58.66	61.56	71.20	38.01	26.07	40.82	62.36	85.30

*The Company has transitioned from previous GAAP to Ind-AS effective April 1, 2016

i) Interim dividend of ₹ 12 and Final dividend of ₹ 12

ii) Interim dividend of ₹ 10 and Final dividend of ₹ 7.50

iii) Interim dividend of ₹ 10 and Final dividend of ₹ 10

iv) Interim dividend of ₹ 10 and Final dividend of ₹ 10

v) Interim dividend of ₹ 10 and Final dividend of ₹ 12

vi) Including 2008 dividend of ₹ 50, Interim dividend of ₹ 12 and Final dividend of ₹ 12

vii) Including Interim dividend of ₹ 10 and Final dividend of ₹ 10

viii) Final dividend of ₹ 15 for FY 2016, ₹ 17 for Interim dividend of ₹ 15 for FY 2017, ₹ 16

ix) Final dividend of ₹ 15

x) Final dividend of ₹ 15

xi) Final dividend of ₹ 15

xii) Final dividend of ₹ 15

xiii) Final dividend of ₹ 15

xiv) Final dividend of ₹ 15

xv) Final dividend of ₹ 15



Directors' Report

To the Members,

Your Directors have pleasure in presenting their 18th Annual Report on the business and operations of the Company and the financial results for the financial year ended March 31, 2018.

Financial Highlights

The financial performance of your Company, for the year ended March 31, 2018 is summarized below:

	(₹ in Crores)	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations	672.12	645.80
Other income	17.22	72.87
Total Income	689.34	658.67
Profit Before Tax	470.82	467.86
Taxation	6.08	11.54
Profit After Taxes	164.56	151.44
Other Comprehensive Income	4.95	11.89
Total Comprehensive Income	168.51	149.55

FINANCIAL & OPERATIONAL HIGHLIGHTS

During the financial year (F.Y.) 2017-18, your Company posted a Profit After Tax (PAT) of ₹ 164.56 crore as compared to previous year's PAT of ₹ 151.44 crore (increased by 9%). Total Comprehensive Income increased by 12% from ₹ 149.55 crores in 2016-17 to ₹ 168.51 crores in 2017-18.

Net Sales for the year under review increased to ₹ 697.44 crore compared to ₹ 640.31 crore for the previous F.Y. (increase by 8%).

Your Company's seeds (DEKALB®) sale is higher at ₹ 481.78 crore in the F.Y. 2017-18 vis-à-vis ₹ 421.12 crore in the F.Y. 2016-17, indicating a growth of 14%. A strong Kharif 2017 and Spring performance coupled with successful portfolio transition led to this growth.

Net Sales of Roundup® (including excise duty) during the year stands at ₹ 185.66 crore compared to the previous year net sales of ₹ 219.79 crore (increased by 16%). Revenues for 2017-18 include excise duty up to June 30, 2017 which is discontinued with effect from July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. However, revenues for F.Y. 2016-

17 includes excise duty for 12 months. Further, Glyphosate business was impacted due to uneven spread of rainfall across geographies.

In the year under review the operating expenses at ₹ 221.31 crores, which is an increase of 6% as compared to ₹ 208.05 crores in the previous year.

DIVIDEND

During the financial year 2017-18, your Company had declared an interim dividend of ₹ 15/- (Rupees fifteen only) per equity share. In addition, your Directors are pleased to recommend a payment of ₹ 15/- (Rupees fifteen only) per equity share as the final dividend for the financial year ended March 31, 2018. If approved by the members at the Annual General Meeting to be held on August 28, 2018, the total dividend (interim and final dividend) for the financial year 2017-18 would be ₹ 30/- (Rupees Thirty only) per equity share.

In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Hereinafter SEBI LODR") your Company has formulated the Dividend Distribution Policy of the Company which



is annexed as (Annexure 1) and forms a part of this Report. The policy is in accordance with the parameters prescribed under the Listing Regulations and is also available on the website of the Company at www.monsantoindia.com.

TRANSFER TO RESERVES

The Company has not transferred any amount to general reserve.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Piyush Nagar tendered resignation as the Director of the Company effective, November 23, 2017 as he took on new role as Asia-Africa Customer Care Lead. Your Directors place on record their sincere appreciation of the valuable contribution made by him during his tenure as a Director of the Company.

On recommendations of the Nomination and Remuneration Committee, your Board appointed Mr. Bangla Bose Radhakrishna Mallepeddi as an Additional Director with effect from November 23, 2017. Mr. Bangla Bose holds office as an Additional Director until the ensuing Annual General Meeting, and is eligible for appointment as Director as provided under Articles of Association of the Company.

Pursuant to the amended provisions of the SEBI LODR, a person who has attained the age of seventy-five years can continue directorship in a listed company as a Non-Executive Director only after the concerned listed company has taken the approval of its shareholders by way of a special resolution. The said provision shall come into effect from April 1, 2019. In view of the above, your directors have recommended re-appointment of Mr. H.C. Astler as a Non-Executive Independent Director till the expiry of his term i.e., August 9, 2021.

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sekhar Natarajan retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

A brief profile of Mr. Bangla Bose Radhakrishna Mallepeddi, Mr. H. C. Astler and Mr. Sekhar Natarajan and the details of directorship held by him, forms a part of the Notice convening the 68th Annual General Meeting, contained in this Annual Report.

The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under Section 149 of the Act and Regulation 16 of the SEBI LODR.

There is no change in the composition of the Board of Directors during the year under review.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Every Independent Director of the Company is provided with ongoing information about the industry and the Company so as to familiarise them with the latest developments. The Independent Directors also visit the facilities at various locations of the Company where they can visit and familiarise themselves with the operations of the Company.

The details of familiarization programs provided to the Directors of the Company are available on the Company's website www.monsantoindia.com.

FORMAL ANNUAL EVALUATION OF BOARD OF DIRECTORS, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committee. A structured evaluation report was prepared after taking into consideration inputs received from the directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board dynamics, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who are evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The criteria applied in the Board evaluation process is explained in the Corporate Governance Report.

The performance evaluation of the Independent directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent directors who also reviewed the adequacy and flow of information to the Board. The directors expressed their satisfaction with the evaluation process.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company/business policies and strategies apart from other Board businesses. The Board/Committee Meetings are prescheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.



resolutions in case of a special and urgent business need, the Board's approval is taken by passing Resolutions through circulation, as permitted by law, which are confirmed at the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board / Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year under review six Board Meetings and six Audit Committee Meetings were convened and held. Details of each such meeting are given in the Corporate Governance Report. The intervening gap between the meetings was within the time limit as prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD

Currently, there are six (6) Committees of the Board, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Share Transfer Committee
- Independent Directors Committee

The Board decides the terms of reference for these Committees. Minutes of meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided in detail, in the Corporate Governance Report, which forms a part of this Annual Report.

INTERNAL FINANCIAL CONTROL

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The Internal Auditors are an integral part of the internal control mechanism of the Company. To maintain its objective and independence, the Internal Auditors report to the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

Significant audit observations are corrective actions taken are presented to the Audit Committee of the Board.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial statements and disclosure.

STATUTORY AUDITORS AND AUDITOR'S REPORT

In the 67th Annual General Meeting (AGM) of the Company, M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), Statutory Auditors of the Company, have been appointed for five consecutive years (or until the conclusion of 72nd Annual General Meeting, subject to confirmation or re-appointment at each Annual General Meeting upto the 72nd Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limit under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark. Further, in compliance with statutory requirements, the Statutory Auditors have not rendered to the Company during the financial year 2017-18, directly or indirectly, any of the services enumerated under Section 144(1) of the Companies Act, 2013.

COST AUDITORS

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, your Board has re-appointed M/s ABK & Associates, as the Cost Auditor of your Company for the financial year 2017-18 to conduct the audit of the cost records of the Company.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder and as per the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 15, 2018th has re-appointed M/s ABK & Associates (Registration No. 009024) as the Cost Auditors of your Company for the financial year 2018-19 to conduct the audit of the cost records of the Company. A resolution for ratification of the remuneration of the said Cost Auditors is included in the Notice convening the 68th AGM of the Company for seeking approval of members. The report with respect to the audit of cost accounts maintained in respect of insecticides manufactured by the Company, will be submitted to the Central Government within the period stipulated under the Act.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Vinod Kothari & Co., Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the year under review.

The Secretarial Audit Report for the FY 2017 - 18 is annexed as (Annexure 2) and forms a part of the Board's Report to the members. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed M/s. Vinod Kothari & Co., Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2018 - 19.

EXTRACT OF THE ANNUAL RETURN

In accordance with requirements under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT 9 is annexed as (Annexure 3).

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Information required under Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed as (Annexure 4).

The Policy for the same is available on: <http://www.monsanto.com/global/in/who-we-are/pages/policies.aspx>.

DETAILS OF ESTABLISHMENT OF VIGIL/WHISTLE BLOWER MECHANISM FOR DIRECTOR AND EMPLOYEES

Your Company maintains a Code of Business Conduct and Anti-Corruption Program. Additionally, a vigil/whistle blower mechanism ('Monsanto Speak-Up Protocol for India') has also been developed pursuant to requirements of Section 177(9) and (10) of the Act and Regulation 22 of the SEBI LODR with the Stock Exchanges in India. The Company's 'Monsanto Speak-Up Protocol for India' aims at:

- informing employees of their obligation to report serious wrongdoing within the Company;
- providing employees with guidance on how to raise concerns;
- reassuring employees that they should be able to raise genuine concerns in good faith without fear of retaliation; and

- providing specific direction on how to contact the Chairperson of the Audit Committee of Board of Directors.

The Company has made available to its employees, anonymous email facility and telephone hotlines for reporting of any deviations / concerns.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee of the Board of Directors has adopted a Charter which deals with the manner of selection of Board of Directors including the Managing Director and their remuneration. This Policy is in compliance with the provisions of Section 178 of the Companies Act, 2013, and Regulation 19 of SEBI LODR.

The Nomination and Remuneration policy is annexed as (Annexure 5), as stated in the Corporate Governance Report and is available on: <http://www.monsanto.com/global/in/who-we-are/pages/policies.aspx>.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY

The particulars of every contract / arrangement entered into by the Company with the related parties referred to in sub-section 1 of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto has been disclosed in Form AOC - 2 as (Annexure 6).

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and is available on <http://www.monsanto.com/global/in/who-we-are/pages/policies.aspx>.

CORPORATE GOVERNANCE CERTIFICATE

A detailed report on the corporate governance system and practices of the Company forming part of this report is given as a separate section of the Annual Report.

The Compliance Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance as stipulated under Regulation 34 of the SEBI LODR is annexed to the report as (Annexure 7).

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(3)(c) of the Companies Act, 2013 ('the Act'), your Directors, on the basis of information made available to them, confirm the following for the year under review:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;



- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the 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 fraud and other irregularities; and
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently;
- (vi) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the SEBI LODR, the Business Responsibility Report on Company's, as required by Regulation 34(2) of the SEBI LODR, initiatives on environmental, social and governance aspects forming part of this report is given as a separate section of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis on the business and operations of the Company as required by Regulation 34(2) of the SEBI LODR, forming part of this report is given as a separate section of the Annual Report.

PERSONNEL

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in (Annexure B) to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report. In terms of the first proviso to Section 136(1) of the Act, the reports and accounts are being sent to the shareholders excluding the above-said remuneration.

Every shareholder (including an inspector) of the Company pertaining to the above information on desiring a copy thereof may write to the Company Secretary.

Total number of permanent employees employed with your Company as on March 31, 2018 is 227 as compared to 258 as on March 31, 2017.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The information required to be furnished pursuant to Section 134(3)(vi) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is annexed as (Annexure B) and forms part of this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of earnings and expenditures in foreign currencies are given in Annexure C.

POLICY AGAINST SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the workplace and has constituted an Internal Committee for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the Financial Year, the Company received 3 complaints. All complaints have been resolved by the Company.

AWARDS

Your Company has been recognised for being one of the 100 Best Companies for Women in India by Working Mother & Airtel. The "2017 Working Mother & Airtel Best Companies for Women in India" (BCWI) Project is India's largest self-tracking, self-reporting and self-evaluating opportunity for companies to benchmark themselves with regard to policies and practices for women's career advancement.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. The Managing Director of the Company does not receive any remuneration or commission from any of its holding Company.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. Particulars of Loans given, Investments made, Guarantees given and Securities provided.
7. Changes in nature of business.
8. Material changes and commitments affecting the financial position of the Company between end of the financial year and the date of this report.
9. Reporting of fraud by auditors in terms of Section 143(12) of the Act.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from its shareholders, government authorities, vendors, channel partners, and other business associates. Your Directors appreciate the continued support from Monsanto Company, USA and would also wish to place on record their deep sense of appreciation for the committed services by the employees of the Company. Without this support, the Company would not be able to successfully serve its farmer customers whose success eventually determines the Company's success.

For and on behalf of the Board of Directors

Mumbai
May 15, 2018

Sekhar Natarajan
Chairman
DIN: 01021445

Annexure 1

Dividend Distribution Policy of Monsanto India Limited

The Board of Directors (the "Board") of Monsanto India Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 33A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") in its meeting held on 23rd March, 2017.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 23rd March, 2017.

PURPOSE, OBJECTIVES AND SCOPE

The Securities Exchange Board of India vide its notification dated June 10, 2015 has amended the Listing Regulations by inserting Regulation 33A to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every financial year. Considering the provisions of the aforesaid Regulation 33A, the Board of the Company has laid down a broad framework for considering the subject of decisions with regard to distribution of dividend to its shareholders and/or retaining or ploughing back profits. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution of or retention of profits. In the interest of providing transparency to the shareholders such that they be enabled to take better investment decisions.

The Policy shall apply in the following cases:

- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares;
- Determination and declaration of dividend on preference shares at the same will be as per the terms of issue approved by the shareholders;
- Where strategic agreements have been entered into by the Company with any investor, where such agreements have negative covenants with respect to seeking approval of the shareholders before declaration of dividend.

A. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND

Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year, after taking into consideration the operating and financial performance of the Company, the advice of the executive management including the CFO and other relevant factors.

B. PARAMETERS RELEVANT FOR DECISION OF DIVIDEND PAYOUT

The Board shall consider the following, while taking decisions of a dividend payout during a particular year:-

Prudential requirements

The Company shall analyse its prospective projects and strategic decisions in order to determine the dividend payout:

- to build a healthy reserve of retained earnings;
- to augment long-term strength;
- to build a pool of internally generated funds to provide long-term resources as well as resource-saving potential for the Company; and
- the needs for capital conservation and appreciation.

Proposals for major capital expenditures etc.

In addition to making provision for ploughing back earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital assets, including any major capital expenditure proposals.

Extent of realized profits as a part of the GAAP profits of the Company

The extent of realized profits out of its profits, calculated as per GAAP, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend retention decision.

Expectations of major stakeholders, including small shareholders

The Board, while considering the decision of dividend payout or retention of a certain amount or entire profits of the Company, shall, as far as possible, consider the expectations of all the stakeholders including the small shareholders of the Company who generally expect a regular dividend payout.



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C. OTHER FINANCIAL PARAMETERS

In addition to the aforesaid parameters such as realised profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based the following-

Operating cash flow of the Company

If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run its day-to-day operations. The Board will consider the same before deciding whether to declare dividend or retain the profits of the Company.

Net sales of the Company

To increase its sales in the long run, the Company will need to expand its capacity in order to increase its sales such as marketing and selling expenses, advertising etc. The amount outlay in such activities will influence the decision of declaration of dividend.

Return on invested capital

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

Magnitude of earnings of the Company

Since dividend is directly linked with the availability of earning over the long run, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

Cost of borrowings

The Board will analyze the requirement of necessary funds considering the long term and short term requirements of the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, financial institutions or by issuance of debt securities or plough back its own funds.

Obligations to creditors

The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

Inadequacy of profits

If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividend for that financial year.

Post dividend Earnings Per Share (EPS)

The post dividend EPS can have strong impact on the funds of the Company, thus, impacting

- (i) the overall operations of the Company on a day-to-day basis;
- (ii) profits of the Company; and
- (iii) the decision for dividend declaration during a particular year.

The following will also require to be taken into account:

- (i) Provisioning levels and provision coverage;
- (ii) Possibilities of alternate usage of cash including capital expenditure; and
- (iii) Unforeseen events and contingencies with financial implications.

D. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

External Factors

Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source is required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividend by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.
- Relevant international economic trends.

Product/ market expansion plan

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders' expectations for the long run which shall have to consider by the Board before taking dividend decision.

Macroeconomic conditions

Considering the general economic situation in India, policy decisions being formulated, the management may retain a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

Competition

Faced with competition in the market impacting the prospects of growth of the Company, the Company will require to take that aspect into account while declaring the dividend.

Internal Factors

Past performance/ reputation of the Company

The trend of the performance/ reputation of the Company during the past years with specific reference to the revenue which the products manufactured by the Company in the market generate, determine the expectation of the shareholders.

Working capital management in the Company

The current working capital management system within the Company also impacts the decision of dividend declaration.

Age of the Company and its product/market

The age of the Company and its product in the market in which the Company operates will be one of the most significant distinguishing factors for ascertaining the profitability of the Company and dividend declaration or retention.

Amount of cash holdings in the Company

In the absence of any major expansion plan or capital investments or other strategic investment plans in the hands of the Company, the investors may not appreciate excessive cash holdings in the Company. The Board shall have to consider the same before taking any decision of dividend declaration.

Corporate restructuring

Corporate restructuring or scheme of arrangement having a material impact on the Company will also impact the dividend announced by the Company.

E. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

Dividend shall not be declared out of reserves. The Board shall consider the factors provided above under Para A, B, C and D to make determination of any dividend payout after analyzing the prospective opportunities and realistic viability of the options of dividend payout or retention etc. The decision of dividend payout shall mainly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

F. MANNER OF DIVIDEND PAYOUT

The discussion below is a summary of the process of declaration and payment of dividend, and is subject to applicable regulations.

In case of final dividend

1. Recommendation for declaration of dividend shall be made by the Board taking into account the financial position of the Company and shall usually be made in the meeting.
2. The dividend has recommended shall be placed for approval before the shareholders at the Annual General Meeting.
3. The payment of dividend shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable law.

In case of interim dividend

1. Interim dividend, if any, shall be declared by the Board.

2. Before declaring interim dividend, the Board will consider the financial position of the Company that allows the payment of such dividend.
3. The payment of dividend shall be made within 10 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

G. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the shareholders in the long run.

The retained earnings shall be utilized for:

- (i) Capital expenditure;
- (ii) Building up reserves;
- (iii) Unforeseen requirements; and
- (iv) Long-term strategic requirements.

The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Product expansion plan;
- Increase in production capacity;
- Modernisation plan;
- Diversification of business;
- Long-term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Other such criteria as the Board may deem fit.

H. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividend as may be declared by the Company. Since the Company has issued only one class of equity shares with equal voting rights, all the shareholders of the Company are entitled to receive the same amount of dividend per share. The Policy will be suitably revisited at the time of issue of any new class of shares depending upon the nature and applicability of relevant rules, regulations and guidelines.

AMENDMENT

The Board reserves the right to review and amend the Policy.

Date: 23-03-2017

Place: Mumbai

CHAIRMAN

Annexure 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2018

(Pursuant To Section 204(1) Of The Companies Act, 2013 And Rule 9 Of The Companies
(Appointment And Remuneration Of Managerial Personnel) Rules, 2014)

To,
The Members,
Monsanto India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Monsanto India Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as specified in Annexure 1 (hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the Books and Papers maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:-

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. 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 (Share based Employee Benefit Regulations), 2014;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - e. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993;
6. Laws specifically applicable to the industry to which the Company belongs, as identified and confirmed by the management, that is to say:
 - a. Indian Explosives Act, 1884
 - b. Petroleum Act, 1934
 - c. The Static and Mobile Pressure Vessels (Unfired) Rules 2016
 - d. The Water (Prevention & Control of Pollution) Act, 1974 and Rules made there under
 - e. Seeds Act, 1966 read with Seeds Rules, 1968 and Seed Amendment Rules, 1981
 - f. Seed Control Orders 1983, Seeds Control Amendment Order, 2006 read with Essential Commodities Act, 1955
 - g. Insecticides Act, 1968 read with Insecticides (Amendment) Act, 1977 and Insecticides Rules, 1971
 - h. Plant Quarantine (Regulation of Import into India) Order, 2003
 - i. Protection of Plant Varieties and Farmers' Rights Act, 2001



- i. Environmental Protection Act, 1986 read with Environmental Protection Rules, 1986
- ii. The Notification of Hazardous Wastes and Emission Rights Act, 2007
- iii. Public Liability Insurance Act, 1991
- iv. Environmental (Protection) Act, 1986 read with Environmental Protection Rules, 1986
- v. The Hazardous Waste (Management Handling and Transport) Movement) Rules, 2008
- vi. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
- vii. Water (Prevention and Control of Pollution) Act, 1987
- viii. The Air (Prevention & Control of Pollution) Act, 1987 read with Water (Prevention & Control of Pollution) Rules, 1987

The Firm has examined compliance with the applicability clauses of the Secretarial Standards 1 and 3 issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Management Responsibility:

- i. Maintenance of secretarial records is the responsibility of the management of the Company and responsibility is to be placed on opinion of those secretarial records based on the audit.
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified existence of laws other than those mentioned above.
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of compliance on test basis.

- v. The secretarial records are maintained in accordance with the future needs of the Company and are continuously effectiveness with which the management is able to manage the affairs of the Company.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations on good corporate practices submitted directly before the Board for its necessary consideration and implementation by the Company.

We further report that:

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

Adequate notice is given to all directors to attend the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for dealing with obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while dissenting shareholder views were not required to be captured and recorded as part of the minutes as there were no such outcome.

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

We further report that during the audit period, the Company has not received any specific intimation that can give a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For M/s. Vinod Kohli & Company,
Practising Company Secretaries
UIN P1996WB042300

Vinod Mali
Partner
C. B. No. 11002

Place: Mumbai
Date: May 17, 2016

ANNEXURE I

LIST OF DOCUMENTS

1. Corporate Matters
 - 1.1 Minutes books of the following Committees were provided in original
 - 1.1.1 Board Meeting
 - 1.1.2 Audit Committee
 - 1.1.3 Nomination and Remuneration Committee
 - 1.1.4 Share Transfer Committee meetings
 - 1.1.5 Corporate Social Responsibility Committee
 - 1.1.6 General Meeting
 - 1.2 Agenda papers for Board and Audit Committee Meetings along with Notice.
 - 1.3 Annual Report, 2017
 - 1.4 Memorandum and Articles of Association
 - 1.5 Disclosures under Listing Regulations
 - 1.6 Documents pertaining to Listing Regulations compliance
 - 1.7 Forms and returns filed with the ROC
 - 1.8 Statutory Registers
 - 1.9 Filled checklist for specific law and presentation by Internal Auditors

Annexure 3

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As of financial year ended on March 31, 2018

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1. CIN	U34999MH1945PLC007915
2. Registration Date	08/12/1945
3. Name of the Company	Monksanto India Limited
4. Category/Sub-category of the Company	Company limited by shares Non-Bank Company
5. Address of the Registered Office & contact details	Khushi Centre - 5 th Floor, 88, Waghaveli Caves Road, Indiranagar (East), Mumbai - 400 021 Tel No. : 421432-6301-9831
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any	One Housing India Private Limited C-101, 247 Park, L B S Marg, Kirti Nagar West, New Delhi - 110016

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(A) The business activities contributing 10% or more of the total turnover of the company should be stated

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Pesticides/Herbicides	28211	27.52
2.	Hybrid Seeds	01112	72.18

* according to ISIC code 2008

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.	Monksanto Investments India Private Limited	U65191MH2014PTC254886	Holding	98.72	2(E7)(ii)

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

1. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(i) Indian									
(a) Institutional IIF									
(b) Central Govt									
(c) State Govts									
(d) Other Corporate									
(e) Mutual FIs									
(f) Insurance									
(g) Other									
(h) Subtotal (A)(i)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) IIRs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
B. Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds/ UTI	598057	800	598857	3.469	593094	800	593894	3.352	-1.167
b) Banks / FI	13276	0	13276	0.077	8384	0	8384	0.049	-0.038
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor	590809	0	590809	3.4225	603869	0	603869	3.4987	0.0755
j) Foreign Mutual Fund	99622	0	99622	0.5771	99622	0	99622	0.5771	0
k) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1301764	800	1302564	7.54	1104969	800	1105769	6.40	-1.34
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	726906	320	727226	4.3127	1082759	260	1083019	6.3317	2.119
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1837604	104157	1941761	11.248	1706252	95880	1802132	10.439	-0.809
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	574758	15000	589758	3.4164	610498	15000	625498	3.623	0.707
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	69979	0	69979	0.4054	57488	0	57488	0.333	-0.0724
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Market Maker	1683	0	1683	0.0109	1396	0	1396	0.0081	-0.0028
Clearing Members	61930	0	61930	0.3587	32042	0	32042	0.1277	-0.231
Directors/ Relatives	800	0	800	0.005	800	0	800	0.005	0
Trusts	2658	0	2658	0.0154	2760	0	2760	0.0160	0.0006
Hindu Undivided Family	110145	0	110145	0.6381	97581	0	97581	0.5653	-0.0728
IEPF	0	0	0	0	229	0	229	0.0013	0.0013
Sub-total (B)(2)	3386663	110477	350614	20.311	3591795	111140	3702935	21.45	1.339
Total Public Shareholding (B)=(B)(1) + (B)(2)	4688427	120277	4808704	27.856	4666764	111940	4808704	27.856	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	17142471	120277	17262748	100.00	17150808	111940	17262748	100.00	0

ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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.	Monsanto Investment India Private Limited	12131134	58.723	-	12131134	58.723	-	
2.	Monsanto Company	2315220	11.431	-	2315220	11.431	-	

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	(A) At the beginning of the year	No Change			
	Date wise increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	At the end of the year	No Change			

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2017)		Date of Increase / Decrease in shareholding	Increase/ Decrease in shareholding	Reason	Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	HDFC Standard Life Insurance Company Limited	85058	0.49				85058	0.4927
				07 Apr 2017	20000	Transfer	105058	0.5888
				21 Apr 2017	58828	Transfer	163886	1.1202
				12 May 2017	54448	Transfer	218334	1.4357
				19 May 2017	3350	Transfer	221684	1.4782
				26 May 2017	4290	Transfer	225974	1.5021
				05 Jun 2017	1000	Transfer	226974	1.5089
				23 Jun 2017	18500	Transfer	245474	1.6161
				30 Jun 2017	45	Transfer	245519	1.6166
				07 Jul 2017	2000	Transfer	247519	1.6278
				14 Jul 2017	1991	Transfer	249510	1.6391
				21 Jul 2017	157	Transfer	249667	1.6398
				28 Jul 2017	34250	Transfer	283917	1.8884



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Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2017)		Date of Increase / Decrease in shareholding	Increase/ Decrease in shareholding	Reason	Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				04 Aug 2017	-11	Transfer	317340	1.8383
				11 Aug 2017	-256	Transfer	317084	1.8368
				18 Aug 2017	2000	Transfer	319084	1.8484
				08 Sep 2017	38650	Transfer	357734	2.0723
				22 Sep 2017	617	Transfer	358351	2.0759
				29 Sep 2017	-156	Transfer	358195	2.0750
				06 Oct 2017	278	Transfer	358473	2.0766
				20 Oct 2017	70	Transfer	358543	2.0770
				10 Nov 2017	44080	Transfer	402623	2.3219
				17 Nov 2017	116	Transfer	402739	2.3225
				24 Nov 2017	793	Transfer	403532	2.3321
				01 Dec 2017	-506	Transfer	402946	2.3342
				08 Dec 2017	685	Transfer	403631	2.3382
				15 Dec 2017	1042	Transfer	404673	2.3442
				22 Dec 2017	136	Transfer	404809	2.3450
				29 Dec 2017	64	Transfer	404873	2.3454
				05 Jan 2018	(423)	Transfer	404450	2.3429
				12 Jan 2018	(533)	Transfer	403917	2.3398
				19 Jan 2018	(520)	Transfer	403397	2.3368
				26 Jan 2018	254	Transfer	403651	2.3383
				02 Feb 2018	(357)	Transfer	403294	2.3362
				16 Feb 2018	(1199)	Transfer	402095	2.3351
				23 Feb 2018	3673	Transfer	406768	2.3563
				02 Mar 2018	1035	Transfer	407803	2.3623
				09 Mar 2018	5000	Transfer	412803	2.3913
				16 Mar 2018	10261	Transfer	423064	2.4507
				23 Mar 2018	18667	Transfer	441731	2.5589
				31 Mar 2018	30000	Transfer	471731	2.7327
	At the end of the Year						471731	2.7327
2	Government Pension Fund Global	428812	2.48	28 Apr 2017	12003	Transfer	440812	2.5535
	At the end of the Year						440812	2.5535
3	Unika Khanna	389976	2.26				389976	2.26
	At the end of the Year						389976	2.26
4	UTI - Childrens Career Balanced Plan	215233	1.24				215233	1.24
				07 Apr 2017	52299	Transfer	269532	1.5382
				21 Apr 2017	3949	Transfer	269481	1.5371
				23 Jun 2017	(1775)	Transfer	267706	1.5308
				19 Jan 2018	(177)	Transfer	267529	1.5297
				26 Jan 2018	(297)	Transfer	267232	1.5280
				02 Feb 2018	(1779)	Transfer	265453	1.5277
				09 Feb 2018	20228	Transfer	285681	1.6549
				16 Feb 2018	1380	Transfer	287061	1.6653
				09 Mar 2018	4871	Transfer	292352	1.6935
	At the end of the Year						292352	1.6935

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Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2017)		Date of Increase / Decrease in shareholding	Increase/ Decrease in shareholding	Reason	Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
5	Patriam Global Securities Private Limited	68708	0.4056				68708	0.4056
				19 May 2017	(1157)	Transfer	66651	0.3974
				09 Jun 2017	(2134)	Transfer	64517	0.3792
				16 Jun 2017	(247)	Transfer	65124	0.3777
				23 Jun 2017	(731)	Transfer	66103	0.3771
				21 Jul 2017	4500	Transfer	71603	0.4146
				18 Aug 2017	5005	Transfer	76608	0.4437
				29 Aug 2017	(3048)	Transfer	76244	0.4575
				06 Sep 2017	(2863)	Transfer	112143	0.6604
				22 Sep 2017	(330)	Transfer	120457	0.6919
				06 Oct 2017	45	Transfer	120502	0.6926
				12 Oct 2017	(5425)	Transfer	133458	0.7664
				10 Nov 2017	(5525)	Transfer	112033	0.6695
				09 Feb 2018	(127)	Transfer	115256	0.6633
				18 Feb 2018	45054	Transfer	215205	1.2081
				23 Feb 2018	(1978)	Transfer	190357	1.0380
				03 Mar 2018	367	Transfer	222650	1.2581
				06 Mar 2018	(1244)	Transfer	241954	1.3678
				16 Mar 2018	6280	Transfer	246280	1.3523
				23 Mar 2018	598	Transfer	245852	1.3516
				24 Mar 2018	(368)	Transfer	246465	1.3584
	At the end of the Year						246465	1.3584
6	Sundaram Mutual Fund Ltd Sundaram Rural Indiv. Fund	42462	0.25				42462	0.2460
				14 Apr 2017	5000	Transfer	47462	0.2756
				21 Apr 2017	(1500)	Transfer	55962	0.3418
				28 Apr 2017	6506	Transfer	67467	0.3998
				25 May 2017	(5154)	Transfer	72423	0.4207
				12 May 2017	4644	Transfer	77467	0.4466
				30 Jun 2017	(1030)	Transfer	76437	0.4545
				07 Jul 2017	2000	Transfer	80437	0.4661
				19 Jul 2017	(111)	Transfer	81356	0.4726
				24 Jul 2017	(2377)	Transfer	85967	0.4864
				26 Jul 2017	3500	Transfer	87467	0.5067
	At the end of the Year						87467	0.5067
7	Globe Capital Market Limited	78154	0.45				78154	0.4523
				07 Apr 2017	(7818)	Transfer	70336	0.4025
				14 Apr 2017	454	Transfer	70752	0.4089
				21 Apr 2017	(692)	Transfer	70060	0.4058
				28 Apr 2017	(10604)	Transfer	59256	0.3433
				05 May 2017	20	Transfer	59276	0.3434
				12 May 2017	(90126)	Transfer	49150	0.2847
				19 May 2017	(7572)	Transfer	39578	0.2316
				26 May 2017	(245)	Transfer	41223	0.2388
				02 Jun 2017	(1154)	Transfer	40069	0.2321
				09 Jun 2017	52	Transfer	40121	0.2324
				16 Jun 2017	(871)	Transfer	40092	0.2436
				23 Jun 2017	(8318)	Transfer	33774	0.1856
				30 Jun 2017	3463	Transfer	37237	0.2157



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2017)		Date of Increase / Decrease in shareholding	Increase / Decrease in shareholding	Reason	Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				07 Jul 2017	(2533)	Transfer	34698	0.2010
				14 Jul 2017	338	Transfer	35036	0.2030
				21 Jul 2017	28	Transfer	35064	0.2031
				28 Jul 2017	(2)	Transfer	35062	0.2031
				04 Aug 2017	220	Transfer	35282	0.2044
				11 Aug 2017	795	Transfer	36077	0.2090
				18 Aug 2017	2032	Transfer	38109	0.2208
				25 Aug 2017	(350)	Transfer	37959	0.2199
				01 Sep 2017	6	Transfer	37965	0.2199
				08 Sep 2017	(111)	Transfer	37854	0.2193
				15 Sep 2017	1381	Transfer	39235	0.2273
				22 Sep 2017	65	Transfer	39300	0.2277
				29 Sep 2017	2781	Transfer	42081	0.2438
				06 Oct 2017	10001	Transfer	52082	0.3017
				13 Oct 2017	1707	Transfer	53789	0.3116
				20 Oct 2017	30	Transfer	53819	0.3117
				27 Oct 2017	(27)	Transfer	53792	0.3116
				03 Nov 2017	(5022)	Transfer	48769	0.2825
				10 Nov 2017	261	Transfer	49030	0.2840
				17 Nov 2017	538	Transfer	49568	0.2877
				24 Nov 2017	15	Transfer	49583	0.2877
				01 Dec 2017	(46)	Transfer	49537	0.2869
				08 Dec 2017	4125	Transfer	53662	0.3108
				15 Dec 2017	(2754)	Transfer	50908	0.2950
				22 Dec 2017	805	Transfer	51713	0.2997
				29 Dec 2017	1	Transfer	51714	0.2997
				05 Jan 2018	(1629)	Transfer	50085	0.2902
				12 Jan 2018	(3825)	Transfer	46260	0.2681
				19 Jan 2018	1877	Transfer	48137	0.2789
				26 Jan 2018	3653	Transfer	51790	0.3001
				02 Feb 2018	14347	Transfer	66137	0.3832
				09 Feb 2018	(4146)	Transfer	62000	0.3592
				16 Feb 2018	45	Transfer	62045	0.3595
				23 Feb 2018	15710	Transfer	77755	0.4505
				02 Mar 2018	(3287)	Transfer	74468	0.4314
				09 Mar 2018	(9834)	Transfer	64634	0.3745
				16 Mar 2018	3	Transfer	64637	0.3745
				23 Mar 2018	14768	Transfer	79405	0.4600
							60956	0.3531
							60956	0.3531
	At the end of the Year							
8	Amrit Goel	0	0				0	0
				18 Aug 2017	4233		4233	0.0245
				25 Aug 2017	11250		15483	0.0897
				01 Sep 2017	100		15583	0.0903
				08 Sep 2017	(2803)		12780	0.0740
				24 Nov 2017	2717		15497	0.0888
				01 Dec 2017	6364		21861	0.1440
				08 Dec 2017	18806		40667	0.2536
				15 Dec 2017	8204		48871	0.3095
				02 Feb 2018	(184)		48687	0.2994
	At the end of the year						51687	0.2994



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2017)		Date of Increase / Decrease in shareholding	Increase/ Decrease in shareholding	Reason	Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
2	Emerging Markets Core Equity Portfolio of DFA Investment Dimensions Corp. Inc.	30185	0.25				30185	0.25
	At the end of the year						30185	0.25
11	The Emerging Markets Small Cap Series of the DFA Investment Trust Company	47843	0.36				47843	0.36
	At the end of the year						47843	0.36

vi) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Subhas Natarajan, Non-executive Chairman				
	At the beginning of the year	300	0.003	300	0.003
	During the year Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / withdrawal / bonus / sweat equity etc.)				
	At the end of the year	300	0.003	300	0.003

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				NIL
Change in indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				NIL



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		(₹ in lakh) Total Amount
		Ms. Shilpa Shridhar Divekar (MD and KMP)		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	282.94		282.94
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48.58		48.58
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL		NIL
2	Stock Option	NIL		NIL
3	Sweat Equity	NIL		NIL
4	Commission	NIL		NIL
	- as % of profit			
	- others, specify			
5	Others, please specify-			
	(i) Co's Contribution to PF ¹	7.74		7.74
	(ii) Incentive Accrued ²	NIL		NIL
	(iii) Superannuation ³	NIL		NIL
	Total (A)	339.26		339.26
	Ceiling limit as per the Companies Act, 2013 (5% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)	822.80		822.80

¹ Paid in Government PF fund

² Accrued as incentive for period for which he has served as MD paid in November

³ Paid to LIC of India as contribution to Approved Superannuation Fund

B. Remuneration to other directors

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors		(₹ in lakh) Total Amount
		Mr. H. C. Asher	Mr. Pradheep Poddar	
1	Fee for attending Board & Committee Meetings	7.25	7.25	14.50
2	Commission	12.50	12.50	25.00
3	Others, please specify	-	-	-
	Total (B)(1)	19.75	19.75	39.50
	Ceiling limit as per the Companies Act, 2013	184.56 lakh (1% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

Ceiling limit as per the Companies Act, 2013 - Sitting fees paid to the Independent Directors was within the ceiling limit as prescribed under the act



2 Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Sekhar Natarajan	Mr. Piyush Nagar	
1	Fee for attending Board/Committee Meetings	-	-	-
2	Commission	-	-	-
3	Others, please specify	-	-	-
	Total (B)(2)	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Saubhik Vaidya Chief Financial Officer	Ms. Monika Gupta Company Secretary & Compliance Officer	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	156.54	20.85	177.39
(b)	Value of perquisites etc. (17(2) Income-tax Act, 1961)	8.21	NIL	8.21
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Stock Equity	NIL	NIL	NIL
4	Commission as % of profit others specify	NIL	NIL	NIL
5	Others, please specify Co's Contribution to PF	5.50	1.14	6.64
	Total	170.25	22.08	192.33

1. Value in Government Pension

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

Annexure 4

Corporate Social Responsibility (CSR)

(Pursuant to clause (a) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014)

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

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The key philosophy of all CSR initiatives of the Company is guided by the vision of "Help Improve Lives by Partnering with Communities to deliver lasting Solutions", wherein the core objective of the CSR activities is to stay committed to improving lives:

- of farmers, farm families, women and children of communities where we live and work.
- by developing solutions that are sustainable and have long term impact.

The Vision is built on the four value pillars:

- Improving Lives
- Sustainable Development
- Partnerships
- Care and Concern

The CSR policy of the Company is available at the following web link: http://www.monsanto.com/global/in/who/where/documents/csr%20policy_monsanto%20india%20limited.pdf

Our CSR commitments focus on:

- **Sustainable Agriculture:** Monsanto is committed to aiding development of farmers and farm families by providing support for farm infrastructure, access to water and water conservation and improving rural productivity and market linkages, thereby making the agricultural system sustainable.
- **Health and Nutrition:** Rural India has 6.4 lakh villages with significant challenges in access to quality health care, sanitation facilities, drinking water and personal and community hygiene. There is an opportunity for holistic development and improving lives of the rural

communities with our programs in the health and nutrition space.

- **Education:** Monsanto believes in the power of education and the difference that it can make to the future generations of the country. DISHA is Monsanto's flagship program in education and is committed towards strengthening learning outcomes by enhancing school effectiveness, improving quality of teaching practices and infrastructure support.
- **Disaster Rehabilitation:** Being an integral part of India's business ecosystem and being integrally linked to the communities, Monsanto is committed to helping the communities overcome the disruption in their livelihoods and return to their normal lives. The Monsanto disaster rehabilitation effort provides sustained support to the people and communities affected by natural calamities to help them rebuild their lives and recover.

Monsanto partners with NGOs like - Akshaya Patra Foundation, Disha Society, Action for Food Production (AFPRO), United Way of Mumbai to

- a) enhance food and nutritional security of children via the mid-day meal program;
- b) improve learning levels of children through infrastructure support in schools, facilitating teachers' training programs and
- c) provide access to clean drinking water and sanitation facilities for better health of the communities.

In line with the themes above, our target beneficiaries include farm families, farmers, women and children. Monsanto has a deep understanding of farm and farm families, which make up an estimated 60% of rural households. They provide food and nutrition to the entire nation and livelihood to millions of people in the country. In addition, we recognize that women and children are the most vulnerable groups across different societies and require special attention. Efforts in improving lives of women and children create a multiplier effect beyond these individuals, extending benefits to their families and the community.



Our focus is the millions of people being benefited under two social development programs:

A. Program SHARE – Sustainable Harvests – Agriculture, Resources and Environment

Programs under SHARE focus on Sustainable Agriculture (striving to increase agricultural yields sustainably) by imparting best package of practices and facilitating market linkages for improving household incomes for small and marginal farmers.

B. Program DISHA

DISHA covers our efforts in the Health, Nutrition and Education areas focused on women and children in rural communities and is aimed at reducing rural hunger and improving learning levels in children. The program also focuses on providing access to clean drinking water and sanitation facilities for rural communities. Another important component of the program is women empowerment, which provides additional livelihood opportunities to enhance over thousands incomes.

Outlined below are our Company's present projects under these programs:

1. **Promoting Science through establishment of Mini Science Centres (Nanded, Maharashtra)** - Working with United Way of Mumbai we are establishing 20 Mini Science Centres in government schools across Nanded district. The key objective is to promote science learning and enable understanding of concepts in science and mathematics. The interactive models create an experiential learning opportunity for 5000 children. **Duration:** August 2017 to August 2018

Outcome:

- a) Eleven Mini Science Centres with 60 table top working models, backdrops and manuals in the local language have been established in government schools.
- b) Fifteen teachers have been trained on operating the apparatus/models and to teach science in a creative way.

Impact: This intervention is a practical approach to learning science concepts. It improves an understanding of science concepts, encourages problem solving and critical thinking.

2. **Promoting School Readiness through Early Childhood Education (Aurangabad, Maharashtra)** - In partnership with United Way of Mumbai we are working in 16 Anganwadi centres benefiting 1800 children. The objective is to prepare children for formal education. We are doing

daily learning material to improve cognitive motor and language skills of 1500 children. Teachers will be trained on creative teaching techniques. Anganwadi infrastructure will be refurbished to create a child learning friendly environment. **Duration:** August 2017 to August 2018

Outcome:

- a) Anganwadi centres have been identified. Centres have been provided with basic items like mats, supports. The walls have been painted and centres made differently subject thematic.
- b) Learning and play material including: Exploding blocks, towers, cranes, alphabet magnets, blocks, dolls, puppets, puzzles, counting material, art material has been provided in the Anganwadis.
- c) A visit to the zoo and park served as an educational learning opportunity for the children.
- d) Capacity building session for Anganwadi staffs was conducted based on the curriculum specified for early childhood development and education. The staffs have been enriched by new and creative teaching methods.

Impact: The project envisages to improve physical, cognitive, social, emotional and language development skills of the children preparing them for formal education. Through Anganwadi teachers guide and structure the learning opportunities for children.

3. **Improving learning levels of children from agricultural communities (Pune, Bihar)** - Project is being executed in partnership with Disha Society, in the Kalyanshad block of Pune, Bihar. The focus is on implementing and promoting Activity Based Learning (ABL) to address multi-grade classrooms and make learning inclusive and participatory for 48,000 children across 165 primary and upper primary schools. Facilitating ABL trainings for teachers at the cluster resource centres (CRCs) to enable effective teaching techniques. Strengthening the School Education Committees (SECs) for increased participation of parents and teachers for having an effective school organization. **Duration:** June 2017 - May 2018

Outcome:

- a) Learning material (charts, map, flash cards) has been distributed in all the 165 schools.
- b) Over 100 training sessions on ABL conducted for the teachers using audio visual aids.

- c) One block level and one district level workshop with teachers, CRC coordinators and Block Education Officer completed.

Impact: Teachers have appreciated the implementation of Activity Based Learning and use of flash cards to teach basic concepts in maths and word formation for the primary children. The concept of peer learning has been encouraged. There is increased participation from the community and awareness on the importance of education.

4. **School Nutrition project (Lucknow, Uttar Pradesh)** - We are partnering with NGO Akshaya Patra to provide nutritious Mid-Day meals to 7500 children across 102 schools in Lucknow, Uttar Pradesh. Duration: June 2017-May 2018

Impact: Mid-Day meals have been served to 7500 children across 102 schools on every school working day. This has helped improve attendance of children in school.

5. **Sanitation Project (East Champaran, Bihar), Phase II** - This phase is focused on construction of 225 household sanitation units across beneficiary villages in the East Champaran district of Bihar and is being executed by AFPRO (Action for Food Production). This phase of the project also involves training the community on aspects of health and hygiene in addition to construction of the toilet units. Duration: Jan 2018 - Dec 2018

Outcome: Construction of 65 sanitation units completed. Construction of 160 sanitation units is in progress.

Impact: Community has access to sanitation facilities resulting in an improvement in the health and hygiene status as envisaged by the Swachh Bharat initiative of the Government of India. The effort is aimed at driving an attitudinal change in the community towards sanitation and hygiene, while supporting them with the infrastructure and undertaking capacity building to translate attitude shifts to displayed behavior.

2. The Composition of the CSR Committee

- Mr. Sekhar Natarajan - Chairman, Non Executive Director
- Ms. Shilpa Shridhar Divakar - Member, Managing Director
- Mr. H.C. Asher - Member, Independent Non Executive Director and
- Mr. Pradeep Poddar - Member, Independent Non Executive Director

3. Average net profit of the company for last three financial years - ₹ 132.80 Crore

4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) - ₹ 2.66 Crore (CSR - 2.48 Cr + Admin - 0.13 Cr)

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year - ₹ 2.66 Crore

(b) Amount unspent, if any - 0.05

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (Annual) (Crore)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Crore)	Cumulative expenditures upto to the reporting period	Amount spent - Direct or through implementing agency?
1	Program DISRA	Education Promoting Science through establishment of 20 Mini-Science Centres in government schools	Other area: Nanded (Maharashtra)	0.36	0.36	0.36	Through implementing partner NGO: United Way of Mumbai
2	Program DISHA	Education Promoting School Readiness through Early Childhood Education	Local area: Aurangabad (Maharashtra)	0.21	0.21	0.21	Through implementing partner NGO: United Way of Mumbai

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Annua) (₹Crore)	Amount spent on the projects or programs Sal – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹Crore)	Cumulative expenditure upto to the reporting period	Amount spent – Direct or (through implementing agency) ¹
1	Program - STARK	Education: Improving learning levels of children from agricultural communities	Local Area: Buniya, Bihar	0.60	0.30	0.30	Through implementing partner NGO: Geetha, Coimbatore
4	Program - STARK	Health & Nutrition: Mid-day meal support to 7500 children	Other Area: Lucknow (Nagar Palika)	0.19	0.11	0.11	Through implementing partner NGO: Saksham, Lucknow
1	Program - STARK	Swachh Bharat, Ashwariya Bihar Samiksha Project: Construction of 225 household sanitation units and enhance community awareness on health & hygiene through training	Other area: Enna, Champaran, Bihar	0.40	0.40	0.40	Through implementing partner NGO: Saksham, Lucknow (AKPPT)
TOTAL				2.19	2.48	2.48	
ADMIN COSTS					0.13	0.13	
GRAND TOTAL					2.61		

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

There were delays in achieving milestones in one project which led to a minor shortfall in achieving the statutory spend requirement.

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

The signatories to this report state that to the best of their knowledge and belief, implementation and monitoring of CSR activities of the Company is in strict compliance with CSR objectives and Policy of the Company.

Sd/-
Shrija Sinha, Director
Managing Director

Sd/-
Sankar Nalaseran
Chairman, CSR Committee

Annexure 5

Nomination and Remuneration Policy

Monsanto India Limited ("the Company") has had a Remuneration Committee of the Board, consisting of three Non Executive Directors, pursuant to requirements of the Companies Act, 1956 and non-mandatory requirements of the Listing Agreements. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on May 30, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Clause 49 under the Listing Agreement with the Stock Exchanges.

The Key objectives of the Committee and the Policy would be to lay down guidelines and recommend to the Board:

- a) Criteria for appointment, performance evaluation and removal of Directors, Senior Management and Key Managerial Personnel. They shall also lay down guidelines to establish the functional independence of an Independent Director;
- b) A policy on Board diversity;
- c) A succession plan for the Board, the Senior Management and the Key Managerial Personnel;
- d) Criteria for determining reasonable and sufficient remuneration payable to the Directors, the Senior Management and the Key Managerial Personnel.

2. DEFINITIONS

- a) "Board" means the Board of Directors as defined under the Companies Act, 2013.
- b) **Key Managerial Personnel** (hereinafter referred to as KMP) - Key Managerial Personnel or KMP means—
 - (i) Chief Executive Officer or the Managing Director or the Manager;
 - (ii) Company Secretary;
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer; and
 - (v) such other officer as may be statutorily prescribed from time to time.

c) "Nomination and Remuneration Committee" or "Committee" means the Committee of the Board constituted from time to time under the provisions of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013.

d) **Senior Management** (hereinafter referred to as SM) means company employees who are members of its core management team excluding Board of Directors. It would include members of management one level below the executive directors, including functional heads.

3. MEMBERSHIP

- a) The Committee shall be constituted / re-constituted from time to time by the Board of Directors of the Company.
- b) The Committee shall consist of a minimum 3 Non-Executive Directors, of which not less than one half will be Independent Directors. The Chairperson/ Chairman of the Company (whether executive or non executive) can be a part of the Committee but shall, at no point, chair the Committee.
- c) Minimum two (2) members shall constitute a quorum for Committee meeting.
- d) The Committee shall either meet in person or through other permitted mode(s) such as video-conferencing.
- e) The Committee may also decide on matters through its resolutions passed by circulation.
- f) The Chairman of the Company shall be a permanent invitee to the Committee.
- g) Details of Committee membership and functioning shall be disclosed in the Annual Report.

4. NOMINATION & REMUNERATION COMMITTEE CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman; and



- Chairman of the Committee shall be present at the Annual General Meeting. However, such chairman may choose appropriately and decide who shall answer specific shareholder queries.

5. FREQUENCY OF MEETINGS

Meetings of the Committee shall be held at such regular intervals as may be required. However a minimum of one meeting every financial year is mandatory.

6. DETAILED NOMINATION DUTIES

The Committee shall ensure the following:

- a. Setting a formal and transparent procedure for selecting new Directors (in appointment to the Board, SM and as KMP);
- b. Review and update as necessary the existing minimum selection criteria with regards to education, work experience, or as may deemed suitable, for SM and KMP;
- c. Evaluate the composition and constitution of the current Board, SM, and KMP based on the criteria set above. Recommendations to be made to the Board based on such findings;
- d. To review the suitability for continued service of each Board member when his or her term expires and when he or she has a change in status such as employment change etc., and shall recommend whether or not the Director should be reappointed;
- e. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- f. Lay down the criteria for establishing the independence of an 'Independent Director';
- g. Lay down criteria for performance evaluation of the Independent and Executive Directors, the Chairman, the entire Board;
- h. Review the performance of the Executive Board members, SM and the KMP based on the existing performance management system of the Company;
- i. Lay down a repository of potential causes/reasons for termination of contract for any of the Independent Directors.

Evaluate the Company Board, its structure, its role, reasons for termination of service with those recommendations of change, if any.

- k. Lay down guidelines on the Commitment required to be serviced by a Board member, SM, or KMP;
- l. To ensure that there (at least) one successor each for all Executive Directors, SM and KMP; and
- m. To ensure that there is diversity in the Board structure SM and KMP which may include diversity on gender, race, religion, age, national origin, disability, or any other characteristics protected by applicable central or state law.

Further, the Committee should, before recommending a candidate for Directorship on the Board, or being a member of the SM, or accepting a position of a KMP in the Company, consider the qualities in such candidate, such as the following:

FOR EXECUTIVE DIRECTORS, SM AND KMP

Developing People and Teams :

- Takes time to understand the strengths, development needs, and career aspirations of others (especially direct / matrix reports)
- Coaches, mentors, on-the-job experiences, and identifies formal training opportunities to help others succeed

Influencing :

- Knows how to get things done both through formal channels and informal networks
- Promotes ideas persuasively; advocates for ideas that are in the company's best interest

Modelling the Monsanto Pledge :

- Demonstrates integrity and authenticity; is genuine and consistent in interactions with others
- Engages in dialogue; listens carefully to diverse points of view and engages in thoughtful dialogue to broaden understanding of issues

Critical Thinking about the Business:

- Thinks about business issues broadly and strategically (beyond immediate area of responsibility / geography); demonstrates business acumen

- Understands issues from the perspective of customers and other external stakeholders and applies to decision-making in balance with internal priorities.

Inspiring Others :

- Sets direction: uses relevant business / industry information to develop a clear vision for the team, helps team members understand their role in achieving the vision and goals.
- Enrolls others in the vision: demonstrates enthusiasm for what needs to be achieved and inspires others to follow.

Relationship and Network

- Recognizing, respecting and leveraging the talents, skills and resources of others, both in and outside of Monsanto.
- Working effectively with teams and networks across geographic, political, demographic, functional and other cultural and organizational boundaries.

Courage and Candour :

- Know what you believe and be willing to respectfully express opinions to improve the common good, particularly when it means challenging the status quo.
- Courageously face new challenges and opportunities; leaving behind the familiar in an exploration of the unknown.

Agility:

- Demonstrate a high level of comfort with ambiguity.
- Adapt quickly to changes in business; strong ability to respond quickly to new opportunities.

Initiative and Foresight :

- Anticipate and plan for the future.
- Take action instead of waiting to be told what to do, or waiting for the environment to become more stable.

Result Orientation

- Passion about making the right things happen in the right way at the right time — in spite of potential barriers.
- Discipline in operational excellence.

FOR NON - EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS :

Although Non-Executive Directors need to establish close relationships with Executives and be well informed, all Non-Executive Directors need to be independent of mind and willing and able to challenge, question and speak up. The other criteria for appointment that the Committee may look for may include, but not be limited to:

- Integrity and high ethical standards;
- Sound judgement;
- An ability and willingness to challenge and probe. Within the "collegiate" environment of a unitary Board, Non-Executive Directors must have the strength of character to obtain full and satisfactory answers to their questions;
- Strong interpersonal skills. The effectiveness of a Non-Executive Director depends on exercising influence whilst not giving orders. To exercise influence, a Non-Executive Director must have the trust of his or her colleagues on the Board.

New Board members are required to possess the particular skills, experience and expertise that will best complement Board effectiveness at that time. In its evaluation of candidates for the Board, the Committee will have regard to normally accepted nomination criteria including, but not limited to:

- (a) the ability to exercise sound business judgment;
- (b) a position of leadership or prominence in a specified field;
- (c) absence of conflicts of interest or other legal impediments to serving on the Board;
- (d) a willingness to devote the required time;
- (e) availability to attend Board and Committee meetings;
- (f) appropriate experience and/or professional qualifications; and
- (g) integrity and moral reputation.

Annually the Nomination and Remuneration Committee shall determine whether or not a Non-Executive, Independent Director fulfils the tests of independence, by referring to the guidelines described in the Companies Act 2013 and the Listing Agreements and other salient factors. To aid the determination by the Nomination and Remuneration



Company, after Non-Executive Independent Directors' approval, and subsequently on an annual basis, provide to the Nomination and Remuneration Committee a declaration in the form as provided by the Committee on further independence. The Committee shall review the return and decide on whether such Director shall continue to be considered Independent.

7. DUTIES OF THE COMMITTEE ON REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONS

Remunerating Executive Directors, Key Managerial Persons (KMPs) and Senior Management :

Monsanto India Limited will provide an opportunity for competitive reward to attract and retain talent and foster a sense of ownership in the Company. The Company's mission on total compensation, which includes competitive base pay, annual cash incentives and long-term incentives. These will be aligned and in sync with the global Human Resources' policies and framework of the Company.

The base pay of its employees recognizes their skills, experience and role responsibilities. In most years, the base pay will increase in line with the cost of labor movement in the relevant market, i.e. the amount that companies are using to increase base pay from one year to the next, using information from a variety of professional salary surveys to determine market rates. The incentive levels will also depend on the levels of employment of the employees within the hierarchical organization of the Company.

The Company will provide base pay adjustments based on market movements amongst comparable companies (pegged at the 50th percentile) which may consist of a broad range of diverse companies including:

- Science-based, research-focused, organizations from the biotechnology, pharmaceutical or related industries
- Specialty or diversified chemical companies requiring ongoing introduction of new products
- Brand-focused general industry leaders
- Industry specific groups (Seed, Ag Chem, Biotech)

The Company's annual incentive program will be based on

- performance of the Company globally;

- in the India region; and
- the employees' individual performance.

Setting of the employees' individual performance and the incentive amounts will be decided in consultation with the respective managers of such employees, the functional heads and the Chairman of the Company.

The Company encourages employees to act as owners to achieve results. With the opportunity to define and drive their long-term growth strategy, managers are provided incentives that bear results over a long period of time. The Long-Term Incentive (LTI) awards, which are granted to employees who are in management roles, are designed to recognize the role they play in defining and driving Monsanto's long-term growth strategy. Long-term incentives are delivered through a combination of Stock Options (60%) and Restricted Stock Units (RSUs) (40%).

All components of the total compensation will be confirmed in the employee's (as applicable) in writing at the time of joining and every time any change is made to their compensation.

Remunerating Non Executive Directors :

The Committee should consider remunerating the Non Executive Directors with

- a combination of fees for attending meeting of the Board and its Committees; and
- annual commission appropriate to the size and nature of the Company as permitted by the statutory provisions and further as approved by the members of the Company.

Duties of the Committee in relation to remuneration matters will also include :

- Recommending to the Board criteria to establish remuneration of the Non Executive Directors is reasonable, sufficient and appropriate as per the statutory requirements;
- Recommending to the Board criteria to establish the remuneration of Executive Directors, SM and KMP such that it is designed to be reasonable to attract, motivate and retain talent as per the demands of the job;
- Ensuring that balance is maintained between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.



8. EVALUATION OF BOARD MEMBERS, SENIOR MANAGEMENT AND KMP

The Committee, if deemed necessary, may conduct a performance evaluation relative to its purpose, duties, responsibilities, and effectiveness and recommend any changes, it considers necessary for the approval of the Board of Directors. The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

For evaluation of the Board members, the Committee may consider the following aspects for an evaluation:

- Adherence to processes;
- Adherence to charter of the Committee / Board;
- Effectiveness and contribution to the respective positions.

9. COMMITTEE GUIDELINES

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated;

- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee;

- c) The Company Secretary of the Company shall act as Secretary of the Committee, if required;

- d) Committee is empowered to delegate any of its administrative powers to one or more of its members or the Secretary of the Committee; and

- e) Committee members may, at their discretion, consider any other matters as may be requested by the Board.

10. REVIEW OF NOMINATION AND REMUNERATION COMMITTEE CHARTER

The adequacy of this charter shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any, shall be made.

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Annexure 6

Form No. AOC-2

(This form is clause (b) of sub-section (3) of Section 114 of the Act and Rule 812 of the Companies (Accounts) Rules, 2014)

Enter the Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (3) of Section 114 of the Companies Act, 2013 (including certain arm's length transactions under 190F) previous financial year.

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

(a) The contracts or arrangements or transactions of the Company with related parties have been priced at arm's length basis. Details of related party transactions of the Company for the financial year ended March 31, 2018 can be found on page no. 158 and 159.

2. Details of material contracts or arrangement or transactions* at arm's length basis

(a) Name(s) of the related party and nature of relationship:
- Monsanto Company, USA, Monsanto Holding Company.

(b) Nature/terms of the contracts or arrangements or transactions including the value, if any

Name of the related party Particulars	Monsanto Company, USA	
	Amount incurred from April 2017 to March 2018	Approved for full year (2017-18)
1. Purchase of IFA Salt of Glyphosate technical	₹11.88	₹11.88
2. Royalty on import of Genetically Modified	₹1.31	₹1.31
3. Reimbursement of Expenses		
- Expenses charged to MLL	2.32	3.00
- Expenses charged by MLL	5.12	5.00

(c) Date(s) of approval by the Board, if any – May 09, 2017. The above transaction has also been approved by the shareholders vide ordinary resolution passed at the Annual General Meeting held on August 10, 2017.

(d) Amount paid as advances, if any – NIL

*Material Related Party Transactions means such Related Party Transactions to be entered into with a related party, value whereof individually or taken together with previous Related Party Transactions

(b) Nature of Contracts/arrangements/transactions

1. Purchase of Raw Material – Purchase of IFA salt of Glyphosate technical from Monsanto Company, USA for business between the Company.

2. Royalty on import of Genetically Modified – The Company licenses a global commercial right of its ultimate holding company i.e. Monsanto Company, USA for its invention whose rights were subject to certain conditions.

3. Reimbursement of Expenses – The Company provides and recovers expenses incurred from its ultimate holding company i.e. Monsanto Company, USA. Details of same in the transactions are Stock Options, Merit Award and Technical Support.

(c) Duration of the contracts / arrangements/transactions:
Ongoing on the basis of Purchase order.

during a financial year exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or such other threshold as may be laid down from time to time by the Board.

For and on behalf of the Board/Director

Mumbai, May 15, 2018

Sekhar Natarajan

Chairman

DIN: 01071415

Annexure 7

Independent Auditors' Certificate on Corporate Governance

To the Members of Monsanto India Limited

We, the Statutory Auditors of Monsanto India Limited (the Company) have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2018 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (the Regulations) and as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special

Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2018, as applicable.

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

MSKA & Associates (Formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

Amrisha Valdia
Partner
Membership No. 101739

Place: Mumbai
Date: May 15, 2018

Annexure 8

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:-

• Shilpa Shrinagar Dnyekar, Managing Director	23.95 : 1
• H.C. Asher, Independent Director	1.98 : 1
• Pradeep Poddar, Independent Director	1.98 : 1

- (ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-

Name of Directors / Chief Financial Officer / Company Secretary	percentage increase in remuneration
Sekhar Natarajan, Non Executive Chairman	-
Shilpa Shrinagar Dnyekar, Managing Director	10
H.C. Asher, Independent Director	-
Pradeep Poddar, Independent Director	-
Bangla Bose Mallipaddi, Non Executive Director	-
Saurabh Vaidya, Chief Financial Officer	10
Monika Gupta, Company Secretary	10

- (iii) Percentage increase in the median remuneration of employees in the financial year:-

Median - 10%

- (iv) Number of permanent employees on the rolls of company:-

257 as on March 31, 2018

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The median percentile for the people leaders is 10% while the median percentile increase for individual contributors is also 10%, hence the ratio works out to be 1: (10%/10% = 1)

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.

The Directors affirm that compensation changes in the Company are in line with the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sekhar Natarajan
Chairman
DIN: 01035449

Annex - May 18, 2018



Annexure 9

Conservation of Energy, R&D, Technology Absorption, Foreign Exchange Earnings and Outgo

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

(a) Steps taken on impact on conservation of energy	We have initiated and implemented replacement of old traditional lights with LED lights as a step to reduce electric energy consumption at Silvassa, Shamirpet and Nandigama Farm sites.
(ii) Steps taken by the Company for utilizing alternate sources of energy	We have installed solar lights at Silvassa site in some areas to promote use of renewable energy. We are also evaluating alternative sources of fuel to replace existing usage of LPG.
(c) Capital investment on energy conservation equipments	₹ 26 Lakhs

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

- Increased incorporation of advanced tools and technologies to increase breeding efficiencies. –
 - Major shift is being made from conventional approach to a data & information driven approach. The use of predictive analytics for increasing breeding and advancement efficiency across programs. With these technologies, the product testing is more efficient and usage of land is reduced by 15%. This has an impact on conserving water and fertilizer.
- Enhanced efforts on plant health and product placement to improve customer experience.
 - QTL Mapping projects are in progress for various traits of economic importance in region e.g. FSR, LW and Southern rust.
- Enhanced testing footprints across India for better product characterization and placement.
 - Enhanced mechanization & automation with enhanced drivers of more number of data points, improved data quality and reduction in resources.
 - Initiated projects on characterizing testing locations and prioritizing them for capturing the right data, right way and at right time by adopting Asia Africa Trait Maple.
- Solar street lights have been installed in Udaipur breeding station and this has an impact on energy

conservation. Proposed to install solar panels at breeding station with respect to reduce carbon footprints.

- Rain water harvesting is installed which recharges the ground water level at the Bangalore breeding station.

(iii) Imported technology (Imported during the last three years reckoned from the beginning of the financial year)-

- the details of technology imported: Germplasm, Planter, Combine, Seed counter, NSP, Single ear sheller, advanced breeding tools and mobile applications
- the year of import: Germplasm import is a continuous process. NSP, COMBINE, Planter with tractor, GPS, seed counter, single ear sheller, in 2017; advanced breeding tools and mobile applications in 2017 reflecting in continuous improvement in data generation and quality.
- whether the technology been fully absorbed: Yes
- if not fully absorbed, areas where absorption has not taken place, and the reasons therefor: Not Applicable

(iv) Expenditure incurred on Research and Development

Expenditure on R&D	₹ (in crore)
a) Capital (including CWIP)	12.34
b) Recurring	32.25
TOTAL	44.59

5.2.4

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

	(₹ in Crores)	
Value of Imports calculated on C.I.F. Basis	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Raw Materials	121.85	80.40
Components and spare parts	0.88	0.11
Capital goods	-	9.61

	(₹ in Crores)	
Earnings in foreign currency	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
FOB Value of Exports	43.38	40.60

	(₹ in Crores)	
Expenditure in foreign currency	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Travel Expenses	0.12	0.21
Embassy Fees	0.08	0.05
Communication Expenses	2.54	16.74
Royalty expense	11.32	7.64
Others (including reimbursement of expenses)	0.57	0.76

Particulars of foreign exchange payment of dividends to non-resident shareholders:

	No. of Shares	No. of Shareholders	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
2016 – 17 (1 st Interim)	23,16,920	1	-	3.48
2016 – 17 (Final)	23,16,920	1	3.48	-
2017 – 18 (1 st Interim)	23,16,920	1	3.48	-

Report on Corporate Governance

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018.

Your Company strongly believes that corporate governance is at the core of the Company's policies and systems for managing and supervising itself, including its organization, its values, business policies and guidelines, as well as all internal and external regulatory and monitoring mechanisms. The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' in the area of Corporate Governance across various geographies. Effective and transparent corporate governance guarantees that your Company is managed and monitored in a responsible manner focused on value creation. This fosters the confidence of our domestic and international investors, the financial markets, our customers and other business partners, employees and the public in the Company. We are continuously striving towards improving people's farmer's quality of life helping to produce more crops while conserving the more of natural resources that are essential to their success.

Our corporate governance philosophy is based on the following principles:

- Appropriate size and composition of the Board with each Director bringing in key expertise in different areas;
- Systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties;
- Ethical business conduct by the management and all employees;
- Appropriate systems and processes for internal controls on all operations, risk management and financial reporting; and
- Timely and accurate disclosure of all material, operational and financial information to the stakeholders.

BOARD OF DIRECTORS

Composition

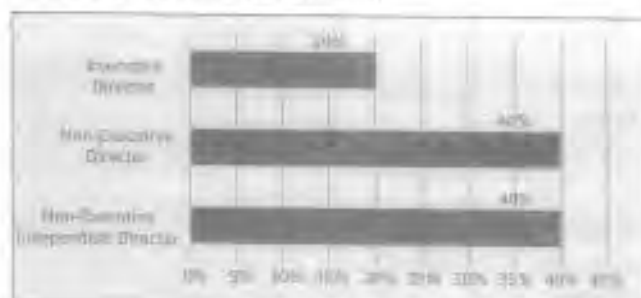
The Board of Directors, along with its Committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board as a main functionary is primarily responsible to ensure value creation for its stakeholders. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring

that the management observes the highest standards of ethics, transparency and disclosure. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Board consists of appropriate mix of Executive, Non-Executive and Independent Directors. Our Board composition is in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI LODR"). As required under Section 149(1) of the Companies Act, 2013, and Regulation 17(1)(a) of SEBI LODR, Ms. Shilpa Shridhar Divekar, a Woman Director, has been appointed on the Board. Currently, the Board consists of five members, one of whom is Executive (Managing Director) and four others are Non-Executive Directors including the Chairman of the Company. One-third of the Board consists of Independent Directors. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

There is no relationship between the directors inter se.

Percentage of Board Composition:



Monsanto Company, USA has certain rights enshrined in the Articles of Association pertaining to the appointment of Directors.

Number of Board Meetings:

During the financial year ended March 31, 2018, six (6) meetings of the Board of Directors were held on May 05, 2017, August 04, 2017, November 23, 2017, February 06, 2018, March 05, 2018 and March 22, 2018. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty (120) days and the requisite quorum was present in all the meetings.

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to

indirect specific issues relating to the business. The tentative annual calendar of Board Meetings for approving the accounts for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report. Your Company has also complied with the all provisions of the Secretarial Standards on the Meetings of the Board of Directors and Section 173 of Companies Act, 2013.

All the Directors have informed your Company periodically about their Directorship and membership on the Board/Committees of the other Company, As per disclosure received from Directors)

None of the Director(s) holds membership in more than ten (10) Committees and Chairmanship in more than five (5) Committees. None of the Directors of the Company are related to each other. All Non- Executive, Non-Independent Directors are liable to retire by rotation. The appointment, tenure and remuneration of the Managing Director once approved by the Board is subject to the further approval of the members of the Company.

The details of the composition, Nature of Directorship, the number of meetings attended and the directorships in other companies of the Directors of the Company are detailed below in Table 1

Table 1: Composition of the Board of Directors

Name of the Director	DIN	Category	Attendance		No. of directorships ⁽¹⁾		Committee position ⁽²⁾	
			At the Board Meetings	At the last AGM	Listed companies	Others	Chairman ⁽³⁾	Member
Mr. Sekhar Natarajan	05031445	Non-Executive Chairman	8	YES	2	2	3	2
Mrs. Shilpa Sindhu Director	06619353	Managing Director	4	YES	1	2	-	1
Mr. H. L. Acher	00024653	Non-Executive, Independent	8	YES	8	8	1	1
Mr. Pradeep Poddar	00025199	Non-Executive, Independent	6	YES	3	1	1	2
Mr. Priyush Naga ⁽⁴⁾	02272383	Non-Executive	3	YES	1	-	-	-
Mr. Bangla Bose Ramesh Krishna Mallipetti ⁽⁵⁾	07999286	Non-Executive	3	NA	1	-	-	-

(1) Directorship other than in foreign non-profit organisations.

(2) Membership/Chairmanship in Audit and Stakeholders' Relationship Committees of all public listed companies, whether listed or not, including Monsanto India Limited.

(3) Chairmanship in Audit and Stakeholders' Relationship Committees excluding the membership.

(4) Mr. Priyush Naga resigned from the Directorship of Monsanto India Limited with effect from 22.11.2016

(5) Mr. Bangla Bose Ramesh Krishna Mallipetti was appointed as Additional Director by Board of Directors with effect from 22.11.2017

Board Procedures:

The Board Meetings are governed by structured agenda for the meeting. The agenda along with comprehensive notes and background material are circulated at least seven days before each meeting to all the Directors for facilitating effective discussion and decision making. The Companies Act, 2013 read

with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video-conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video-conferencing was made available to the Directors except in respect of such

Items which are not permitted to be transacted through video-conferencing.

The minimum information to be placed before the Board as required by Part A of Schedule II of SEBI LODR is placed before the Board during its meetings.

The Board members may bring up any other matter for consideration of the Board, in consultation with the Chairman. Presentations are made by the Managing Director and other Business Heads on the Company's operations and other matters on a periodic basis. The statements of Shareholders/Investors' grievances received and resolved are also placed before the Board quarterly. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes and the draft minutes are circulated to the Board for their perusal before they are finalised.

Committees of the Board:

Board committees are the pillars of corporate governance. In this background, the board constitutes various committees, statutory as well as non-statutory, as a means of improving board effectiveness and efficiency where more focused, specialized and technically oriented discussions are required. Committees prepare the ground work for decision making and report at the subsequent board meetings.

Recognizing the immense contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following five (5) Committees of the Board:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility (CSR) Committee;
- Share Transfer Committee
- Independent Directors Committee

The Board decides the terms of reference for these Committees. Minutes of meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

AUDIT COMMITTEE:

Role of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of

Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI LODR and includes overseeing the Company's financial reporting process, approval or any subsequent modification of transactions of the company with related parties, reviewing the financial statements and the adequacy of internal audit. The role of Audit Committee also includes periodic discussions with the Internal Auditors and the Statutory Auditors about their scope of audit and adequacy of internal control systems. The Audit Committee also recommends appointment/re-appointment of Statutory Auditors and also reviews and monitors the auditor's independence and performance, and effectiveness of audit process.

The Audit Committee comprises of:

- Mr. Pradeep Poddar – Chairman, Non-executive Independent Director;
- Mr. H. C. Asher – Member, Non-executive Independent Director and
- Mr. Sekhar Natarajan – Member, Non-executive Director

all being Non-Executive Directors. Mr. H. C. Asher and Mr. Pradeep Poddar are Independent Directors. The Company Secretary acts as Secretary to the Audit Committee.

The Managing Director, Chief Financial Officer, Head – Legal Affairs, Internal Auditors and Statutory Auditors are invited to the Audit Committee meetings.

The Audit Committee met during the Financial Year six (6) times on May 05, 2017, August 04, 2017, November 23, 2017, February 06, 2018, March 05, 2018 and March 22, 2018. Details of members' attendance at the Committee's meetings are given in Table 2.

Table 2: Attendance Details in the Audit Committee Meetings

Name of the Member	Meetings Held	Attendance
Mr. H. C. Asher	6	6
Mr. Pradeep Poddar	6	6
Mr. Sekhar Natarajan	6	6

NOMINATION AND REMUNERATION COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR, a Nomination and Remuneration Committee of the Board is constituted. The Chairman of the Committee is an independent Director and majority of the

members of the Committee are Independent Directors. The scope of operations of the Committee may also include:

- 1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board a policy, relating to the remuneration of the directors, i.e., managerial personnel and other employees;
- 2. Formulation of criteria for evaluation of Independent Directors and the Board;
- 3. Developing policy on Board diversity;
- 4. Identifying 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;

The Nomination and Remuneration Committee comprises of:

- Mr. H. C. Ashar – Chairman, Non-executive Independent Director
- Mr. Pradeep Poddar – Member, Non-executive Independent Director and
- Mr. Sakhar Natarajan – Member, Non-executive Director

The Company's Secretary acts as Secretary to the Nomination and Remuneration Committee.

During the Financial Year, the Committee met four (4) times on May 05, 2017, November 23, 2017, February 06, 2018 and March 05, 2018. Details of members' attendance at the Committee's meetings are given in Table 3.

Table 3: Attendance Details in the Nomination and Remuneration Committee Meetings

Name of the Member	Meetings Held	Attendance
Mr. H. C. Ashar	4	4
Mr. Pradeep Poddar	4	4
Mr. Sakhar Natarajan	4	4

Nomination and Remuneration Policy:

The Board has approved a Nomination and Remuneration Policy of the Company which has been uploaded on the website of the Company. This Policy is in compliance with Section 175 of the Companies Act, 2013, read with the applicable rules thereto and Regulation 19 and Schedule II, Part D of the SEBI LODR.

The Nomination and Remuneration Committee has evolved a Charter which deals with the manner of selection of Board of Directors and CEO and Managing Director and their remuneration.

1. Criteria of selection of Non-Executive Directors:-

- a. The Non-Executive Directors shall be of high ethical standards and integrity with relevant expertise, experience and particular skills that will complement Board effectiveness.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall determine whether or not an Independent Non-Executive Director fulfills the tests of independence as referring to the guidelines described in the Companies Act, 2013 and the Listing Agreement and other related factors.
- c. To aid determination, every Independent Non-Executive Director shall, on appointment and subsequently on an annual basis submit to the Nomination and Remuneration Committee a declaration in the form as provided by the Company on his/her independence.
- d. The Nomination and Remuneration Committee shall consider the following criteria while recommending to the Board the candidature for appointment as Director:
 - Professional qualification, appropriate experience and the ability to make sound business judgement;
 - An ability and willingness to manage any work;
 - Strong interpersonal skills and a willingness to devote the required time;
 - A position of leadership or prominence in a specified field.
- e. The Nomination and Remuneration Committee shall ensure that the Director to be appointed is not disqualified for appointment under Section 164 of the Companies Act, 2013.

2. Criteria of selection of Executive Directors or Key Managerial Personnel (KMP):-

- a. The Executive Directors or KMP demonstrates integrity and authenticity and is personable and consistent.

In interactions with others. Also promotes ideas that are in the Company's best interest.

- b. The Executive Directors or KMP shall recognize respect the talent, resources and skills of others and work effectively with teams and network across geographic, political, demographic, functional and other cultural and demographic boundaries.
- c. The Executive Directors or KMP thinks about business issues broadly and strategically and understands issues from the perspective of customers and other external stakeholders.
- d. The Executive Directors or KMP shall be disciplined in operational excellence, anticipate and plan for the future, demonstrate a high level of comfort with ambiguity and has strong ability to respond quickly to new opportunities.

3. Remuneration to Directors:

The Board is comprised of one Executive Director (Managing Director) and four Non-Executive Directors.

The Managing Director receives a monthly salary, perquisites and performance pay as per the policies of the Company and as per the agreement executed by and between her and the Company for her appointment. No sitting fee is paid to her for attending the meetings of the Board or Directors or Committees thereof. In the event, the Managing Director desires to leave the services of the Company, she is required to serve to the Company 90 days' notice in writing. However, the Company may, at its sole discretion relieve the Managing Director of her duties at any time during her notice period.

The criteria for making payment to the Managing Director are:

1. Salary paid to the Managing Director is recommended by the Nomination and Remuneration Committee

and approved by the Board and the Shareholders. Perquisites, retirement benefits and performance pay are also paid/provided to the Managing Director in accordance with the Company's compensation policies, as applicable to all employees of the Company.

2. Remuneration paid to the Managing Director is determined keeping in view the industry benchmarks.

Mr. Sekhar Natarajan, Mr. Piyush Nagar and Mr. Bangle Bose do not/did not receive any salary, sitting fees or commission from the Company. The Independent Directors receive sitting fees for attending the meetings of the Board of Directors and Committees thereof and commission on the net profits of the Company, as decided by the Board, within the overall limits approved by the Shareholders.

The criteria for making payments to other Directors are:

1. The Directors are paid sitting fees of ₹ 50,000/- for each meeting of the Board and the Audit Committee and ₹ 25,000/- each for other Committee meetings attended by them.
2. Shareholders of the Company have approved payment of commission in the aggregate not exceeding 1% of net profits calculated in accordance with Section 197 read with Section 198 of the Companies Act, 2013, collectively, to all the Directors of the Company (excluding Managing Director, Whole Time Director and Directors nominated by Monsanto Company, USA). The Board decides proportion and manner of payment of such commission every year subject to the above said overall limit approved by the Shareholders.

The remuneration paid or payable to the Directors is given in Table 4.

Table 4: Remuneration paid/payable to the Directors

Name of Directors	Sitting Fees	Salary & Perquisites	Incentive/Commission	(₹ in lakhs)
				Total
Mr. Sekhar Natarajan	-	-	-	-
Mr. Shilpa Shridhar Divekar	-	232.34	99.17	331.51
Mr. H. C. Asher	7.25	-	12.50	19.75
Mr. Pradeep Poddar	7.25	-	12.50	19.75

Names of Directors	Sitting Fees	Salary & Perquisites	Incentive/Commission	Total
Mr. Piyush Nigam ^{***}				
Mr. Sangeeta Bose Radha Krishna Mallapragada ^{***}				

^{**} The total remuneration includes the amount paid by Company as contribution to Provident Fund of Rs. 1.75 lakh.

^{***} Resigned with effect from 23.11.2017

^{***} Appointed with effect from 22.11.2017

The Company has no stock option/plan for the Directors of the Company. However, employees of the Company including Managing Director of the Company and nominee Directors of Momenta Company, USA who are in full time employment, are entitled to the Stock Options declared by the parent company i.e. Momenta Company, USA, from time to time.

PERFORMANCE EVALUATION

Pursuant to the provisions of Section 178(2) read with Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI LODR, Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committee. A structured questionnaire was prepared after taking into consideration inputs received from the directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board dynamics, execution and performance of specific duties, obligations and governance. A scorecard exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who are evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the adequacy and flow of information to the Board. The directors expressed their satisfaction with the evaluation process.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI LODR, a Stakeholders' Relationship Committee has been constituted. The Committee considers redressal of investors' complaints/grievances. It also considers matters concerning complaints regarding transfer of shares, non-receipt of dividends and Annual Report, dematerialisation of share certificates, etc.

The Stakeholders' Relationship Committee comprises of:

- Mr. H. L. Asher – Chairman, Non-executive Independent Director

- Mr. Sakhar Narayan – Member, Non-executive Director,
- Mr. Pradeep Poddar – Member, Non-executive Independent Director and
- Mr. Sangeeta Bose Radha Krishna Mallapragada – Member, Managing Director

During the Financial Year, the Company received 6 complaints. All complaints have been resolved by the Committee. There were no committee meetings held during the year.

SHARE TRANSFER SYSTEM:

The Company's shares, being in compulsorily dematerialised (demat) form, are transferable through the Depository system. Transfer of shares in physical form are processed by the Registrars and Share Transfer Agents (RTA) and approved by the Share Transfer Committee of the Company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by RTA subject to requisite documents being in order.

The Company has a Share Transfer Committee currently comprising of:

- Mr. Sakhar Narayan – Chairman, Non-executive Director,
- Mr. Sangeeta Bose Radha Krishna Mallapragada – Managing Director
- Mr. Saurabh Vaidya – Chief Financial Officer,
- Mr. Ankit Nayyar – Indie Controller and
- Ms. Monika Gupta – Company Secretary & Compliance Officer.

The Committee meets once every week or as and when required and approves all matters related to shares i.e. transfers, transmission, dematerialisation and re-materialisation of shares. Ms. Madhuwanti Kale served as the member of the Committee till May 17, 2018. Since her resignation from the Company, Mr. Ankit Nayyar has been inducted as a member w.e.f. May 18, 2018.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 and the rules made thereon. The Committee is authorised to:

- formulates and recommends to the Board, a CSR Policy for the Company which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- recommends the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitors the CSR Policy of the company from time to time. The Committee reports regularly to the Board such matters as are relevant to the Company.

The CSR Committee currently comprises of:

- Mr. Sekhar Natarajan – Chairman, Non-executive Director;
- Ms. Shilpa Shridhar Divekar – Member, Managing Director;
- Mr. H. C. Asher – Member, Non-executive Independent Director and
- Mr. Pradeep Poddar – Member, Non-executive Independent Director.

The Company Secretary acts as Secretary to the Corporate Social Responsibility Committee.

During the Financial Year, the Committee met on May 05, 2017, August 04, 2017, November 23, 2017, February 06, 2018, and March 22, 2018. Details of members' attendance at the Committee's meetings are given in Table 5.

Table 5: Attendance Details in the CSR Committee Meetings

Name of the Director	Meetings Held	Attendance
Mr. Sekhar Natarajan	5	5
Mr. H. C. Asher	5	5
Mr. Pradeep Poddar	5	5
Ms. Shilpa Shridhar Divekar	5	5

CSR Policy:

The CSR policy is in compliance with the provisions of Section 135 of the Companies Act, 2013 and read with applicable rules thereon. The CSR policy as approved by your directors has been placed on the website of the Company.

The CSR Policy provides details about the principles on which the Company develops its CSR initiatives and the control mechanisms that the Company is required to put in place for monitoring the CSR projects while ensuring that CSR objectives of the Company

are met. Such initiatives taken by the Company during the year have been reported as an Annexure-4 of the Directors' Report.

APPOINTMENT OF INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 149 of the Act and Regulation 17 of the SEBI LODR, every listed public company is required to have at least one-third of the total number of directors as independent directors. Such independent directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. Accordingly, the company had sought approval of shareholders for appointment of Mr. H. C. Asher and Mr. Pradeep Poddar, both Non-Executive Independent Directors of the company. The appointments were approved in the 66th Annual General Meeting of the company for a term for five years each.

The Company has issued a formal letter of appointment to each of the directors in the manner as provided in the Companies Act, 2013 and Regulation 19(4) of the SEBI LODR. The terms and conditions of the appointment have been disclosed on the website of the Company (www.monsantoindia.com).

Pursuant to the amended provisions of the SEBI LODR, a person who has attained the age of seventy-five years can continue directorship in a listed company as a Non-Executive Director only after the concerned listed company has taken the approval of its shareholders by way of a special resolution. The said provision shall come into effect from April 1, 2019.

In view of the above, the Board recommends re-appointment of Mr. H.C. Asher as a Non-Executive Independent Director till the expiry of his term i.e., August 9, 2021, vide Notice dated June 22, 2018. The Company is seeking approval for continuation of Mr. H.C. Asher as a Non-Executive Independent Director.

INDEPENDENT DIRECTORS' MEETING:

Section 149(B) of the Act has prescribed the Code for Independent Directors in Schedule IV for every company that has Independent Directors. Clause VII of the said Schedule and Regulation 25 of the SEBI LODR, requires every company to convene a separate meeting of the Independent Directors.

During the year, the Independent Directors met on March 22, 2018 to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review of performance of the Chairman; and



- Assess 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 their duties.

All the Independent Directors were present at the Meeting.

Familiarization Program for Independent Directors

Four directors have adopted Familiarization Program ("the Program") for Independent Directors pursuant to Regulation 46 of the SEBI LODR. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in-depth and contribute significantly to the Company. Such programs will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategic business model, operations, culture and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Document adopted for the Program has been uploaded on the Company's website for your information and is available on <http://www.nissanta.com/portal/showenr.aspx?board-of-directors-2018>

MANAGEMENT

Management of the Company has developed and implemented policies, procedures and practices that attempt to translate the Company's future plans into reality. The management also identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operations. These are internally supervised and monitored through the India Leadership Team (ILT) of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms a part of this Annual Report.

INTERNAL CONTROL SYSTEMS

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically reviews the findings and recommendations of the auditors and take corrective actions wherever necessary. The Board recognizes the work of the internal and statutory auditors as an independent check on the information received from the management on the operations and performance of the Company.

The integrity and reliability of the internal control system are achieved through clear policies and procedures, process automation, careful selection, training and development of employees, and an organization structure that segregates responsibilities.

RELATED PARTY TRANSACTIONS

During the financial year under review your Company has had subsidiaries / contracts / agreements that are classified as "Related Party Transactions" under provisions of the Act and the Rules framed thereunder. These contracts/agreements/agreements have been in the ordinary course of business to facilitate the business of the Company and have been approved by the Audit Committee and Board of directors.

Suitable disclosures as required by Accounting Standards (AS-18) have been made in the Notes to the Financial statements. As required under Regulation 48(2) of SEBI LODR, the Company has also formulated a Related Party Transactions Policy which has been put up on the website of the Company at <http://www.nissanta.com/portal/showenr.aspx?Documents/NPT-policy-2018.pdf>

SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the financial year 2017-18 which inter alia includes audit of compliance with the Companies Act, 2013 and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

POLICY AGAINST SEXUAL HARASSMENT AT WORKPLACE

Your Company has a long standing tradition in maintaining employee's well-being and is committed to providing a workplace to all employees that is free from sexual harassment. Your Company has zero tolerance to any form of conduct which can be considered harassing, diminishes the dignity of any person, or creates offensive work environment. The Company has put in place a policy for redressal for sexual harassment at workplace. As per the Policy any employee may report further complaints to the Internal Complaints' Committee.

MEANS OF COMMUNICATION

During the financial year under reference, quarterly results were published in widely circulated national and local newspapers (i.e. The Business Standard and Sakshi). Financial Results were not sent individually to the shareholders.

As per the requirement of the Regulation 46(2) of the SEBI LODR, the Company has designated an e-mail ID (investorcare.india@monsanto.com) exclusively for the purpose of registering the complaints by investors. The said email ID has also been displayed on the Company's website.

The Company's results and official news releases are displayed on the Company's website www.monsantoindia.com. There were no presentations made to the institutional investors or analysts during the financial year.

DISCLOSURES

Material Transactions with the Company

Except the details of transactions given in Note no. 33 of Notes forming part of the Financial Statements, the Company had no material transactions with its promoters, directors or the management, their relatives etc. that may have a potential conflict of interest with the Company. The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties have also been disclosed in the Annual Accounts. There are no commodity price risk and commodity hedging activities undertaken by the Company during the year.

Compliances in respect of Capital Markets

The Company has complied with all regulatory requirements of capital market and has not been imposed any penalty/strictures by the Stock Exchanges or SEBI or any other statutory authorities.

Compliance under Regulation 17(B) of LODR

As required by Regulation 17(B) of the SEBI LODR, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31st March, 2018. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

Shareholding of Directors

Mr. Sekhar Natarajan holds 800 equity shares in individual name. No other Directors are holding any shares in the Company.

CODE OF CONDUCT

The Board has adopted Code of Conduct for all Directors and senior management personnel of the Company. The Code of Conduct is posted on the website of the Company.

All Directors and senior management personnel affirm compliance with the code on annual basis. Based on the affirmations received from Directors and senior management personnel, the Managing Director of the Company has signed the following certificate:

To the shareholders of Monsanto India Limited

I, Shilpa Shridhar Divekar, Managing Director of the Company, hereby certify that the Board members and Senior Management personnel have affirmed that they have complied with the "Code of Business Conduct" of the Company for the financial year ended March 31, 2018.

Shilpa Shridhar Divekar

Mumbai: May 10, 2018

Managing Director

INSIDER TRADING POLICY

Prohibition of Insider trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company Secretary acts as a Compliance Officer. The Code is applicable to all the Directors and such identified employees of the Company as well as the Monsanto Group Companies in India who are expected to have access to unpublished price sensitive information relating to the Company.

WHISTLE BLOWER POLICY

Your Company is committed to conducting business with the highest standard of honesty and integrity and expects all their employees to maintain high standards. Your Company maintains a Code of Business Conduct and Anti-Corruption Program. Additionally, a whistle blower mechanism ('Monsanto Speak-Up Protocol for India') has also been developed pursuant to requirements of Section 177(9) and 101 of the Act and Regulation 4(2)(d) of the Listing Regulations. The Company's 'Monsanto Speak-Up Protocol for India' aims at:

- Informing employees of their obligation to report serious wrongdoing within the Company;
- providing employees with guidance on how to raise concerns;

- (i) ensuring employee(s) may stand up to tell the truth without fear of retaliation; and
- (ii) providing specific direction on how to contact the Chairperson of the Audit Committee or the Board of Directors under an exceptional circumstance.

The aforesaid Whistle Blower Policy has been uploaded on the website of the Company at http://www.monsantoindia.com/external/whoweare/Documents/whistleblower_policy_MIL.pdf

The Company has made available to its employees, anonymous email and telephone hotlines for reporting of any deviations / concerns. Additionally, 60 employees of the Company has been granted access to the Chairperson of the Audit Committee during the year ended March 31, 2018.

Compliance with Mandatory and Non-mandatory Requirements:

The Company has complied with the mandatory requirements of Schedule V of the SEBI LODR. Further, the Company has adopted non-mandatory requirements of Schedule V of the SEBI LODR; viz. the Company has appointed separate persons to the post of Chairman and Managing director.

Mr. Sekhar Natarajan's current Directorship/Committee membership are as follows:

Sr. No.	Name of the Company	Nature of Interest	Chairmanships or memberships of Committee of the Board
1.	Monsanto India Limited	Chairman	Member - AC Member - SRC Member - NRC
2.	Ingenios-Rand India Limited	Director	Chairman - AC
3.	Accerys India Solutions Limited	Director	Chairman - AC Chairman - SRC Member - NRC

AC: Audit Committee.

NRC: Nomination and Remuneration Committee

SRC: Stakeholders' Relationship Committee

Mr. Bangla Bose Radhakrishna Malipeddi, Non-Executive director

Mr. Bangla Bose joined Monsanto in October, 1995 as Field Production Officer responsible for Hybrid Corn Seed Production based at Ramnagar, Telangana. He assumed role of Seed Production Research Lead (SPR) for India and established SPR processes and organization across Corn, Sunflower and Hybrid Rice crops and lead entire row crop production as Row Crop Production Manager, India. He then moved to Singapore and was

BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED

Mr. Sekhar Natarajan, Chairman

Mr. Sekhar Natarajan had spent almost 30 years in Monsanto till his retirement in 2010 guiding and building its contributions to Indian agriculture. With his guidance, he has consistently helped the Company evolve as a major contributor to Indian agriculture's growth story. Post his retirement in 2010 he has continued to provide guidelines as Non-Executive Director and Chairman of the Company.

He held several leadership positions across functions - Chief Financial Officer, Business Development Head, Sales and Marketing Head, and Global Corporate Strategy Lead at Monsanto's headquarters in St. Louis, USA. Mr. Sekhar Natarajan is a qualified Chartered Accountant and Cost Accountant. He is a strategic thinker with rich global experience in Business Development and Mergers and Acquisitions (M&A). Currently, he is also the Managing Partner of Mrs. S. N. Consultants that provides advice and strategic directions to several local and international companies.

responsible for various roles in Supply Chain including planning, manufacturing and lead supply chain operations for Asia Pacific region. He then moved to St. Louis, USA and lead North America Pre-commercial production organization. Mr. Bose returned to India in October, 2017, and in his current role is handling Supply Chain operations.

A Master in Agronomy, Mr. Bose has extensive and diverse career experience of over 22 years across manufacturing and supply chain operations in multiple global geographies.

Mr. Bose's current Directorship / Committee membership are as follows:

Sr. No.	Name of the Company	Nature of Interest	Chairmanships or memberships of Committee of the Board
1.	Monsanto India Limited	Non-Executive Director	-

GENERAL SHAREHOLDERS INFORMATION

Address for correspondence	Monsanto India Limited, Ahuja Centre, 5 th Floor, 96, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel: 022-4247 6450/6702 5851 Fax: 022-4247 6452/4247 4707 e-mail: investorcare.india@monsanto.com
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Annual General Meeting and Dividend

Date and Time	- Tuesday, August 28, 2018 at 11.00 a.m.
Venue	- Rangaswar Hall, Y. B. Chavan, 4 th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.
Last Date for Receipt of Proxy Form	- Sunday, August 26, 2018 before 11.00 a.m.
Date of Book Closure	- Wednesday, August 8, 2018 to Friday, August 10, 2018
Dividend Payment Date	- On or after August 28, 2018

Annual General Meetings (AGM) held during the last three years

Date	Venue	Time	Special Resolution Passed
65 th AGM August 7, 2015	Y.B. Chavan Auditorium, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.	11.00 a.m.	1. Appointment of Ms. Shilpa Shridhar Divekar as the Managing Director of the Company for the period of 3 years. 2. Approval of ongoing business transactions (material related party transaction) with ultimate holding Company i.e Monsanto Company, USA. 3. Approval of procurement of a specialised machine (material related party transaction) from the ultimate holding Company i.e Monsanto Company, USA.
66 th AGM August 10, 2016	Y.B. Chavan Rangaswar Hall, 4 th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.	11.00 a.m.	1. Re-appointment of Mr. H.C. Asher as an Independent Director of the Company for a term of 5 consecutive years. 2. Re-appointment of Mr. Pradeep Poddar as an Independent Director of the Company for a term of 5 consecutive years.
67 th AGM August 10, 2017	Y.B. Chavan Rangaswar Hall, 4 th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.	11.00 a.m.	1. Re-appointment of Ms. Shilpa Shridhar Divekar as the Managing Director. 2. Approval of related party transactions.

Postal Ballots

During the financial year 2017-18, no proposal of the members has been brought vide Postal Ballot.

None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot.

Financial Calendar

Financial Year	April 1, 2018 to March 31, 2019
Declaration of financial results for the quarter ending June 30, 2018	By 2 nd week of August, 2018
Declaration of financial results for the quarter ending September 30, 2018	By 2 nd week of November, 2018
Declaration of financial results for the quarter ending December 31, 2018	By 2 nd week of February, 2019
Declaration of financial results for the quarter ending March 31, 2019	Last week of May, 2019
Dividend for the year ending March 31, 2019	In the month of August, 2019

Shares Information

Listing on Stock Exchanges	1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023. 2. National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C-1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Stock Code • BSE Limited • National Stock Exchange of India Ltd. • International Securities Identification Number (ISIN)	524004 MONSANTO INE274B01011
Listing Fees	Listing fees at both the Stock Exchanges have been paid for the year 2018-19.
Registrar and Share Transfer Agents/Address for Correspondence	Link Intime India Private Limited C-101, 247 Park, I B E Marg, Vikhroli (West) Mumbai - 400 083 Tel: 022-491 86000, 022-491 86270 Fax: 022-491 86060 Email: rnt.helpdesk@linkintime.co.in
Compliance Officer	Ms. Monika Gupta Company Secretary & Compliance Officer
Dematerialisation of shares and liquidity	99.34% of the paid-up capital of the Company has been dematerialised as on March 31, 2018.
Outstanding GDR / ADR / Warrants or any Convertible Instruments	Not Applicable



Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that:

- Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to the Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company.
- Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

Shareholding Pattern and Distribution Schedule as on March 31, 2018

Shareholding Pattern

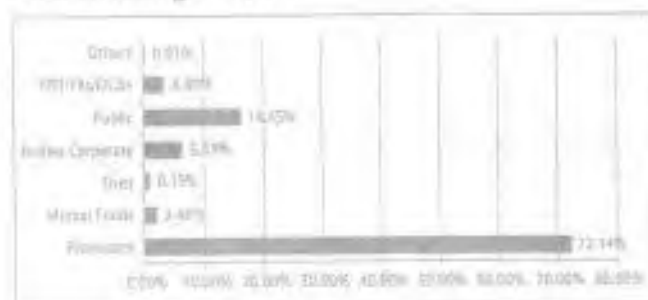
Category	No. of Shares	%
Promoters	1,24,54,044	72.14
Mutual Funds	4,93,916	2.88
Trust	2,760	0.15
Bodies Corporate	10,93,019	5.19
Public	24,27,622	14.45
NR/FIB/QCBs	6,61,355	4.30
Others	1,30,432	0.07
TOTAL	1,72,62,748	100.00

Distribution Schedule

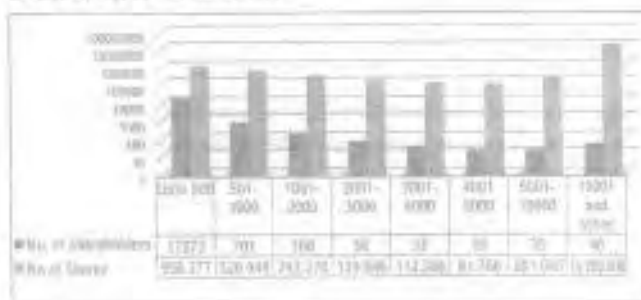
Category	No. of Shareholders	No. of Shares
Upto 500	17372	9,58,377
501 - 1000	701	5,26,448
1001 - 2000	164	2,43,270
2001 - 3000	56	1,39,846
3001 - 4000	32	1,12,386
4001 - 5000	18	81,768
5001 - 10000	26	2,01,045
10001 and above	40	1,49,99,608
TOTAL	18,413	1,72,62,748



Shareholding Pattern



Distribution Schedule



Share Price performance

High-low share prices on BSE and NSE

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Traded Qty (in cr.)	High Price (₹)	Low Price (₹)	Traded Qty (in cr.)
Apr-2017	2,618.00	2,400.00	43,370	2,604.00	2,458.75	1,44,895
May-2017	2,950.00	2,517.00	83,109	2,950.00	2,536.00	6,29,260
Jun-2017	2,879.95	2,642.00	31,933	2,980.00	2,841.00	1,02,723
Jul-2017	2,850.00	2,635.00	37,341	2,850.00	2,697.35	1,98,567
Aug-2017	2,745.00	2,425.05	12,158	2,766.00	2,423.80	1,22,303
Sep-2017	2,680.00	2,425.10	13,151	2,686.00	2,395.80	2,37,570
Oct-2017	2,583.65	2,306.00	16,877	2,578.95	2,375.00	1,66,121
Nov-2017	2,588.00	2,435.00	17,461	2,545.00	2,432.00	2,10,456
Dec-2017	2,580.00	2,441.55	11,586	2,579.00	2,436.05	1,40,658
Jan-2018	2,686.20	2,465.95	27,574	2,710.00	2,460.05	2,14,532
Feb-2018	2,691.40	2,401.00	21,173	2,697.00	2,405.00	2,67,419
Mar-2018	2,769.90	2,502.95	23,528	2,780.00	2,502.95	2,89,262

PLANT LOCATIONS

Helicoides	Survey No. 1, 4 & 5, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi, Sivara - 796 240, Union Territory of Dadra & Nagar Haveli.
Seeds	- Survey No. 303, 303/2, 304, 305, Sivara Village, Moka Road, Bellary - 585 103, Karnataka - Survey No. 677-678, Village, Lalgudi Malakpet, Shamirpet Mandal, District: Rangas Reddy - 500 070, Andhra Pradesh. - Corn Breeding Station, Village- Batheda Ki Sarai, Post - Daroli, Tehsil - Kaliah Nagar, Dist - Unnao - 221 001, Rajasthan - Muga Breeding Station, Kalmayakamhalli Village, Thimdeboli Hoshi, Gowindpur Taluk, Chikaballigur District, Karnataka - 561 213

Other information to the shareholders**Disclosures with respect to demat suspense account unclaimed suspense account**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	None
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	None
Number of shareholders to whom shares were transferred from the suspense account during the year	None
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	None

Green Initiative

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Link Intime India Private Limited, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

Securities and Exchange Board of India (SEBI) vide its circular dated June 08, 2018 has amended the provisions of SEBI LODR, pursuant to which the transfer of shares shall be possible only when such shares are held in dematerialised form. The Circular shall be effective within 180 days from the date of publication on the official gazette i.e. December 06, 2018. In view of the said mandate, Members holding shares in physical form are requested to get their shares dematerialized at the earliest.

Depository Services

Shareholders may write to the respective Depository or to Link Intime India Private Limited for guidance on depository services.

Address for correspondence with Depositories are as follows: -

1. National Securities Depository Limited - Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 015. Telephone: (022) 2499 4200, Facsimile: (022) 2497 6351, E-mail: info@nsdl.co.in, Website: www.nsdl.co.in
2. Central Depository Services (India) Limited - Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 400 001. Telephone: Toll free: 1800-200-5533, E-mail: helpdesk@cdslindia.com, Website: www.cdslindia.com



Management Discussion & Analysis

An overview of the global economy

Global economic growth is continuing, yet is marked by natural disasters, geopolitical tensions and deep political divisions in many countries. In the economic front, it ended on a high note with the GDP continuing to accelerate over much of the world in what is being termed by the International Monetary Fund (IMF) as the "unprecedented cyclical upswing since the start of the decade".

Global growth strengthened to 3.2 percent in 2017, which is slightly higher as compared to 2016. It has seen the strongest since the year 2009. This notable rebound has been driven by growth in global trade, livestock recovery in advanced economies, a sustained strong growth in emerging Asia and a modest upswing in emerging Europe. An additional factor has also been attributed to some of the larger emerging market economies such as Argentina, Brazil and Russia exiting their recession.

As per the IMF, global growth is expected to pick up to 3.9 percent in both 2018 and 2019, primarily aided by a sustained, improving favourable market sentiments and accommodative monetary conditions. However, to achieve this upward growth of 3.9 percent it is essential to achieve the twin goals of eliminating extreme poverty and fostering shared prosperity. The global food system plays a pivotal role towards the realization of these two goals. Eradicating poverty can only be achieved by raising the incomes of the rural poor, which account for 76% of poor people worldwide, while sustainable global agriculture provides the means to meet the challenges of food security.

Indian economy

Despite slowing down global growths in the first half of the year, 2017 has seen some of the key structural initiatives across macro-economic parameters that would fuel sustainable growth in the future. Currently, the Indian economy seems to be on the path to recovery, with key indicators like Industrial Production, Sales, Exports and the bourses showing consistent uptick.

As we progress through 2018, the key challenge facing the Indian economy is how does it maintain its recovery phase in light of increasing inflationary pressures, coupled with higher fiscal deficit as well as an increasing debt burden. The key to this challenge lies in the revival of consumer demand and increasing private investments. Some of the recent policy measures like the Goods and Services Tax (GST), the Insolvency and Bankruptcy Code (IBC), the Jan Dhan Yojana and Aarogya have been received well. These legislations coupled with progressive regulations introduced in the past continue to strengthen the country's fundamentals.

Notable revival in most parts of the country has restored the performance of agricultural and allied sectors. This is expected to stimulate demand and further economic growth.

The Central Statistics Organization (CSO) and the International Monetary Fund (IMF) have stated that India has emerged as the fastest growing major economy globally and is expected to be one of the top three economic powers in the next decade. The nation's GDP is estimated to have increased 6.6 percent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

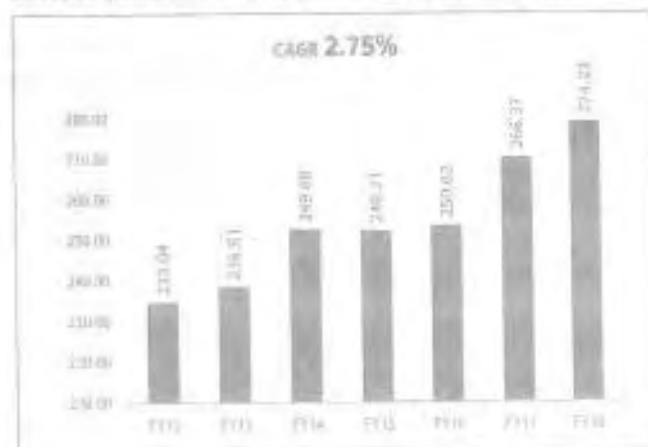
The Union Government's reform agenda has been much appreciated globally. The World Bank has lauded these efforts and (IMR) has been reflected in the country's sovereign credit rating being upgraded by Moody's Investors Service for the first time since 2004. This is testimony to the confidence global players have in the Indian economy.

Overview of Indian agricultural sector

India has the 10th largest arable land resources in the world and the country possesses ~ 45 of the 60 soil types across the globe. The country is the largest producer of pulses, oilseeds, millets, tea, while it ranks second in the production of wheat, rice, fruits and vegetables.

India's agriculture sector is considered to be the backbone of the nation's economy. Providing livelihood to over 52 percent of population in the rural areas, the agriculture sector, along with fisheries and forestry, is also one of the largest contributors to the Gross Domestic Product (GDP).

Gross Value Added by Agriculture and Allied sectors (US\$ billion) at Constant 2011-12 prices



As per the second estimates of CSO, the share of agriculture and allied sectors including agriculture, livestock, forestry and fishery is estimated to be 20.4 percent of the Gross Value Added (GVA). While the GVA of agriculture and allied sectors has grown by 2.75 percent between FY 12-16, in FY 16 it is estimated to have grown by 3 percent.

There are two major agricultural seasons in India:

Cropping Season	Period of Year	Major Crops Grown
Kharif season	April - September (Summer)	Rice (paddy), Maize, Sorghum, Pearl Millet/ Bajra, Finger Millet/ Ragi (cereals), Arhar (pulses), Soyabean, Groundnut (oilseeds) and Cotton
Rabi season	October-March (Winter)	Wheat, Maize, Barley, Oats (cereals), Chickpea/ gram (pulses), linseed, Mustard (oilseeds)

Agricultural growth in India is a key to the country's economic progress and therefore farmers' success becomes a major factor to the country's development. Hence, it is all the more important to provide the farmer the right policy framework and access to technologies thereby enabling increased productivity and growth.

With the country's population growing and the amount of arable land being limited, it is important that we provide our farmers with all the tools to grow more and feed the nation. The Government's clear intent to increase agricultural productivity and help the farmer get reasonable prices for agricultural production are a welcome move. The focus on rural welfare and the creation of rural infrastructure – both social and agricultural too is encouraging. Financial support to enhance irrigation, especially micro-irrigation schemes and soil health for higher agriculture productivity, will go a long way in giving farmers access to key facilities that will help them enhance productivity.

With India's rising population and increasing demand, agriculture will need to witness a revolution and this will only be possible with support from the government. By creating the necessary framework, the Government of India will not only help our farmers improve their socio-economic conditions, they will also enable Indian agriculture prosper eventually resulting in an inclusive development.

Production

The Ministry of Agriculture (MoA) forecasts India's food grain production to grow to a record level in the crop year ending June 2016 aided by a normal monsoon and wider planting in the Rabi season. As per the second advance estimates by the Dept. of Agriculture, food grain output is expected to increase by 0.9 percent to reach 277.49 M tonnes, exceeding the previous record of 275.11 M tonnes achieved in 2016-17.

Estimated production of major crops (In Million tonnes)

Crop	2017-16 (2 nd Advance Estimates)	2016-17 (Final)
Rice	111.01	109.70
Wheat	37.11	38.51
Coarse Cereals	45.42	43.77
Maize	27.14	25.90
Pulses	23.95	23.13
Oilseeds	29.88	31.28
Sugarcane	153.23	306.07
Cotton *	33.92	32.58

* Million bales of 170 kg each

Source: Ministry of Agriculture

While increase in agricultural yields due to a near normal monsoon is a welcome relief for farmers and for the nation's food security, the need of the hour is to make the agriculture sector less vulnerable to vagaries of the weather. Declining yields due to reduced or no rains reduce incomes which in turn has an impact on overall consumption thus slowing down economic growth.

With growing consumer demand, limited natural resources and a changing climate, farmers need to increase food, fiber and energy production while protecting the environment. Meeting the challenges facing the nation, agriculture and farmers will take innovative products, practices, and partnerships.

Post - Harvest

The government is focused on providing the country's farmers with the right policies and infrastructure that improves the lives of farmers.

Today, one of the bigger challenges facing India's farmers is the lack of access to credit. This diminishes the capacity of farmers to invest in quality agricultural inputs and often adds to the

through assured farmers. Providing farmers' accounts support by way of equity credit will give them more financial resources and also increase their confidence to take risks.

One of the big initiatives taken by the government is the creation of a National Agriculture Market. This initiative will help resolve demand-supply gaps, and provide for better farm-consumer linkages.

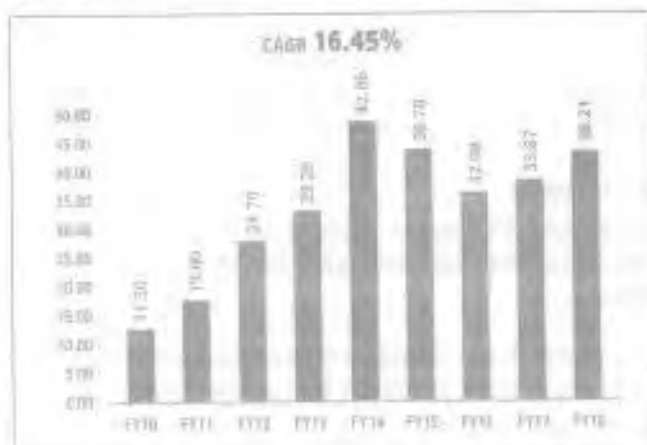
Exports

India continues to feature in the list of 15 leading exporters of agriculture products globally. The total agriculture exports from India grew at a Compounded Annual Growth Rate (CAGR) of 16.45 percent from 2010 to 2016 to reach USD 34.05 billion in FY16. In line with its draft agriculture policy, the Government of India continues to work towards achieving its export target of USD 60 B by 2022.

During this period, exports of cereals accounted for 43.6 percent of the total exports, followed by livestock products (25 per cent), other processed foods (15.94 per cent), fresh fruits and vegetables (6.21 per cent), processed fruits and vegetables (6.27 per cent) and floriculture and seeds (0.99 per cent). Indian agricultural and processed foods are exported to more than 100 countries/regions, chief among them are the Middle East, Southeast Asia, S&ARC countries, the EU and the US.

In 2017, Indian exports reset quite a few benchmarks. In FY 2017, India exported 240.68 M kg tea – a 35 year high while Indian exports of Basmati rice grew to USD 6.19 M in FY 16 as compared to USD 2.35 M in the corresponding period.

Agricultural exports from India (US\$ billion)



Foreign Investments

Data sourced from the Department of Industrial Policy and Promotion (DIPP) state that the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about USD 2.02 B and USD 466.21 M, respectively, during the period April 2000 to December 2017. In the same period, the food processing sector attracted FDI of USD 8.57B.

Season-wise Review of Agriculture in 2017-18

Kharif Season 2017

As per first advance estimates, the total coverage area under Kharif food grains reduced to 703.83 lakh hectares in 2017-18 from 726.19 lakh hectares in 2016-17 (mainly due to lower rainfall). Monsoons were 5 percent lower than LPA in 2017 as compared to 3 percent below LPA in 2016. The second advance estimates read better with the Kharif food grains production estimated to be at 130.46 MT in 2017-18, surpassing the last year (second production) of 128.33 MT.

The Kharif food grain production has witnessed sustained growth in 2017-18, due to major contributing crops like rice and cereals in the Kharif season. Rice reached a record production of 111.01 MT in 2017-18 surpassing its previous best of 109.7 MT 2016-17. Similarly, cereal production in the Kharif season reached 129.63 MT in 2017-18 as compared to 128.74 MT in 2016-17. Maize production during the Kharif season was the highest in the country with numbers touching 19.57 MT in 2017-18 as compared to 18.92 MT in 2016-17.

Kharif Crop Production

(in Million tonnes)

Crop	2017-18 (2 nd advance estimates)	2016-17 (Final)
Rice	96.46	96.30
Maize	19.51	18.92
Jowar	2.01	1.96
Coarse Cereals	33.15	32.44
Pulses	8.83	9.58
Sugarcane	353.26	306.07

Source: Ministry of Agriculture

Rabi Season 2017

Good four-month monsoons ending in September 2017 resulted in sufficient water in reservoirs and in the ground water levels, which in turn improved the prospects of sowing Rabi or winter crops. The main crop during the Rabi season is wheat, whose production stood at 97.11 MT in 2017-18.

Overall, Rabi food grain production grew by 1.64 percent to 139.02 MT as compared to 136.78 MT in 2016-17.

Rabi Crop Production (In Million tonnes)

Crop	2017-18 (2 nd advance estimates)	2016-17 (Final)
Wheat	97.11	98.51
Maize	7.63	6.98
Pulses	15.11	12.55

Source: Ministry of Agriculture

Challenges in the Indian agricultural sector addressed by MIL

Although India is a global agricultural powerhouse, the country's productivity per unit of land and yield are relatively poor as compared to other countries. In the case of maize crops, the difference in yields between India and world is as high as 130 percent.

Maize crop in India is in general grown in the Kharif (June to October) season which coincides with rainy season. It is susceptible to both less and excess water and results in lower production in the country.

Cultivation of maize in the Rabi (winter) season started in the mid 1960s in pockets of Bihar and South India. Over the last five decades, it has been seen that the yields obtained during the Rabi season have been invariably higher than the Kharif season due to long duration of growth and least infestation of pests and diseases.

In recent years, significant changes have occurred in maize production and utilization due to increasing commercial orientation of this crop and rising demand for diversified end users, especially for feed and industrial uses. This increase has been largely associated with significant genetic enhancement from the area of open pollinated varieties, composites breeding to double and three way hybrids and development in single cross hybrids.

However, with dramatic increase of maize demand in developing world, including India the current trend appears unable to keep pace. The major reasons for this yield gap are:

- Fragmentation of land
- Poor technical knowledge
- Poor economic conditions
- Low availability of quality seeds / organic manure / fertilizers
- Declining soil fertility and water table.

Across the globe, hybrid seeds are increasingly used to improve yield and productivity as they are known to have better resistance than traditional seeds and thereby having better yields. The government continues to promote use of hybrid seeds, as has been evident from various campaigns and subsidies provided.

Through its constant efforts and investments in technology and Research & Development (R&D), Monsanto India Limited (MIL) has been providing improved maize seeds which cater to the requirements of Indian farmers thereby resulting in enhanced crop yields.

Crop Losses

Weeds are a perennial annoyance to farmers as they steal nutrients from crops thereby causing huge losses to productivity. It is therefore imperative for farmers that weeds are adequately managed in the fields.

The vast majority of farmers in India need to employ labour to clear their fields of weeds. It is a common misconception that in recent years this labour is abundant and cheap. Farm labour accounts for about 50 per cent of the total input cost of cultivation. Undertaking weeding at the right time is hence essential to optimize crop productivity.

Herbicides offer options of better control of weeds at an affordable cost with reduced requirement of labour. The use of herbicides in India although low from a global context has seen a steady increase over the years.

Developed after extensive research, MIL's high quality glyphosate has proven its effectiveness to control unwanted weeds in farms thus enhancing yields and bringing greater economic prosperity to the country's farmers.

Illiteracy and Skilled Labour: A significant portion of India's rural population continues to remain illiterate. The low literacy rate coupled with poor economic conditions have resulted in non-adoption of improved production practices.

MIL through its farmer outreach programmes educates farmers with relevant crop management advisories where farmers are provided information about soil and weather conditions, prices, etc.

Other Agricultural inputs

Agriculture is an important sector to fuel economic growth and it needs to be made more attractive. With India's rising population and increasing demand, agriculture will need to witness a revolution and this will only be possible with support from the government. By creating the necessary framework, the Government of India will not only help our farmers improve their socio-economic conditions, they will also enable Indian agriculture prosper eventually resulting in an inclusive development.



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DEKALB® is growing, and the amount of seed we have is limited, from limited external resources. Clearly, India needs to produce more sustainably.

Farmers continue to yearn for technologies. Water choices and increased innovation benefit farmers the most. In any farming system, farmers will need nutrients for plant growth and equipment to control pest attacks, manage weeds, manage crops in drought-like or flood conditions. Farmers will choose those that create value on their farm and in their lives.

Following our agricultural vision, we will surely help create a sustainable ecosystem for a healthy, vibrant Indian agriculture.

Operational Review

DEKALB® hybrid maize seeds

DEKALB® is Monsanto's globally renowned brand of high-yielding hybrid maize seeds. It is known for its rich and diverse maize germplasm pool and breeding expertise and the brand enjoys the supreme trust and confidence of the farming community across the country. DEKALB® hybrids enable farmers to achieve higher productivity and better quality of maize crops while using less natural resources and agricultural inputs.

During the year, the Company continued to develop and offer innovative maize hybrids that adapt effectively to different soil and weather conditions and meet the needs of farmers. Higher yields along with improved quality from DEKALB® hybrids have attracted farmer incomes while addressing the issue of environmental sustainability.

Despite a challenging market environment, the Company's DEKALB® portfolio achieved impressive performance across the 2017-18 crop season. While March and April seasons saw steady sales growth, the Spring season performance was outstanding. The Company grew its Spring season market share by 12% even when overall market demand for maize seeds during the season declined by 25%. The Company's creditable performance for the year can be attributed to the following factors:

- Developing new hybrids that meet evolving requirements.
- Capitalizing on the success of hybrids launched in the previous years.
- Extending portfolio transition to hybrids in the launch and growth phase of the product cycle.
- Making available quality hybrids at various price points.

Beyond providing hybrid seeds, the Company also focuses on developing relationships and connecting with farmers through its Dr. DEKALB programme. Dr. DEKALB offers relevant information to farmers across the entire agricultural cycle – from the time

of buying seeds, planting, crop management and harvesting. Farmers can simply call the designated number and since they are registered on this mobile platform, agronomic advisors are available to them 365 days a year.

The Company launched an umbrella brand campaign, "Seed Your Success" across all crop seasons. This campaign struck an emotional chord with our customers and helped enhance DEKALB®'s brand equity.

The DEKALB® Margdarshak Programme was strategic initiative that aims to guide and train farmers on the right farm products and practices and leverages the leadership trail of the most progressive farmers using DEKALB® hybrids into Margdarshaks. These farmers who serve as brand ambassadors for the DEKALB® brand are provided regular agronomic trainings, weather and market information, access to agriculture innovation and knowledge of DEKALB® hybrids.

The Company continues to invest significantly in Research & Development. In the last couple of years, Monsanto's corn breeding team has transformed the way breeding delivers the products and pipeline. The constant effort is to develop products with better adaptation to local environment with higher yields, disease resistance, tolerance to other biotic and abiotic stresses and better quality.

Roundup®

Roundup® is an environmentally sustainable glyphosate herbicide that provides efficient post-emergent weed control. It offers powerful and consistent weed control resulting in significant cost and resources (labour, time, fertilizer and water) savings. It is primarily used in agriculture and places like orchards, public spaces, alongside railway tracks and garden among others. It has shown proven effectiveness over 300 variants of weeds across 125+ countries.

In FY 2017-18, the Company's Roundup® business continued to maintain its leadership position despite a tough external environment. Irregular rainfall pattern during the year and prolonged drought conditions in specific states impacted the demand for weed management solutions. Adding to the challenge were low-cost herbicides and decline in glyphosate prices from China.

However, Roundup's strong brand equity and robust promotional activities enabled the Company to meet these challenges effectively.

Financial review

The net sales of the Company registered a growth of 4% from ₹ 640.01 crores in 2016-17 to ₹ 667.14 crores in 2017-18.

In the seeds business, the total corn sales increased 14 percent from ₹ 421.12 crores in 2016-17 to ₹ 481.78 crores in 2017-18.

Roundup® sales decreased 16 percent from ₹ 219.79 crores in 2016-17 to ₹ 185.66 crores in 2017-18.

The operating expenses (including depreciation) for the year was higher than the budgeted estimate. In 2017-18, the operating expenses increased by 6 percent from ₹ 208.03 crores in 2016-17 to ₹ 221.31 crores in 2017-18 owing to increase in variable cost-driven by higher sales. Profit after Tax increased by 9 percent from ₹ 151.44 crores in 2016-17 to ₹ 164.56 crores in 2017-18.

Outlook and opportunities

Indian economy is projected to grow at 7.4 percent in 2018 and at 7.8 percent in 2019 mainly due to strong consumption as well as the fading transitory effects of demonetization and implementation of GST.

In the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivize private investment. Favourable indicators such as moderate levels of inflation, anticipated growth of the industrial sector, and the expectation of greater stability in GST could lead to accelerated pace of growth. The expectations of the global community from India's economy to deliver on its potential continued to remain high as the country retained the tag of the "Fastest Growing Economy" in the world.

The government's impetus on structural reforms like "Make in India", investments in Infrastructure & Smart Cities, favourable demographics and lower inflation contributed to this growth. Another factor that is expected to boost growth is the rise in Foreign Direct Investment (FDI) which is primarily due to ongoing improvements in the domestic business conditions and regulatory amendments that encourage higher foreign investor participation.

In April 2018, the India Meteorological Department (IMD) predicted normal monsoons and a low probability of a drought in 2018. This is the third consecutive year when the country's national weather forecaster has predicted normal monsoons. Normal rainfall boosts farm production, resulting in increase in rural demand and support to the overall economy.

In addition to the macro-economic factors, the agriculture sector is bound to grow due to following reasons:

- In March 2018, the Government of India extended the urea subsidy to farmers till 2020 with the primary aim of ensuring supply of urea at statutory controlled prices. Urea

subsidy for 2018-19 is estimated at ₹ 45,000 crore (USD 6.95 billion).

- As of March 2018, the Government is working on a plan to provide air cargo support to promote agriculture exports from India.
- The implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) will be made faster and the government is aiming to increase the coverage under the scheme to 90 percent of gross cropped area in 2018-19.
- The Government of India plans to provide ₹ 2,000 crore (USD 306.29 million) for computerization of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- Around 100 million Soil Health Cards (SHCs) have been distributed in the country during 2015-17 and a soil health mobile app has been launched to help Indian farmers.
- With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGR-UDAAN programme to mentor start-ups and enable them connect with potential investors.
- The Government of India has launched the Pradhan Mantri Koshi Sinchai Yojana (PMKSY) with an investment of ₹ 50,000 crore (USD 7.7 billion) aimed at development of irrigation sources and providing a permanent solution from drought.
- The Government of India plans to triple the capacity of the food processing sector in India from the current 10 percent of agricultural produce and has also committed ₹ 6,000 crore (USD 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 percent FDI in marketing of food products and in food product e-commerce under the automatic route.
- A new platform for selling agricultural produce named e-RaKam has been launched by the Government of India and will operate as a joint initiative of Metal Scrap Trade Corporation Limited and Central Railside Warehouse Company Limited (CRWC).

Competitive Advantage

India has an advantage due to its favourable demographics, varied climate, large agriculture and livestock base, long coast line and inland water resources. In addition, the country has the benefit of low production cost as compared to other Asian and developed countries.



Strong economies: India is witnessing fast pace of growth in its economic activities. In the period of 2015-2019, the country's per capita income is expected to expand at a CAGR of 8.08%. This growth is resulting in higher consumption, leading to further revenues for agriculture and allied products.

Improving storage facilities: Agriculture storage facilities were a major bottleneck in the growth of the sector. Due to continued focus of government and private participation in the sector, agriculture storage capacity in India has grown at a CAGR of 4% between 2014-17 to reach 131.6 million metric tonnes.

Increase in usage of hybrid seeds and other inputs: The govt. farmer has a greater thrust on promoting usage of hybrid seeds in Indian agriculture sector. To encourage private sector involvement in the sector, government provided 25% of the capital cost (subject to a maximum limit of USD 50,000 per unit).

Contract Farming: To achieve the objective of reducing the gap between corporates and primary producers, contract farming mechanism plays an important role. In an effort to protect the farmers against price fluctuations, Niti Aayog has devised a law on contract farming. The law today plays a pivotal role in the sector's growth, as it would induce competition and fair market prices of horticulture produce to farmers through advance agreements.

OPPORTUNITIES SPECIFIC TO MAIZE

Widespread cultivation: In India, maize is the third most grown cereal crop. 15 million farmers are engaged in maize cultivation and it generates employment for more than 850 million people every day across the crop ecosystem.

Diverse applications: Maize is used as food, poultry and livestock feed and also used commercially in the production of starch and ethanol. It is a source for more than 2,500 products including speciality maize like QPM (Quality Protein Maize).

The feed industry is growing at a CAGR of 6-7 percent globally and in India at CAGR of 9 percent. Growing usage of maize in feed and industrial purposes, particularly poultry feed and starch, has fueled the demand for maize.

With a growing population, India would require approximately 45 Million Metric Tonnes of maize by the year 2022.

Cultivation friendly: Maize can be grown in different seasons and requires moderate climate. It consumes less water as compared to other crops such as rice and wheat and it has a higher yield per hectare.

Monsanto India Limited remains committed to creating value for our farmer customers through constant innovation and passionate execution.

RISKS, CONCERNS AND THREATS

Risk and opportunities is an inherent feature of any business. MIL's dedicated risk management team has developed a set of systems and processes to create awareness of potential risks and consequently limit and manage them, while safeguarding business opportunities and strengthening profitability. It believes that risks that are well managed can create opportunities, whereas risks that are not managed or incorrectly managed can disrupt operations and impact growth prospects. This section highlights the principal risks and uncertainties that affect the Company, together with the key mitigating activities in place to manage those risks.

Weather risks: The agriculture business is vulnerable to weather conditions. Droughts, natural calamities or excess rainfall can have negative impact on crop production which in turn can impact the demand for MIL's products. In India, this risk is compounded with only 35 percent of the net sown areas having access to irrigation.

While this risk can never be eliminated, its impact can be minimized through pro-active and prompt responses.

MIL has invested substantial resources in R&D for developing a wide range of high-yielding hybrid portfolio for different seasons and conditions. This ensures that its products are in demand throughout the year. Also, through its advisory services, farmers obtain helpful insights on better and higher crop cultivation. Toll-free number and customized mobile messages are some of the other services extended by the Company to the farming community to enable them to tackle the vagaries of nature effectively.

Macroeconomic risks: Apart from being dependent on natural factors, agriculture is also controlled by macro-economic factors such as global demand and supply, credit policies, commodity prices, interest rates, inflation, wholesale prices etc. These in turn impact the demand and supply for agricultural produce and products.

With over four decades of industry leading experience and trusted relationships with the farming community, your Company is confident of meeting macro-economic challenges effectively. Moreover, the outlook of increased maize production in the coming years to meet the rising requirements from feed industry and industrial applications mitigates the risk of lower demand for your Company products considerably.

Production risk: Production risks are caused by adverse weather, pests, disease, higher raw material prices, human error, regulatory changes, market dynamics and misuse of new technologies. Sale of seeds and agrochemicals, both of which are your Company's products, are directly impacted by production risks.

Proactive measures by MIL, such as exploring new production locations, mechanized operations and improvement of seed process have helped in countering these risks to a considerable extent. In addition, through constant engagement with farmers, the Company educates them on better agronomic practices for harnessing higher yields.

Competition risk: Changes in the competitive landscape, availability of better quality seeds and increase in supply of product options at lower costs may result in loss of market share for the Company.

In India, MIL has set up three state-of-the-art breeding stations to conduct research activities and develop best quality seeds that are resistant to the challenges of adverse weather, difficult soil conditions and crop diseases. Because of its focused efforts, in the last five years the Company could bring to the market numerous successful hybrids.

This commitment to quality inputs at competitive prices has enabled it to manage risks effectively. In addition, over the years, the Company has deepened its connection with farmers by offering them complimentary valuable advice on enhancing productivity and profitability. This has gone a long way in strengthening brand loyalty and thwarting the risk of losing out to competition. Further, the favourable maize landscape in the coming years should protect your Company's business.

Institutional risk: Changes in laws, regulations, policies and other governmental actions relating to agriculture, such as price support, food quality regulations, subsidies, could affect the MIL's operations. With the Company's key business related to manufacture and marketing of hybrid seeds, any negative government policy and decision in this area is bound to impact the Company's performance.

Market data indicates that the hybrid seed market is well poised for growth in the coming years. Moreover, recognizing the imperative to increase agricultural productivity as cultivable land is limited vis-à-vis a growing population, the government is encouraging the use of hybrid seeds in crop cultivation and also providing special incentives to private companies for its research and development. Also, in the face of global climate change, hybrid seeds are emerging as the ideal solution to enhance productivity as they are considered the best quality seeds compatible with local environment.

Human and personal risk: Agriculture business can take a physical and emotional toll on the well-being of employees and farmers as they have to work outdoors under extreme weather conditions. Farmers often travel long distances on tough rural terrain to sell their produce, making them vulnerable to road accidents. Employees too have to make such difficult journeys to educate farmers and spread awareness on Company products.

To mitigate this risk, MIL equips the employees with modern amenities and better information to protect them from such risks. The farming community is extended access to healthcare and education facilities so as to improve their quality of life. Moreover, by embedding international safety practices in its operations, the Company ensures that the employees and farmers can deal with such risks effectively.

Realization risk: The basic raw material glyphosate used in the manufacture of herbicide is imported from China. Over the past few years, the import price of glyphosate has declined considerably. At the same time, the industry has attracted many new entrants who are importing low cost glyphosate and selling the final product of herbicide at low prices in the domestic markets. This stiff competition is exerting a downward pressure on the margins of the Company for its Roundup® brand.

To offset this risk, MIL undertakes significant branding and marketing activities for Roundup® so as to ensure that the brand enjoys a premium positioning in the industry. This enables it to avoid the commodity trap and command a price and competitive advantage.

Foreign currency risk: The Company is exposed to foreign currency risk as the key raw material glyphosate used in the manufacture of the Roundup® is imported. Sharp depreciation in the Indian rupee against major currencies can impact margins.

This risk has been negated to a considerable extent as in recent times with strong economic fundamentals and overall optimism in the growth story of India, the rupee has been performing well and the exchange rate well-maintained.

ADEQUACY OF INTERNAL CONTROL SYSTEMS: MIL follows best in the industry Internal Quality Control Systems, which are governed by detailed SOP's covering all business aspects and ensuring that every single transaction is duly authorized, recorded and reported. The Company strictly adheres to all rules, policy, statutes and laws ensuring that all statutory compliances are thoroughly followed. The Company's Audit Committee reviews and takes suitable actions for any deviation, observation or recommendation suggested by the Internal Auditor, who is an independent auditor mandated to conduct internal audit. The



Company also strictly adheres to environment protection laws. The employees of the Company rigorously follow the Code of Conduct devised for conducting the business of the Company.

HUMAN RESOURCES: The Company is driven by the belief that people are the most valuable asset and the driver of present and future growth. With the Company's products being used in the agricultural sector, the employees need special skills to engage with farming communities located in the rural areas. These skills need to be upgraded on a regular basis to keep pace with evolving technology and, simultaneously, the employees also need to demonstrate commercial orientation.

The HR Department ensures that the employees are given the requisite training to attain the business objectives. The Company's culture is reflected in its larger purpose, which is to improve the lives of all the people connected with it – employees, farmers and the local communities. Aligned in this philosophy of empowering and enriching lives, it puts strong emphasis on personal skill development of its employees and the farmers.

CAUTIONARY STATEMENT

This report contains statements that may be "forward looking" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company's future business development and economic performance. While these "forward-looking" statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. The Company undertakes no obligation to publicly revise any "forward-looking" statements to reflect future likely events or circumstances.

Business Responsibility Report FY 2017-18

Section A: General Information about the Company

Sr. No.	Information	Response
1	Corporate Identity Number (CIN) of the Company	L74999MH1949PLC007912
2	Name of the company	MONSANTO INDIA LIMITED
3	Registered address	Ahura Centre, 5 th Floor, 96, Mahakali Caves Rd, Andheri (E), Mumbai MH 400093
4	Website	www.monsantoindia.com
5	Email id	investorcare.india@monsanto.com
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Pesticides/Herbicides-20211; Hybrid Seeds-01119
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Agriculture Chemicals, Seeds
9	Total number of locations where business activity is undertaken by the Company	5
10	Number of International Locations (Provide details of major 5)	0
11	Number of National Locations	Herbicides: Sy. No. 1, 4 & 5, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi, Silvassa - 396 240, Union Territory of Dadra & Nagar Haveli. Seeds: Sy. No. 303, 303/2, 304, 309, Srivara Village, Moka Road, Bellary - 583 103, Karnataka. * Survey No. 677-679, Village: Lalgodi Malakpet, Shamirpet Mandal, District: Ranga Reddy - 500 078, Andhra Pradesh. * Corn Breeding Station, Village- Batheda Ki Sarai, Post - Daroli, Tehsil - Vallabh Nagar, Dist - Udaipur - 313 001, Rajasthan. * Mega Breeding Station, Kallinayakanahalli, Thondebavi Hobli, Gowribidnur Taluk, Chikballapur District, Karnataka - 561 213.
10	Markets served by the Company - Local/State/National/International	National & International

Section B: Financial Details of the Company

Sr. No.	Information	Response
1	Paid up Capital (INR)	17.26 crore
2	Total Turnover (INR)	667.44 crore
3	Total profit after taxes (INR)	164.56 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.61 crore
5	List of activities in which expenditure in point 4 above has been incurred:	Please refer responses under Principle 8

Section C: Other Details

Sr. No.	Information	Response
1	Does the Company have any Subsidiary Company/ Companies?	No
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(ies)	N/A
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%)	No

Section D: BR Information

Sr. No.	Information	Response
1	Details of the Director/Directors responsible for implementation of the BR policy/policies	
a	Directors' Identification Number	91031445
b	Name	Mr. Sehar Narayan
c	Designation	Chairman
2	Details of BR Head	
a	Directors' Identification Number	06616253
b	Name	Mr. Shiba Shekhar Divakar
c	Designation	Managing Director
d	Telephone number	022-42476450
e	E-mail id	shiba.divakar@monksandpanda.com

Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for:					Yes				
2	Has the policy being formulated in consultation with the relevant stakeholders?					Yes				
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)					Majority of the Company policies are aligned with Monsanto Global policies which incorporate global best practices. The Company is an ISO 9001 certified company and the manufacturing locations are ISO 14001 and OHSAS 18001 certified.				
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?					Yes, Monsanto Global Policies & Monsanto India Limited (MIL) Policies are approved by their respective Boards. Yes, all the policies as approved by the Board are signed by the appropriate Board Director.				
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?					Yes				
6	Indicate the link for the policy to be viewed online?					Policies can be viewed on www.monsanto.com , www.monsandpanda.com				

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?					Yes				
8.	Does the company have in-house structure to implement the policy/policies.					Yes				
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, the Business Conduct Office provides the redressal mechanism for all kinds of grievances.								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	N [†]	Y	Y	Y	Y	Y	Y

*ESH Policy and POSH Policy are displayed at our premises and on our intranet, but aren't available on the website.

† Policy Against Sexual Harassment at Workplace

Governance related to BR

Sr. No.	Information	Response
1.	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 Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company at least once a year.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The requirement to publish an annual BRR became applicable to the Company for the first time in FY 2016-2017. This report serves as the second BRR for MIL.

Section E: Principle-wise performance

Note: Relevant policies of the Company have been indicated under each Principle below. "I" refers to Monsanto India policies, while "G" refers to Monsanto Global policies, which are also applicable to MIL.

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

Policies: Monsanto Code of Business Conduct (G), Insider Trading Policy (I), Monsanto Speak-Up Protocol for India (I)

- 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?

The policy covers all employees of the Company and extends to all other third parties dealing with the Company.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily

resolved by the management? If so, provide details thereof, in about 50 words or so.

No material stakeholder complaint was received by the Company during the past financial year.

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

Policies: Policies under Product Stewardship Commitment (G)

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

Initiatives undertaken for conservation of resources and protection of the environment:-

Silvassa Plant:
1. Replaced traditional tubes lights with LED lights

CLC

4. Terminal street lights were replaced with solar lighting system inside the premises.
5. Implemented sensor system in toilets and canteens to reduce consumption of electricity.
6. Provided training to workers and communities for effective utilization of resources.
7. Constructed new dike wall and repaired damaged dike walls to protect soil/water from pollution.
8. Implemented interlocking between Filling & Capping Machine for better synchronization in operation between both die machines. This helps us to avoid surplus and wastage of material on the filling machine by stopping it whenever the capping machine stops.
9. Implemented Servo Based Capping Machine that require screw cap to rotate with constant torque using controlled servo motor. Capping torque can be set as input by HMI. Actual torque data and efficiency of machine can be displayed. This has led to improvement in capping efficiency and reduction in leakage probability.
10. Use of rps water for process as one of the components of the product is water.
11. Provided Flange Guard for Surfactant Line to avoid spillage or splash of Surfactant in case of Gasket failure and leakage. This helps in mitigating health hazards, emission, generation waste and effluent generation.

Shamirpet plant

1. Replaced CFL lights with LED lights in admin building.
2. Installed 20 KLD Sewage Treatment Plant along with the sprinkler and drip pipes for effective utilization of treated STP water for gardening.
3. Installed digital water flow meters and connected them with Building Management System for effective monitoring system.
4. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of production (optional):
 - a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Sewage plant

- Implementation of Solar and LED lightings have enabled to reduce CO₂ emissions in lighting by over 60%.
- Reduction in usage of domestic water by reuse of rain water (per KL of product produced) by 10% for formulation.
- Reduction in usage of domestic water by reuse of drum washing water (per KL of product produced) by 10% at Unit-3.

Shamirpet plant

- Installation of LED lightings in the admin building has led to a saving of 2000 units of electricity per year, thereby reducing CO₂ emissions in admin lighting by over 20%.
- Treatment of domestic effluents has led to a saving of 1200KL of fresh water per year, thereby meeting 12 % of water requirement of the garden area.
- Reduction during usage by customers (energy, water) has been achieved since the previous year?

Our products are designed to increase the productivity of the farmers by helping them grow more with lesser resources. However we currently do not track the same.

5. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof in 50 words or so.

We have an unwavering commitment towards sourcing our raw materials in a responsible manner. Taking a step further in this direction, we have given CCP85000 training to more than 500 of our employees. As a part of our focus on supplier diversity, we have helped in the development of businesses owned by women entrepreneurs.

Surfactant is a raw material used in our processes. We have shifted from imported surfactant to locally produced surfactant by developing local suppliers. The proximity of these suppliers to our plant has enabled us to move from drums to tankers for transportation of the surfactant. This

has helped to reduce the environmental impact of long distance transportation of the surfactant drums, along with a significant reduction in waste generation.

4. 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?

As part of our effort to achieve supplier diversity, we have tied up with local vendors who help us place differently abled resources in back office jobs. We also engage with 'WeConnect', which is an organization which helps in connecting start-ups, especially the ones that are run by Women Entrepreneurs. Through this engagement these start-ups are given an opportunity to bid along with the existing suppliers in the market. Such organisations have supplied us goods like office stationery and corporate gifts, besides providing services like architectural consultancy and recruitment services. We have also been attending buyer-seller meets where we encourage local producers and provide suggestions for improvement.

As part of our vendor engagement initiative, vendors were invited to the site at the beginning of the year and important information related to safety and environmental requirements was provided to them.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our processes are designed to minimise waste generation. We recycle empty containers (if non-hazardous). Also, our waste cory cobs are sent to biomass power plant as fuel for power generation.

Principle 3: Businesses should promote the wellbeing of all employees

Policies: Monsanto Code of Business Conduct (G), Monsanto Human Rights Policy (G), Policy Against Sexual Harassment at Workplace (I), ESH Policy (I)

- Please indicate the Total number of employees.
We have a total of 257 employees.
- Please indicate the total number of employees hired on temporary/contractual/casual basis.
We have 311 employees hired on temporary/contractual/casual basis.
- Please indicate the Number of permanent women employees.
We have 26 permanent women employees.
- Please indicate the Number of permanent employees with disabilities.
We do not have any permanent employee with disabilities.
- Do you have an employee association that is recognized by management?
We do not have any employee association that is recognized by the management.
- What percentage of your permanent employees is members of this recognized employee association?

Not applicable.

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

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	3	0
3.	Discriminatory employment	None	None

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

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

80% of our employees were given safety & skill up-gradation training in the last year.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Policies: CSR Policy, (i)

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders. The internal stakeholders include the Corporate Engagement team, Legal and Compliance team, ESH (Environment, Safety and Health), Human Rights, Governance Affairs, Procurement, Finance and Supply Chain teams. The external stakeholders include NGOs (Inter-Governmental, Organizational), CSR Consultants, Industry Partners, Public Relations Agencies and the rural communities (farming families including farmers, women and children).

2. Out of the above has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the disadvantaged and vulnerable stakeholders identified by the Company include beneficiaries of the CSR projects, i.e. farming families including farmers, women and children.

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

Our initiatives are guided by the vision "Help Improve Lives by Partnering with Communities to Deliver Lasting Solutions" in the areas where we live and work. Our flagship programs SHARE and DASHA focus on Sustainable Agriculture and Education, Health and Nutrition respectively. Our target beneficiaries are farm families which includes farmers, women and children.

Principle 5: Businesses should respect and promote human rights

Policies: Monsanto Human Rights Policy (G), Monsanto Code of Business Conduct (G)

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?

The policy covers the Company and its business partners.

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

No stakeholder complaint has been received in the past financial year and none are pending as of 31st March 2018.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Policies: ESH Policy, (i)

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

The policy also covers all our employees and also our business partners, vendors and external stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, please refer to the following links: <http://www.monsanto.com/global/en/who-we-are/pages/sustainable-agriculture.aspx>

<http://www.monsanto.com/global/en/our-commitments/pages/climate-change.aspx>

3. Does the company identify and assess potential environmental risks? Y/N

Yes, we do identify and assess potential environmental risks and corresponding improvement plans at our sites are made in principle with PDCA or ISO 14001.

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?

No, the Company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Monsanto has adopted the following goals at a global level:

GOAL: CARBON NEUTRAL OPERATIONS

We have made a commitment to make our footprint carbon neutral by 2021 through operational changes in combination with farmer programs and incentives.

We also have implemented various water conservation measures at our sites like drip irrigation at all owned fields, installing onsite domestic waste water treatment plants and reusing treated waste water for onsite gardening and constructing rainwater harvesting systems.

GOAL: GREENHOUSE GAS INTENSITY

We are working to reduce greenhouse gas emissions from our crop protection operations by 22 percent (per pound of active ingredient) by 2020, relative to our 2010 baseline.

We have installed a 70 kW rooftop solar power plant at our Hyderabad site to harness renewable solar energy and reduce our dependence on fossil fuels. It has helped to save 100000 units of electricity per annum and over the last three years the unit has been able to save 256,064 units. We have also installed a rainwater harvesting system at our Silvassa plant, which helps in recharging over 6000 KL of water per annum.

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

Yes. The air emissions are within the permissible limit as prescribed by Pollution Control Committee (PCC)/CPCB. The hazardous waste generated is within the permissible limits of Authorization for Handling of Hazardous Waste granted by PCC/CPCB. We are member of Treatment Storage Disposal Facility (TSDF) (Gujarat Environment Protection & Infrastructure Limited-Silvassa) where we dispose-off our hazardous waste. We carry out monthly monitoring of air emissions through Ministry of Environment and Forest (MOEF) approved laboratory.

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 have not received any show cause/ legal notices received from CPCB/PCC/SPCB and none are pending as on 31st March 2018.

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

Policies: Monsanto Code of Business Conduct (G), Compliance with U.S. Foreign Corrupt Practices Act and Other Anti-Corruption Laws (G)

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

Yes, we are a member of ASSOCHAM, Crop Life India and Bombay Chamber of Commerce.

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 have supported the chambers to advocate for Economic reforms, inclusive development policies, water and sustainable development policies.

Principle 8: Businesses should support inclusive growth and equitable development

Policies: CSR Policy (I)

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

The key focus areas of our CSR programs include Education, Health & Nutrition and Sustainable Agriculture with key beneficiaries being farmers, farm families, women and children across Maharashtra, Bihar, Silvassa and Uttar Pradesh. Our flagship programs SHARE and DISHA reiterate our commitment to being a socially responsible corporate.

SHARE (Sustainable Harvests- Agriculture, Resources and Environment) focuses on helping farmers and farm families in increasing their household income sustainably through creation of water management and irrigation infrastructure, improving agronomic practices and building market linkages.

which focuses on women and children in the rural communities and aim to improve their health, nutrition and education. We support the mid-day meal program, enable improvement in learning levels of children and facilitate sanitation and safe drinking water facilities for the rural community.

Details of the CSR programs of the Company are described in the table below:

S. No.	CSR Program	Focus Area	Project Geography	NGO Partner
1	DISHA	Education Promoting Science through establishment of 20 Mini Science Centres in government schools – Reaching 5000 children	Nanded (Maharashtra)	United Way of Mumbai
2	DISHA	Education Promoting School Readiness through Early Childhood Education – 10 Anganwadis centres benefiting 1600 children	Aurangabad (Maharashtra)	United Way of Mumbai
3	DISHA	Education Improving learning levels of children from agricultural communities – Reaching 45000+ children across 368 schools	Bunia, Bihar	Deshkal Society
4	DISHA	Health & Nutrition Mid-Day meal support to 7500 children across 102 schools	Lucknow (Uttar Pradesh)	Akshaya Patra Foundation
5	DISHA	Health & Nutrition (Swachh Bharat Abhiyaan) Bihar Sanitation project- Construction of 225 household sanitation units and enhancement of community awareness on health and hygiene through trainings	East Champaran, Bihar	Action for Food Production (AFPRO)

Since 2014, Maysanto became the first agriculture company to sign World Business Council for Sustainable Development (WBCSD) – pledge for Water, Sanitation and Hygiene (WASH), which commits us to implementing access to safe water sanitation and hygiene at the workplace, at an appropriate level of standard for all employees in all premises under our control. As part of this pledge, we have undertaken projects at our sites and in neighbouring communities, depending on the need. Some of the projects include:

- Set up 11 Mini Science Centres
- Set up two water health centres benefiting over 2000 community members
- Refurbished 16 Anganwadis creating a child learning friendly environment.

- Supported Mid-day Meals to 7600 children across 102 schools.
- Facilitated access to drinking water for over 1500 households
- Constructed over 125 individual household sanitation units for the community

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

Our projects are executed in collaboration with diverse NGO partners who execute the project on ground.

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

Yes, we have initiated impact assessment of two of our projects.

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

S. No	CSR Program	Focus Area	Cumulative expenditure as on 31 st March, 2018 (INR Crore)
1	Program DISHA	Education Promoting Science through establishment of 20 Mini Science Centres in government schools	0.36
2	Program DISHA	Education Promoting School Readiness through Early Childhood Education	0.71
3	Program DISHA	Education Improving learning levels of children from agricultural communities	0.30
4	Program DISHA	Health & Nutrition Mid-Day meal support to 7500 children across 102 schools	0.71
5	Program DISHA	Swachh Bharat Abhiyan Bihar Sanitation project- Construction of 225 household sanitation units and enhance community awareness on health & hygiene through trainings	0.40
TOTAL			2.48
ADMIN COSTS			0.13
GRAND TOTAL			2.61

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Our projects are designed to engage with and involve the communities right from inception, thereby creating a sense of ownership. The community has ownership of all the assets developed as a part of the CSR programs and they take care of the maintenance of such assets post the conclusion of the projects. Extensive capacity building programs are undertaken with the community members to create awareness of the project interventions and drive behaviour change. The involvement of the community members throughout the project period ensures a shared ownership and directly impacts the sustainability of the project efforts.

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

Policy: Monsanto Code of Business Conduct (G), Policies under Product Stewardship Commitment (G)

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

There were no customer complaints pending as on the end of financial year FY 2017-18.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

We display product information as mandated by the local laws.

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. If so, provide details thereof, in about 50 words or so.

No case was filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and none are pending as on March 31, 2018.

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

We have multiple formal and informal channels through which we collect customer feedback on a regular basis. This helps us gauge the satisfaction levels of our customers.



Independent Auditor's Report

To The Members of
Monsanto India Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Monsanto India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow, and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters related to the preparation of the Ind AS financial statements in accordance with the provisions of the Companies Act, 2013 ("the Act"), with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position, profit or loss, financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies Indian Accounting Standards Rules, 2015, as amended, and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

- The Indian GAAP financial statements of the Company for the year ended March 31, 2017, were audited by another auditor whose report dated May 5, 2017 expressed an unmodified opinion on those statements.
- The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements are based on the previously issued statutory financial statements prepared

In accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2017 dated May 30, 2016 and May 5, 2017 respectively expressed an unmodified audit opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements - Refer Note 36 to the Ind AS financial statements.
- 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 sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates
(Formerly known as M25K & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No. 101739

Place: Mumbai

Date: May 15, 2018

ANNEXURE A

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOCSANTU INDIA LIMITED

(Referred to in paragraph 11f) under 'Report on Qibbi Legal and Regulatory Requirements' in the Independent Auditors' Report)

Report on the Internal Financial Controls 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 Mocsantu India Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 with generally accepted accounting principles; and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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, 2018, 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.

For M&A & Associates
(Formerly known as MZ&K & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Place: Mumbai

Date: May 15, 2018

Membership No. 101739



ANNEXURE B

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSANTO INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2018

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report)

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The inventory, including stock with third parties, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- (e) The Company has not granted any loans secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the Act). Accordingly, the provisions stated in paragraph 2 (iii) (a) (vii) of the Order are not applicable in the Company.
- (f) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment Companies in accordance with the provisions of section 186 of the Act. Accordingly,

provisions stated in paragraph 2(iv) of the Order are not applicable to the Company.

- (g) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed thereunder.
- (h) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (i) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount in crores	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	109.17#	Assessment year 2008-09 to 2015-16	Commissioner of Income Tax Appeals CIT(A)
Income Tax Act, 1961	Income tax demand	99.61*	Assessment year 2009-10 to 2011-12 to 2012-13	Income Tax Appellate Tribunal (ITAT)

Name of the statute	Nature of dues	Amount in crores	Period to which the amount relates	Forum where dispute is pending
Various State Sales tax laws	Sale Tax/VAT	0.46	Assessment year 2001-03, 2009-10 to 2012-13	Various levels of State Sales Tax Authorities
Central Excise Act, 1944	Excise Duty Demand	0.36	Assessment year 2013-14 to 2014-15	Additional Commissioner of Central Excise
Finance Act, 1994	Service Tax Demand	4.68	Assessment year 2009-10 to 2013-14	Commissioner of Service Tax
Central Sales Tax Act, 1956	Sales Tax	6.93	Assessment year 2010-11 to 2013-14	Various levels of State Sales Tax Authorities

1 74.92 paid under protest

28.08 paid under protest

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in

compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For M&A & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No. 101739

Place: Mumbai

Date: May 15, 2018



Balance Sheet

As at 31st March 2018

Particulars	Note No.	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
I. Assets				
Non current assets				
(a) Property, plant and equipment	6	115.41	96.70	53.94
(b) Capital work-in-progress		0.21	9.30	11.00
(c) Other intangible assets	5	0.47	0.51	0.06
(d) Financial assets				
(i) Other financial assets	7	1.07	1.04	0.90
(e) Deferred tax assets (net)	8 (a)	5.67	0.24	1.90
(f) Non current tax assets (net)	9	109.48	53.60	42.40
(g) Other non-current assets	10	12.16	5.71	8.37
Total non current assets		245.08	167.10	118.60
Current assets				
(a) Biological assets	11	4.99	5.01	1.27
(b) Inventories	12	190.81	122.04	175.87
(c) Financial assets				
(i) Investments	13	311.09	347.93	157.69
(ii) Trade receivables	14	30.91	15.35	17.60
(iii) Cash and cash equivalents	15	13.94	8.93	5.36
(iv) Other bank balances	15	1.34	1.39	1.14
(v) Other financial assets	7	0.02	0.03	0.01
(d) Other current assets	16	37.55	28.78	17.02
Total current assets		590.62	527.38	371.86
Assets classified as held for sale	1E	4.32	4.32	4.90
Total assets		840.02	698.78	525.16
II. Equity and liabilities				
Equity				
(a) Equity share capital	17	17.28	17.28	17.28
(b) Other equity	18	625.13	516.53	398.86
Total current assets		640.39	533.79	416.12
Liabilities				
Non current liabilities				
(a) Provisions	19	8.64	8.63	7.57
Total non current liabilities		8.64	8.63	7.57
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	20	138.03	93.43	49.60
(ii) Other financial liabilities	21	19.41	18.33	15.71
(b) Provisions	19	8.61	14.85	14.03
(c) Other current liabilities	22	31.14	39.75	21.75
Total current liabilities		197.19	156.36	101.17
Total equity and liabilities		840.02	698.78	525.16

See accompanying notes forming part of the financial statements

(43)

As per audit report of even date

For and on behalf of the Board

For MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No.: 109047W

Sekhar Natarajan
Chairman
DIN: 03031445

Shilpa Shridhar Divekar
Managing Director
DIN: 06619353

Bangla Bose
Director
DIN: 07999286

Amrisha Vaidya
Partner
Membership No.: 101733

Pradeep Poddar
Director
DIN: 00025759

H.C. Asher
Director
DIN: 00024663

Monika Gupta
Company Secretary
Membership No.: ACS 24820

Place: Mumbai
Date: May 15, 2018

Saurabh Vaidya
Chief Financial Officer

Statement of Profit and Loss

For the year ended 31st March 2018

Particulars	Note No.	₹ in crores	
		For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Income			
(a) Revenue from operations	23	672.12	645.80
(b) Other income	24	17.22	12.87
(I) Total income		689.34	658.67
Expenses			
(a) Cost of materials consumed and other inputs	25(a)	342.61	259.20
(b) Changes in stock of finished goods, work-in-progress and biological assets	25(b)	(49.43)	30.47
(c) Employee benefits expense	26	54.86	41.50
(d) Finance costs	27	1.35	1.10
(e) Depreciation and amortisation expense	6	12.99	9.06
(f) Other expenses	28	155.02	152.07
(II) Total expenses		517.40	494.40
(III) Profit before exceptional items and tax (I - II)		171.94	164.27
(IV) Exceptional items		1.30	1.29
(V) Profit before tax (III - IV)		170.64	162.98
Tax expense	8 (b)		
(a) In respect of current year		9.52	10.49
(b) In respect of prior years		1.94	(0.61)
(c) In respect of prior year towards minimum alternate tax		(3.07)	-
(d) Deferred tax charge / (credit) excluding minimum alternate tax		(2.31)	1.66
(VI) Total tax expense		6.08	11.54
(VII) Profit after tax (V - VI)		164.56	151.44
Other comprehensive income			
i Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit plans		4.21	(2.01)
ii Income tax relating to items that will not be reclassified to profit or loss		(0.26)	0.12
(VIII) Other comprehensive income for the year, net of tax		3.95	(1.89)
Total comprehensive income for the year (VII + VIII)		168.51	149.55
Earnings per equity share of face value of ₹ 10/- each (In ₹)			
a Basic and diluted	34	99.34	97.74

See accompanying notes forming part of the financial statements

1-43

As per our report of even date

For and on behalf of the Board

For M&A & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

Sekhar Netarajan
Chairman
DIN: 01031445

Shilpa Shridhar Divekar
Managing Director
DIN: 06619359

Bangla Bose
Director
DIN: 07999286

Amrith Vaidya
Partner
Membership No: 101739

Pradeep Poddar
Director
DIN: 00025199

H.C. Asher
Director
DIN: 00024863

Monika Gupta
Company Secretary
Membership No: ACS 24620

Place: Mumbai
Date: May 15, 2018

Saurabh Vaidya
Chief Financial Officer



Statement of Equity

for the year ended 31st March 2018

(A) Equity share capital

	No. of shares	Amount
Balance as at 1 st April 2016	1,72,62,748	17.26
Changes in equity share capital during the year		
Balance as at 31 st March 2017	1,72,62,748	17.26
Changes in equity share capital during the year		
Balance as at 31 st March 2018	1,72,62,748	17.26

(B) Other equity

(₹ in crore)

Particulars	Reserves & Surplus				Total
	Shares options outstanding	Securities premium	General reserve	Retained earnings	
Balance as at 1 st April 2016	3.28	139.40	128.05	126.13	396.86
Add: Profit for the year	-	-	-	157.44	157.44
Less: Other comprehensive income	-	-	-	1.89	1.89
Total comprehensive income for the year	-	-	-	149.55	149.55
Transactions with owners in their capacity as owners	-	-	-	-	-
Less: Dividend paid on equity shares	-	-	-	25.89	25.89
Less: Dividend distribution tax	-	-	-	5.37	5.37
Add: Employee stock option expense	(0.48)	-	-	-	(0.48)
Less: Exercise of share options	0.24	-	-	-	0.24
Balance as at 31 st March 2017	2.56	139.40	128.05	246.52	516.53

(₹ in crore)

Particulars	Reserves & Surplus				Total
	Shares options outstanding	Securities premium	General reserve	Retained earnings	
Balance as at 1 st April 2017	2.56	139.40	128.05	246.52	516.53
Add: Profit for the year	-	-	-	164.36	164.36
Add: Other comprehensive income	-	-	-	3.95	3.95
Total comprehensive income for the year	-	-	-	168.31	168.31
Transactions with owners in their capacity as owners	-	-	-	-	-
Less: Share based payment	-	-	-	0.33	0.33
Less: Dividend paid on equity shares	-	-	-	51.79	51.79
Less: Dividend distribution tax	-	-	-	10.54	10.54
Add: Employee stock option expense	1.49	-	-	-	1.49
Less: Exercise of share options	0.74	-	-	-	0.74
Balance as at 31 st March 2018	3.31	139.40	128.05	352.37	623.13

See accompanying notes forming part of the financial statements.

1-43

As per the report of even date

For and on behalf of the Board

For **MSKA & Associates** (formerly known as **MZSK & Associates**)
Chartered Accountants
Firm Registration No: 105047W

Sekhar Natarajan
Chairman
DIN: 01031445

Shilpa Shridhar Deyekar
Managing Director
DIN: 06613357

Bangla Bose
Director
DIN: 07909286

Anirish Vaidya
Partner
Membership No: 101939

Pradeep Poddar
Director
DIN: 00025109

H.C. Asher
Director
DIN: 00024893

Monika Gupta
Company Secretary
Membership No: ACS24820

Place: Mumbai
Date: May 15, 2018

Saurabh Vaidya
Chief Financial Officer

Statement of Cash Flows

for the year ended 31st March 2018

	for the year ended 31 st March 2018	(£ in crores) For the year ended 31 st March 2017
Cash flows from operating activities		
Profit before tax for the year	170.64	162.98
Adjustments for:		
Depreciation and amortisation of non-current assets	12.99	9.06
Finance costs recognised in profit or loss	1.35	1.10
Impairment loss recognised on trade receivables	1.10	0.47
Interest income recognised in profit or loss	(0.17)	(0.18)
Gain on disposal of property, plant and equipment	0.28	0.60
Dividend income recognised in profit or loss	(15.72)	(11.45)
Net foreign exchange (gain)/loss	(0.15)	0.08
Expense recognised in respect of equity-settled share-based payments (net of settlement)	0.41	(0.48)
	170.73	162.16
Movements in working capital		
Increase in trade receivables	(15.53)	(3.71)
(Increase)/decrease in inventories and biological assets	(70.77)	54.00
(Increase)/decrease in other assets and other financial assets	(20.60)	(3.55)
Decrease in trade and other payables	40.35	43.69
Increase/(decrease) in provisions	10.67	(3.93)
(Decrease)/increase in other liabilities and other financial liabilities	2.39	10.53
	(53.38)	97.03
Cash generated from operations	117.45	259.21
Income taxes paid	(72.65)	(17.83)
Net cash generated by operating activities	44.80	241.38
Cash flows from investing activities		
Payments to acquire financial assets	(838.83)	(766.91)
Proceeds on sale of financial assets	875.21	576.47
Interest received	0.19	0.16
Other dividends received	15.72	11.45
Bank Balances not considered as cash and cash equivalents - Placed (Net)	(0.05)	(0.15)
Proceeds from disposal of Asset held for Sale	-	0.18
Payments for property, plant and equipment	(29.62)	(26.85)
Proceeds from disposal of property, plant and equipment	0.04	-0.02
Net cash (used in)/generated by investing activities	23.16	(205.63)



Statement of Cash Flows

for the year ended 31st March 2018

	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Cash flows from financing activities		
Dividend paid	(54.72)	(25.21)
Tax on Dividend	(10.58)	(5.27)
Interest paid	(4.35)	(1.10)
Net cash used in financing activities	(69.65)	(31.58)
Net increase in cash and cash equivalents	5.01	5.89
Cash and cash equivalents at the beginning of the year	5.92	5.06
Cash and cash equivalents at the end of the year	10.94	10.95

The accompanying notes (No 43) are an integral part of the financial statements.

As per our report of even date:

For and on behalf of the Board

For **MSKA & Associates** (formerly known as **MZSK & Associates**)
Chartered Accountants
Firm Registration No: 35047W

Sekhar Natarajan
Chairman
DIN: 6103443

Shilpa Shridhar Divekar
Managing Director
DIN: 06649353

Bangla Bose
Director
DIN: 04889356

Amrish Vaidya
Partner
Membership No: 101139

Pradeep Poddar
Director
DIN: 00025199

H.C. Asher
Director
DIN: 00024683

Monika Gupta
Company Secretary
Membership No: ACS 24826

Place: Mumbai
Date: May 22, 2018

Saurabh Vaidya
Chief Financial Officer

Notes

forming part of the financial statements for the year ended 31st March 2018

1. Company background:

Monsanto India Limited (the 'Company') was incorporated on December 8, 1949. The Company's corporate office is in Mumbai. The Company is engaged in the business of production and sale of agricultural inputs, namely chemicals and hybrid seeds. It has a chemical production unit at Silvassa, hybrid seeds processing and drying units at Hyderabad and breeding stations at Bangalore and Udaipur.

2. Significant accounting policies:

2.1 Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 3 for the details of first-time adoption exemptions availed by the Company.

Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which included Standards notified under the Companies (Accounting Standards) Rules, 2006.

2.2 Other significant accounting policies:

A. Basis of preparation of financial statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is calculated as per Ind AS 113 using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would

take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

B. Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use as per Ind AS 105. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.



Notes

forming part of the financial statements for the year ended 31st March 2018

C. Property, Plant and Equipment and Depreciation

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost less any recognised impairment loss. Cost includes all costs incurred to bring the assets to their present location and condition. Such properties are classified in the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Vehicles and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the assets are as follows:

Asset type	Range of Useful Life (In Years)
Buildings ^a	30
Plant and Equipment ^a	15
Furniture and Fixtures	10
Office Equipments	5
Vehicles	8
Computers & equipment	3-5

^a Based on technical evaluation, management believes that the useful lives of Dryers should be 20 years as this best represents the period over which the management expects to use the assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

^a Buildings and Plant and Equipments include completed electrical installations. Plant and Equipments also include laboratory equipments. These assets (electrical installations and laboratory equipments) are being depreciated as per useful life specified in Part C of Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

D. Intangible assets and amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful lives of the assets are as follows:

Asset type	Range of Useful Life (In Years)
Computer Software	5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

E. Non-current assets held for sale

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Notes

forming part of the financial statements for the year ended 31st March 2018

Assets classified as held for sale are measured at the lower of carrying amount and the fair value less cost to sell. Such assets are not depreciated or amortised.

F. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units; or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount

that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

G. Inventories:

Inventories are measured at the lower of their cost and net realizable value after providing for obsolescence and other losses.

Costs of inventories comprise all costs of purchase – net of Goods and Services Tax and other costs incurred in bringing the inventory to their present location and condition.

Cost of Raw Materials, Packing Materials and finished goods (traded goods) are determined on weighted average cost basis.

Cost of Work in Progress and Finished Goods (manufactured) inventories are determined by the absorption costing method.

H. Biological assets:

The biological assets of the Company represent the unharvested / standing crops of Corn as on the reporting date.

Ind AS 41, Agriculture, requires that biological assets shall be recognized at its fair value less point of sale costs, except when there is inability to measure fair value reliably.

There are neither observable market prices for these Biological assets nor are there alternative estimates of fair value that are determined to be clearly reliable that give a fair expression of the fair values. Hence, the standing crops of corn are measured at initial recognition and at each financial reporting date at cost. This comprises any cost attributable in bringing Biological assets to its location and condition intended by the management.

I. Research and development expenditure

Expenditure on research is recognised as and when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred.



Notes

Forming part of the financial statements for the year ended 31st March 2018

Items of property, plant and equipment for research and development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment.

J. Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

1. Initial Recognition:

Financial assets:

At initial recognition, financial asset is measured at its fair value plus in the case of a financial asset on a fair value through profit or loss transaction, costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

2. Financial assets:

2.1 Classification and subsequent measurement of financial assets:

Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those measured at amortized cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income, as elected.

3. Subsequent measurement:

3.1 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 amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

3.2 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 fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gain/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

3.3 Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortized cost or fair value through OCI are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gain/(losses) in the period in which it arises.

4. Impairment of financial assets:

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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The Company measures the loss allowance at an amount equal to lifetime expected credit losses. For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet, ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

ii. Derecognition financial assets:

A financial asset is derecognized only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

iii. Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

iv. Income recognition

9.1 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income 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 through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

9.2 Dividends

Dividends on all equity instruments whether measured at FVTOCI or FVTPL, 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.

K. Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.



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All impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

L. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits.

M. Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, discounts, other similar allowances and goods and service tax (GST) as applicable.

Revenue is recognized when it is earned. It can be measured reliably and no significant uncertainty exists as to its realization or collection.

Revenue on sale of products is recognized on delivery or dispatch of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership have been transferred and no effective ownership control is retained.

Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Revenue in respect of interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

N. Foreign currency transactions:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

Transactions in foreign currency (i.e. transaction in a currency other than the Company's functional currency) are recorded at the exchange rate prevailing on the date of the transaction or a later date that closely approximates the rate at the date of the transaction. Exchange differences arising on settlement of revenue transactions are recognised in the statement of profit and loss.

Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of the balance sheet. Gains / losses arising on restatement and on settlement of such assets and liabilities are recognized in the statement of profit and loss.

O. Employee benefits:

Contributions to provident fund, a defined contribution scheme are made as required by the statute and expensed to the statement of profit and loss.

Contributions to superannuation fund, a defined contribution scheme managed by a life insurance company are expensed to the statement of profit and loss.

The Company participates in a group gratuity cum life insurance scheme administered by a life insurance company. Being a defined benefit plan, annual contributions made to the scheme are as per the intimations received from the life insurance company. The Company accounts for liability for future gratuity benefits based on an actuarial valuation by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date. Shortfall if any, between the balance in the fund with life insurance company and the actuarial valuation is expensed to the statement of profit and

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loss. The actuarial gains and losses are recognized in Other Comprehensive Income which gets reflected immediately in retained earnings and is not reclassified to the statement of profit and loss.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by an employee is recognized during the period when the employee renders the service.

The liability for compensated absences is another long-term benefit and is wholly unfunded. The liability for number of days of unused leave at each Balance Sheet date is provided for based on an independent actuarial valuation. The actuarial gains and losses are recognized immediately in the statement of profit and loss.

P. Share based payment transactions:

The Company does not provide any equity-based compensation to its employees. However, the parent Company, Monsanto Company, USA (the grantor / parent company) has established the Monsanto Company Long Term Incentive Plan in which eligible employees of the Company participate. Eligible employees are granted stock options (SO's) and restricted share units (RSU's), which vest over a period of 3 years from the date of the grant.

Employee Stock Options (SO's) and restricted share units (RSU's) issued by the parent company are accounted for as equity-settled as the Company has no obligation to settle the share-based payment transaction and the shares granted are of parent Company. Company recognises the expense over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied, based on the fair value of the SO's/RSU's as determined on the grant date. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to other equity.

In case where there is a recharge from the parent company, the Company will account for the same as an adjustment to other equity.

Q. Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has only operating leases.

Company as Lessor:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Company as Lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

R. Provisions, contingent liabilities and contingent assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main



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related to those related to it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

5. Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized,

based on tax rates valid tax laws that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

T. Earnings per share:

The Company Reports Earnings Per Share (EPS) in accordance with Ind AS 33 on Earnings Per Share. Basic EPS is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

U. Cash flow statement:

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statement and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consists of cash in hand, balances with banks in current accounts and demand deposits with banks with original maturity less than 3 months.

V. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

3. First-time adoption – mandatory exceptions and optional exemptions:

3.1 Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition

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is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions available by the Company as detailed below:

3.2 Exceptions applied:

3.2.1 Use of estimates:

The estimates at April 1, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

3.3 Exemptions applied:

3.3.1 Deemed cost for property, plant and equipment and intangible assets

The Company has elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of April 1, 2016 (transition date) as deemed cost.

4. Critical Accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

4.1 Useful lives of property, plant and equipment and intangible assets

The Management reviews the estimated useful lives and residual value of Property, plant and equipment at the end

of each reporting period. The factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

4.2 Impairment of property, plant and equipment and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value; in such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

4.3 Agriculture activity / Biological asset

The biological assets of the Company represent the unharvested / standing crops of Corn as on the reporting date.

Ind AS 41, Agriculture, requires that biological assets shall be recognized at its fair value less point of sale costs, except when there is inability to measure fair value reliably.

There are neither observable market prices for these Biological assets nor are there alternative estimates of fair value that are determined to be clearly reliable that give a fair expression of the fair value. Hence, the standing crops of corn are measured at initial recognition and at every



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Financial Reporting Code of India. This comprises any cost attributable in bringing Biological assets to its location and condition intended by the management.

4.4 Inventory obsolescence

Provision for inventory obsolescence is based on the management's review considering historical trend and market conditions.

4.5 Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, assessed upon the future timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

4.6 Employee benefits obligation

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.7 Contingent liabilities

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

5. Standards issued but not yet effective:

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are discussed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of Amendment. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115 Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

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6. Property, plant and equipment and intangible assets

Particulars	Gross block (At deemed cost)				Depreciation		Net block	
	As at 1 st April 2017	As at Additions	Deletions	As at 31 st March 2018	For the year	Deletions	As at 31 st March 2018	As at 31 st March 2018
A. Property, plant & equipment								
Land	12.95	-	-	12.95	-	-	-	12.95
Buildings	34.68	2.76	0.26	37.18	2.18	0.08	3.56	33.62
Plant and equipment	46.00	17.94	0.40	64.44	7.33	0.79	11.06	53.38
Furniture and fixtures	2.35	0.28	0.15	2.48	0.37	0.15	0.65	1.83
Office equipment	4.31	0.22	0.09	4.44	0.73	0.00	1.19	3.25
Vehicles	1.86	6.90	-	8.76	0.76	-	0.92	7.84
Computers & equipment	1.54	3.86	0.01	5.39	1.52	0.01	2.79	2.60
Total Property, plant & equipment	104.59	31.96	0.91	135.64	12.89	0.61	20.17	115.47
B. Intangible assets								
Softwares	0.55	0.06	0.02	0.59	0.10	0.02	0.12	0.47
Total Intangible assets	0.55	0.06	0.02	0.59	0.10	0.02	0.12	0.47

Particulars	Gross block (at deemed cost)				Depreciation		Net block	
	As at 1 st April 2016	As at Additions	Deletions	As at 31 st March 2017	For the year	Deletions	As at 31 st March 2017	As at 1 st April 2018
A. Property, plant & equipment								
Land	12.95	-	-	12.95	-	-	-	12.95
Buildings	25.41	9.88	0.61	34.68	1.72	0.26	3.22	25.41
Plant and equipment	39.71	0.12	0.93	40.90	4.03	0.66	4.02	36.71
Furniture and fixtures	1.68	0.79	0.12	2.35	0.54	0.11	0.43	1.58
Office equipment	2.26	2.05	-	4.31	0.54	-	0.54	2.26
Vehicles	1.32	0.64	0.10	1.86	0.26	0.10	0.16	1.32
Computers & equipment	0.66	0.88	-	1.54	1.28	-	1.28	0.66
Total Property, plant & equipment	83.99	22.36	1.76	104.59	9.63	1.13	7.89	83.99
B. Intangible assets								
Softwares	0.06	0.49	-	0.55	0.04	-	0.04	0.06
Total Intangible assets	0.06	0.49	-	0.55	0.04	-	0.04	0.06

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(₹ in crores)

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
7 Other financial assets						
Financial assets at amortised cost						
Accrued interest	-	0.03	-	0.03	-	0.01
Security deposits						
Unsecured, considered good	1.07	-	1.04	-	0.98	-
Total other financial assets	1.07	0.02	1.04	0.03	0.98	0.01

(₹ in crores)

Particulars	For the Year ended 31 st March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
8 (a) Deferred tax				
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	5.23	0.14	-	5.37
Other expenditure allowable on payment basis	(0.10)	2.11	-	2.01
Provision for doubtful debts and advances	0.28	(0.17)	-	0.11
Minimum Alternate Tax	-	3.07	-	3.07
Others	(0.17)	0.17	-	-
Net tax asset / (liability)	5.24	5.35	-	10.59

(₹ in crores)

Particulars	For the Year ended 31 st March 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	0.31	(0.08)	-	0.23
Other expenditure allowable on payment basis	1.33	(1.43)	-	(0.10)
Provision for doubtful debts and advances	0.43	(0.15)	-	0.28
Others	(0.17)	-	-	(0.17)
Net tax asset / (liability)	1.90	(1.66)	-	0.24

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Particulars	(₹ in crores)	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
8(b) Current tax and deferred tax		
(a) Income tax recognised in profit or loss		
Current tax:		
In respect of current year	9.52	10.49
In respect of prior years	1.94	(0.61)
In respect of prior year towards minimum alternate tax	(3.02)	-
Deferred tax:		
In respect of current year	(2.31)	1.66
Total income tax expense recognised in the current year	6.08	11.54
(b) Income tax recognised in other Comprehensive income		
- Income tax relating to items that will not be reclassified to profit or loss	(0.26)	0.12
Total	(0.26)	0.12
(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:		
Profit before tax from continuing operations	170.64	162.98
Income tax expense calculated at 34.61% (previous year 34.61%)	59.07	56.40
Effect of income that is exempt from taxation	(51.16)	(48.28)
Effect of expenses that is non-deductible in determining taxable profit	0.42	3.78
Others	(1.12)	1.08
Changes in estimates related to prior years	-	(0.83)
Total (A)	7.21	12.15
Adjustments recognised in the current year in relation to the current tax of prior years (B)	1.13	0.61
Charge in respect of previous year	(1.94)	0.61
Unrecognised MAT Credit	3.07	-
Income tax expense recognised in profit and loss (A) - (B)	6.08	11.54

The tax rate used for the year 2016 - 17 and 2017 - 18 reconciliations above is the corporate tax rate of 34.608% (30% + surcharge @ 12% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

Particulars	(₹ in crores)		
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
9 Non-current tax assets (net)			
Advance tax	259.08	158.42	147.05
Less: Provision for tax	(149.60)	(104.82)	(104.69)
Advance tax (net of provisions)	109.48	53.60	42.40



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Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
10 Other assets						
Capital advances	-	6.37	-	5.70	-	-
Balances with government authorities (other than income taxes)	-	13.71	-	1.45	-	1.58
Advance payment towards gratuity fund	11.16	-	8.39	-	6.80	-
Prepaid expenses	0.25	2.01	0.48	2.06	2.45	1.51
Advance to suppliers	-	19.36	-	16.66	-	8.04
Advances to employees	0.15	0.81	0.85	0.28	0.93	0.24
Recoverable from related parties (refer note 13)	-	0.67	-	3.61	-	3.37
Total other assets	12.16	37.55	5.11	28.78	8.27	17.03

Particulars	(₹ In Crores)
11 Biological assets	
Reconciliation of carrying amount	
Balance at 1 st April, 2016	3.27
Addition to unharvested seeds	3.01
Decreases due to harvested seeds transferred to inventories	(3.27)
Balance at 31st March 2017	3.01
Addition to unharvested seeds	4.39
Decreases due to harvested seeds transferred to inventories	(3.01)
Balance at 31st March 2018	4.39

The biological assets of the Company represent the standing crops of corn as on the reporting date.

There are neither observable market prices for these biological assets nor are there alternative estimates of fair value that are determined to be clearly reliable that give a fair expression of the fair values. Hence, the standing crops of corn are measured at initial recognition and at each financial reporting date at cost. This comprises any cost attributable in bringing biological assets to its location and condition intended by the management.

Risk management strategy related to agricultural activities

The Company is exposed to the following risks relating to corn seeds cultivation:

Regulatory and environmental risk

The Company is subject to laws and regulations in India and is required to comply with local environmental and other laws.

Supply and demand risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of corn. Management performs regular industry trend analysis for projected harvest volumes and pricing to manage this risk.

Notes

Forming part of the financial statements for the year ended 31st March 2018

Climate and other risk

The Company's corn plantations are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including preventive pest and disease sprays, regular inspection of crops in its growth phase, regular weather monitoring and mitigating measures.

(₹ in crores)			
Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
12 Inventories			
(a) Raw materials	25.67	5.42	28.12
(b) Work-in-progress	114.73	73.68	82.87
(c) Finished goods	43.65	36.83	59.86
(d) Others (packing material)	6.77	6.11	4.92
Total inventories (at lower of cost and net realisable value)	190.82	122.04	175.77
Included above, goods-in-transit:			
(i) Raw materials	8.64	-	-

(₹ in crores)						
Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	No. of units	Amounts	No. of units	Amounts	No. of units	Amounts
13 Investments						
Investments measured as fair value through profit and loss						
Unquoted investments (all fully paid) in Mutual Funds						
Liquid funds: Daily Dividend:						
1. ICICI Prudential Liquid Fund Regular Plan	10,077,320	100.98	11,800,566	118.12	5,521,254	55.25
2. Birla Sun Life Cash Plus Regular Plan	10,656,804	106.86	11,932,877	119.56	5,464,162	54.75
3. Reliance Liquid Fund	574,755	103.21	221,178	110.25	210,651	47.49
Total investments		311.05		347.93		157.49
Aggregate book value of:						
Quoted investments		-		-		-
Unquoted investments		311.05		347.93		157.49
Aggregate fair value of:						
Quoted investments		-		-		-
Unquoted investments		311.05		347.93		157.49
Aggregate amount of impairment in value of investments		-		-		-

Notes

Forming part of the financial statements for the year ended 31st March 2016

Particulars	IN LAKHS		
	As at 31 st March 2016	As at 31 st March 2015	As at 1 st April 2015
13 Trade receivables			
Trade receivables:			
(a) Unsecured, considered good	30.91	15.35	11.60
(b) Doubtful *	2.74	3.09	0.42
Less: Allowance for doubtful trade receivable	(2.74)	(3.09)	(0.42)
Total trade receivables	30.91	15.35	11.60
Of the above, trade receivables from:			
- Related parties	2.54	0.43	0.43
- Others	28.37	14.92	11.17
Total trade receivables	30.91	15.35	11.60
14 Cash and bank balances			
Cash and cash equivalents			
(a) Balances with banks	1.05	3.11	1.98
(b) Deposits with original maturity or less than three months	12.08	5.82	3.38
Total cash and cash equivalents	13.13	8.93	5.36
Other bank balances			
(a) Unpaid dividend account	0.20	0.83	0.54
(b) Balances held as margin money against guarantees with original maturity of more than three months and less than twelve months	0.84	0.86	0.50
Total other bank balances	1.04	1.29	1.04
15 Assets classified as held for sale			
Land held for sale (refer note below)	0.23	0.21	0.23
Plant & Machinery held for sale (refer note below)	0.50	0.50	0.88
Buildings held for sale (refer note below)	3.59	3.59	3.78
Total assets classified as held for sale	4.32	4.32	4.90

Note:

The Company has closed its manufacturing operations at Bellary consisting of land, plant & equipment and building. Management is in the process of disposal of such assets which have been recorded at lower of carrying amount and fair value less cost to sell under "asset classified as held for sale". Management expects the process of sale to be completed within 12 months from 31st March 2016.

Notes

forming part of the financial statements for the year ended 31st March 2018

(₹ in crores)

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
17. Equity share capital						
Authorised:						
Equity shares of ₹ 10 each with voting rights	20,000,000	20.00	20,000,000	20.00	20,000,000	20.00
Issued and Subscribed :						
Equity shares of ₹ 10 each with voting rights	17,263,048	17.26	17,263,048	17.26	17,263,048	17.26
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10 each with voting rights	17,262,748	17.26	17,262,748	17.26	17,262,748	17.26
Total		17.26		17.26		17.26

Rights, preferences and restrictions attached to equity shares :

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- Every member of the Company holding equity shares is eligible for one vote per share held.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013, as applicable.
- Monsanto company USA, the ultimate holding company has certain rights enshrined in the Articles of Association pertaining to appointment of Directors.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	As at 31 st March 2018		As at 31 st March 2017	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	17,262,748	17.26	17,262,748	17.26
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	17,262,748	17.26	17,262,748	17.26

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of equity shares
As at 31st March 2018	
Monsanto Company USA, the ultimate holding company	2,316,920
Monsanto Investments India Private Limited, the holding company	10,137,124
Total	12,454,044
As at 31st March 2017	
Monsanto Company USA, the ultimate holding company	2,316,920
Monsanto Investments India Private Limited, the holding company	10,137,124
	12,454,044
As at 1st April 2016	
Monsanto Company USA, the ultimate holding company	2,316,920
Monsanto Investments India Private Limited, the holding company	10,137,124
	12,454,044



Notes

forming part of the financial statements for the year ended 31st March 2018

(iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares						
Monsanto Company USA, the ultimate holding company	2,316,920	15.42%	2,316,920	15.42%	2,316,920	15.42%
Monsanto Investments India Private Limited, the holding company	10,137,124	58.72%	10,137,124	58.12%	10,137,124	58.12%

(iv) Aggregate number and class of shares allotted as fully paid up bonus shares for a period of 3 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares					
	As at 31 st March 2018	As at 31 st March 2017	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013
Equity Shares of face value of ₹ 10/- each	-	-	-	-	-	300

(v) Shares reserved for issue under commitment :

500 shares are the subject matter of disputes / court proceedings, the Company has not therefore been able to issue / allot rights and bonus shares entitlements to holders.

(F in crore)

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
16 Other equity			
General reserve	128.05	128.05	128.05
Securities premium	139.40	139.40	139.40
Share options outstanding			
Balance at the beginning of the year	2.56	3.28	3.28
Add: Employee stock option expense	1.49	(0.40)	-
Less: Stock options exercised	0.54	0.24	-
Closing balance	3.51	2.56	3.28
Surplus in the Statement of Profit and Loss			
Opening balance	246.52	128.13	89.62
Add: Profit for the current year	184.56	151.44	100.84
Add: Adjustments			
Re-measurement (gain/loss) on post employment benefit obligation (net of tax)	3.93	-	-
Less: Adjustments			
Re-measurement (gain/loss) on post employment benefit obligation (net of tax)	-	1.89	-
Share based payment	0.33	-	-
Interim dividend	51.79	25.85	51.79
Tax on interim dividend	10.54	5.27	10.54
Closing balance	352.37	246.52	128.13
Total other equity	623.13	516.53	358.86

Notes

forming part of the financial statements for the year ended 31st March 2018

Description of nature and purpose of each reserve

General Reserve - General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Securities Premium Reserve - When the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Company may issue fully paid up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

Share options outstanding account relates to stock options granted by the ultimate holding company to employees under an employee stock options plan. Refer Note 26 for share based payments

(₹ in crores)

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
19 Provisions						
(a) Provision for employee benefits						
(i) Compensated absences	6.64	0.45	8.63	0.26	7.87	0.25
(ii) Provision for taxation (net of advance tax of ₹ 5.01 Crores, previous year ₹ 32.44 Crores)	-	0.16	-	5.59	-	2.45
(b) Other provisions						
(i) Marketing schemes (refer note below)	-	8.00	-	9.00	-	11.33
Total provisions	6.64	8.61	8.63	14.85	7.87	14.03

Details of movement in other provisions is as follows:

Particulars	Marketing Schemes
Balance at 1 st April 2016	11.33
Additional provisions recognised	4.46
Amounts used during the period	(6.79)
Balance at 31st March 2017	9.00
Balance at 1 st April 2017	9.00
Additional provisions recognised	8.54
Amounts used during the period	(5.54)
Balance at 31st March 2018	8.00

Marketing schemes

Provision has been made for expected Marketing Schemes floated for customers/consumers based on the management estimates of the future outflow based on sales.

Notes

forming part of the financial statements for the year ended 31st March 2018

Particulars	₹ in crores		
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
20 Trade payables			
Current			
Trade payable – Micro and small enterprises (refer note 41)	–	0.38	0.44
Trade payable – Other than micro and small enterprises	132.83	93.17	80.24
Total trade payables	132.83	93.45	80.68
Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. The average credit period on purchase of goods and services is in the range of 15 to 45 days and generally is charged on the outstanding balance.			
Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). There is no interest payable or paid to any suppliers under the said Act.			
21 Other current financial liabilities			
Other financial liabilities measured at amortised cost			
(a) Security deposit	15.12	14.23	11.83
(b) Unpaid dividend	8.79	2.63	8.54
(c) Liability towards employees	3.52	3.37	5.43
Total other current financial liabilities	19.41	18.93	16.71
22 Other current liabilities			
(a) Advances received from customers	25.82	27.36	14.68
(b) Statutory dues (Tax deducted at source, provident fund etc)	5.31	7.19	7.07
Total other current liabilities	31.14	29.75	21.75

Particulars	₹ in crores	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
23 Revenue from operations		
(a) Revenue from sale of products (net of returns)	667.44	640.91
(b) Other operating revenue	4.89	4.89
Total revenue from operations	672.12	645.80
(a) Sale of products		
i. Agriculture chemicals	185.68	213.79
ii. Seeds	481.76	427.12
	667.44	640.91
(b) Other operating revenue		
i. Royalty income	3.50	4.17
ii. Tolling income (net)	1.18	2.72
	4.68	4.89

Notes

forming part of the financial statements for the year ended 31st March 2018

Particulars	(₹ in Crores)	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
24 Other income		
(a) Interest income on financial assets at amortisation cost		
Fixed Deposit	0.17	0.18
(b) Dividend income from current investments	15.72	11.45
(c) Other non operating income	1.33	1.24
Total other income	17.22	12.87
25(a) Cost of materials consumed and other inputs		
Opening stock	5.42	26.12
Add: Purchases	150.04	101.47
	155.46	129.59
Less: Closing stock	25.67	5.42
Raw materials consumed	129.79	124.17
(b) Seed grower payments and other inputs	190.57	116.07
(c) Packing material consumed	22.25	18.96
Total cost of material consumed and other inputs	342.61	259.20
Cost of material consumed and other inputs above, includes research & development expenses of ₹ 3.42 Crores (Previous Year ₹ 4.02 Crores).		
25(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	43.65	36.83
Biological assets	4.99	3.01
Work-in-progress	114.73	73.68
	163.37	113.52
Inventories at the beginning of the year:		
Finished goods	36.83	59.86
Biological assets	3.01	3.27
Work-in-progress	73.68	82.87
	113.52	146.00
(Increase/decrease in excise duty on finished goods)	0.42	(2.01)
Net (increase) / decrease	(49.43)	30.47
26 Employee benefits expense		
(a) Salaries and wages, including bonus	47.48	37.75
(b) Contribution to provident and other funds	5.32	3.77
(c) Share-based payment transactions expenses		
Equity-settled share-based payments	1.49	(0.48)
(d) Staff welfare expenses	0.57	0.46
Total employee benefits expense	54.86	41.50

Employee Benefit expenses above, includes research & development expenses of ₹ 7.78 Crores (Previous Year ₹ 5.64 Crores).

Notes

Forming part of the financial statements for the year ended 31st March 2018

Share based payment expenses

The Company does not provide any equity-based compensation to its employees. However, the parent Company, Monsanto Company, USA ("the grantor"/"parent company") has established the Monsanto Company Long Term Incentive Plan in which eligible employees of the Company participate. Eligible employees are granted stock options (SO's) and restricted share units (RSU's), which vest over a period of 3 years from the date of the grant.

Employee Stock Options (SOs) and restricted share units (RSUs) issued by the parent company are accounted for as equity-settled as the Company has no obligation to settle the share-based payment transaction and the shares granted are of parent Company. Company recognises the expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, based on the fair value of the SO's/RSUs, as determined on the grant date. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to Other Equity.

In case where there is a recharge from the parent company, the Company will account for the same as an adjustment to Other Equity.

Details of outstanding restricted share units and stock options as at 31st March 2018 :

Particulars	No of shares	Fair value at Grant Date (in ₹)
Restricted share Units		
Granted in FY 15-16	1,197	5950
Granted in FY 16-17	3,763	6825-7380
Granted in FY 17-18	2,507	7853
Total (A)	7,467	
Stock Options		
Granted in FY 08-09	200	1848
Granted in FY 10-11	771	388
Granted in FY 11-12	855	8870-1092
Granted in FY 12-13	1,455	1104-1158
Granted in FY 13-14	1,748	1404-1882
Granted in FY 14-15	3,430	1451-1557
Granted in FY 15-16	4,434	1343-1515
Granted in FY 16-17	80	1570
Total (B)	12,973	
Grand total (A) + (B)	20,440	

Movement in Share Options	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Equity-settled share-based payments	No of shares	No of shares
Outstanding at the beginning of the period	20,216	32,552
Granted during the period	2,507	4,716
Transferred in/out during the period	1,142	(4,852)
Exercised during the period	(3,425)	(12,402)
Outstanding at the end of the period	20,440	20,216

Notes

forming part of the financial statements for the year ended 31st March 2018

Details of stock options exercised during the year ended 31st March 2018

Particulars	No. of shares	Fair value at Grant Date (in ₹)
Granted in FY 07-08	220	5,513
Granted in FY 11-12	47	4,856
Granted in FY 12-13	297	5,829
Granted in FY 13-14	340	6,880
Granted in FY 14-15	1,351	7,549
Granted in FY 15-16	170	6,931
Granted in FY 16-17	1,000	7,604
Total	3,425	

Each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the (Option pricing model) used for the years ended (during current year there are no grants of stock options)

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Expected volatility (%)	-	29.20%
Expected life of the options	-	7 Years
Risk-free interest rate (%)	-	1.40%
Grant year	-	FY 2016 - 17
Expiry year	-	FY 2026 - 17
Expected dividends (%)	-	2.30%

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
		(₹ in crores)
27 Finance costs		
(a) On Security deposits	1.10	1.04
(b) On delayed payment of taxes	0.25	0.06
Total finance costs	1.35	1.10
28 Other expenses		
Manpower & labour charges	21.77	17.13
Stores consumed	0.55	0.36
Power & fuel	7.18	5.43
Rent including lease rentals	10.22	10.83
Repairs and maintenance - Buildings	0.36	0.26
Repairs and maintenance - Machinery	3.38	3.55
Repairs and maintenance - Others	0.44	0.34
Insurance	1.44	1.10
Rates and taxes	9.79	7.38
Freight outward	22.06	21.43
Travel and entertainment	10.89	7.69
Vehicle expenses and hire charges	8.03	6.51

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forming part of the financial statements for the year ended 31st March 2018

Particulars	₹ in crores	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Loss on sales of fixed assets (net)	0.26	0.60
Advertisement & promotion expenses	10.62	8.72
Commission and royalty	11.17	7.84
Provision for doubtful trade receivables	1.76	2.67
Consultancy fees	10.66	10.03
Foreign exchange loss (net)	-	0.27
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013	2.61	3.58
Excise duty on sale of products	9.16	27.26
Miscellaneous expenses	12.41	10.07
Total other expenses	155.02	153.07
Payment to Auditors		
Audit fees	0.12	0.21
Tax audit	0.03	0.05
Other services	0.05	0.05
Total	0.20	0.31

Other expenses includes research & development expenditure, the details are given below :

Particulars	₹ in crores	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Advertising and Promotion	-	0.01
Consultancy Fees	0.18	0.06
Consumption of Stores and Spare parts	0.11	0.08
Depreciation and amortisation expense	8.05	2.68
Freight, Forwarding Charges	0.77	0.97
Insurance	0.23	0.13
Manpower and labour Charges	4.61	4.09
Loss on sale/disposal of fixed assets (net)	-	0.10
Power and Fuel	2.16	2.64
Rates and Taxes	1.32	1.20
Rent	1.19	0.70
Repairs and Maintenance	0.43	0.62
Travel and Entertainment	1.67	1.90
Vehicle Expenses and Hire Charges	3.03	1.66
Miscellaneous Expenses	1.01	0.77
Total	21.05	17.33

Notes

forming part of the financial statements for the year ended 31st March 2018

29 Financial instruments

Capital management

The Company funds its operations mainly through initial equity capital contribution from the parent and later through efficient working capital management and retained earnings. The Company's capital management strategy is to ensure adequate capital base to sustain its business as a going concern and invest in the growth of the business for generating sustained stakeholder value.

The capital structure of the Company comprises only of Equity (Share Capital and other equity reserves) as disclosed in the Statement of Changes in Equity. It does not have any long-term debt obligation.

There is no change in the overall capital risk management strategy of the Company compared to last year.

Categories of financial assets and financial liabilities

(₹ in crores)

Particulars	As at 31 st March 2018			As at 31 st March 2017			As at 1 st April 2016		
	Amortised Costs	FVTPL	Total	Amortised Costs	FVTPL	Total	Amortised Costs	FVTPL	Total
Non-current assets									
Other financial assets	1.07	-	1.07	1.04	-	1.04	0.98	-	0.98
Current assets									
Investments	-	311.05	311.05	-	347.93	347.93	-	157.49	157.49
Trade receivables	30.91	-	30.91	15.35	-	15.35	11.60	-	11.60
Cash and cash equivalents	13.94	-	13.94	8.93	-	8.93	5.36	-	5.36
Other bank balances	1.34	-	1.34	1.29	-	1.29	1.14	-	1.14
Other financial assets	0.02	-	0.02	0.03	-	0.03	0.01	-	0.01
Total	47.28	311.05	358.33	26.64	347.93	374.57	19.09	157.49	176.58
Current liabilities									
Trade payables	133.83	-	133.83	93.43	-	93.43	49.68	-	49.68
Other financial liabilities	19.41	-	19.41	18.33	-	18.33	15.71	-	15.71
Total	153.24	-	153.24	111.76	-	111.76	65.39	-	65.39

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company has adequate risk management policies to ensure timely identification and evaluation of risk setting acceptable thresholds, identifying and mapping controls against these risks, monitoring the risks and their limits.

Credit Risk

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining collaterals (such as Security Deposit) as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit ratings of its counterparties are continuously monitored based on the counterparty's past performance and business dynamics. Credit exposure is controlled by counterparty limits that are reviewed and approved by the credit risk and monitoring team at regular intervals.



Notes

forming part of the financial statements for the year ended 31st March 2018

Trade receivables consist of a large number of customers, spread across the country, primarily in bulk trade. Ongoing credit evaluation is performed on the financial condition and performance of accounts receivable. The average credit period is about 60 days. The Company's trade and other receivables consists of a large number of customers, hence the Company is not exposed to concentration risk.

The credit risk on mutual funds is limited because the Company invests in large and consistently performing fund houses with high credit ratings assigned by international credit agencies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties for years ended March 2018, March 2017 and as on 1 April 2016 because it has evaluated their credit-risk as low considering the financial stability of the ultimate parent.

There is no change in estimation techniques or significant assumptions during the reporting period.

Ageing of trade receivables	(₹ in crores)			
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016	Expected credit loss %
Within the credit period	59.85	44.68	28.68	0%
1 - 90 days past due	21.06	14.56	9.46	0%
90 - 180 days past due	8.33	3.76	3.19	3%
180 - 360 days past due	0.64	3.62	9.27	40%
More than 365 days past due	2.22	0.64	0.73	100%
Accrued towards discounts	(50.19)	(53.63)	(33.66)	
Total trade receivables	30.91	15.35	11.61	

Reconciliation of loss allowance provision for Trade Receivables

Particulars	(₹ in crores)	
	As at 31 st March 2018	As at 31 st March 2017
Balance as at beginning of the year	3.00	0.42
Net provision created in the year based on expected credit losses model	1.10	2.89
Amounts written off during the year as uncollectible	(1.45)	(0.22)
Balance at end of the year	3.74	3.09



Notes

forming part of the financial statements for the year ended 31st March 2018

Liquidity Risk

(i) Liquidity risk management

Company manages the day-to-day operations and liquidity position. The Company has been consistently on a net cash position, having restricted its long term liabilities to minimal. Investments are made only in high rated debt-oriented mutual funds to ensure quick access withdrawal in order to meet urgent fund requirements. The Company enjoys favourable ratings and risk profile with its bankers, giving it access to credit from the bank, if needed. The Treasury team also manages liquidity by continuous monitoring of the actual and forecasted cash flows.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in crores)

Particulars	Weighted Average effective Interest Rate	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Carrying Amount
	INR	INR	INR	INR	INR	INR
Non-derivative financial liabilities						
31-Mar-18						
Non-interest bearing (Trade payables)	-	133.83	-	-	-	133.83
Fixed interest rate instruments (Security Deposits from customers)	6%	15.19	-	-	-	15.19
Total		149.02	-	-	-	149.02
31-Mar-17						
Non-interest bearing (Trade payables)	-	93.43	-	-	-	93.43
Fixed interest rate instruments (Security Deposits from customers)	6%	14.33	-	-	-	14.33
Total		107.76	-	-	-	107.76
1-Apr-16						
Non-interest bearing (Trade payables)	-	49.68	-	-	-	49.68
Fixed interest rate instruments (Security Deposits from customers)	6%	11.69	-	-	-	11.69
Total		61.37	-	-	-	61.37

Market Risk

The Company faces two types of market risks: price risk pertaining to investments in mutual funds and currency risk due to exposure to exchange fluctuations for transactions undertaken in foreign currency. The exposure to price risk is limited since its investments are mainly maintained in high rated, consistently performing, debt-oriented mutual funds. Currency exposure is restricted to a small value of imports and exports in widely traded and less volatile currencies.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.



Notes

Forming part of the financial statements for the year ended 31st March 2018

Currency Risk

The Company's exposure to foreign currency is limited, however, it is exposed to foreign exchange rate arising from import and export of goods and services. Foreign exchange risk arises from recognised assets and liabilities, when they are denominated in a currency other than Indian Rupee. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities all of which are unpledged at the end of the reporting period are as follows:

(Values in Crores)

Particulars	Currency	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Trade receivables	USD	0.00	(0.01)	-
	INR	0.17	(0.90)	-
Trade payables	USD	(0.10)	(0.11)	(0.14)
	BDT	(0.63)	(0.63)	(0.67)
	NPR	(0.06)	(0.06)	(0.06)
	MXN	(0.04)	-	-
	EUR	(0.00)	(0.00)	(0.00)
	INR	(7.35)	(7.56)	(10.23)
Receivable from related parties	USD	(0.00)	0.00	0.01
	INR	(0.26)	0.28	0.68
Advance to suppliers	USD	0.00	0.00	0.00
	INR	0.01	8.92	0.12

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and BDT exchange rates, with all other variables held constant. The impact of sensitivity of foreign currency fluctuations on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(Values in Crores)

Particulars	Currency	Change in rate	Effect on profit before tax
31-Mar-18	USD	+10%	(0.00)
	USD	-10%	0.00
	BDT	+5%	(0.02)
	BDT	-5%	0.02
31-Mar-17	USD	+10%	(0.27)
	USD	-10%	0.27
	BDT	+5%	(0.03)
	BDT	-5%	0.03

Note: The changes in the fair value of monetary assets and liabilities have no impact on the net asset/equity.

Notes

forming part of the financial statements for the year ended 31st March 2018

30 Employee benefits

a. Defined contribution plan

During the year ended 31st March 2018 an amount of ₹ 5.32 crores have been recognized in the Statement of Profit or Loss under the head Employee Benefits Expense towards Company's contribution to Provident Fund and Superannuation Fund (previous year ₹ 3.77 Crores).

b. Defined benefit plans :

(i) Gratuity

The Company participates in a group gratuity cum life insurance scheme administered by a life insurance company. Being a defined benefit plan, annual contributions made to the scheme are as per the intimations received from the life insurance company. The Company accounts for liability for future gratuity benefits based on an actuarial valuation by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date. Shortfall if any, between the balance in the fund with life insurance company and the actuarial valuation is expensed to the statement of profit and loss.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

• Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

• Salary inflation risk

Higher than expected increases in salaries will increase the defined benefit obligations of the Company.

• Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

• Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

The most recent actuarial valuation of the plan assets and the present value of defined benefit obligation were carried out as at 31st March, 2018 by independent actuary. The present value of the defined obligation and the related current service cost and past service cost were measured using the projected unit credit method. The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as of		
	31 st March 2018	31 st March 2017	31 st March 2016
Discount Rate	7.60%	7.30%	8.00%
Expected rate of salary increase	10.00%	10.00%	10.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
Withdrawal / Attrition rate	Upto 4 years: 14% 5 years and above: 5%	Upto 4 years: 14% 5 years and above: 1%	Upto 4 years: 14% 5 years and above: 1%

Notes

forming part of the financial statements for the year ended 31st March 2018

Defined benefit plans – as per actuarial valuation on 31 March

(₹ in crore)

Particulars	Funded Plan	
	Gratuity	
	31 st March 2018	31 st March 2017
Amounts recognised in Statement of Profit & Loss in respect of these defined benefit plans are as follows:		
Service cost		
Current service cost	2.63	2.96
Settlement cost / (credit)		(1.52)
Net interest expense	(0.33)	(0.33)
Components of defined benefit costs recognised in profit or loss (A)	2.30	2.11
Remeasurement on the net defined benefit liability		
Return on plan assets (greater / less than discount rate)	(0.13)	(0.12)
Actuarial gains and loss arising from changes in financial assumptions	(2.68)	2.43
Actuarial gains and loss arising from experience adjustments	15.30	(6.50)
Components of defined benefit costs recognised in other comprehensive income (B)	12.49	2.19
Total (A) + (B)	14.79	4.30
I. Net Asset/(Liability) recognised in the Balance Sheet as at		
1. Present value of defined benefit obligation as at 31 st March	(21.86)	(21.29)
2. Fair value of plan assets as at 31 st March	32.82	31.50
3. Surplus/(Deficit)	10.96	10.21
4. Current portion of the above		
5. Non-current portion of the above	10.96	10.21
II. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	27.29	26.88
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	2.63	2.96
- Interest Expense (income)	1.94	1.38
3. Settlement cost / (credit)		(1.41)
4. Acquisition cost / (credit)	(4.67)	
5. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
ii. Financial Assumptions	(2.68)	2.44
iii. Experience Adjustments	15.30	(6.50)
6. Benefit payments	(1.54)	(2.64)
Present value of defined benefit obligation at the end of the year	21.67	27.29
III. Change in the fair value of the assets during the year ended		
1. Present value of fair value of assets at the beginning of the year	31.67	31.78
2. Expenses Recognised in Profit and Loss Account		
- Expected returns on plan assets	2.30	2.43

Notes

forming part of the financial statements for the year ended 31st March 2018

(₹ in crores)

Particulars	Funded Plan	
	Gratuity	
	31 st March 2018	31 st March 2017
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
Financial Assumptions	0.23	0.11
4. Contribution by employer	0.20	-
5. Benefit payments	(1.54)	(2.64)
Present value of fair value of assets at the end of the year	32.82	31.66
IV. The Major categories of plan assets		
Government of India Securities (Central and State)	44.43%	35.61%
High Quality corporate bonds (including Public Sector Bonds)	31.77%	39.67%
Mutual Fund Units / Equity shares of listed companies	8.43%	20.19%
Cash (including Special Deposits)	-	2.46%
Others (including FDs and special deposits)	15.37%	2.07%
Total	100.00%	100.00%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount Rate	2018	1%	(1.96)	2.26
Discount Rate	2017	1%	(3.39)	4.02
Salary growth rate	2018	1%	2.19	(1.94)
Salary growth rate	2017	1%	3.88	(3.34)
Withdrawal / Attrition Rate	2018	5%	(1.46)	2.46
Withdrawal / Attrition Rate	2017	5%	(2.92)	0.90

The above sensitivity analyses 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 as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The weighted average duration of the defined benefit obligation as at 31st March 2018 is 10 years (previous year 14 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes

forming part of the financial statements for the year ended 31st March 2018

Majority split of dividend bank deposits:

	31 st March 2018	31 st March 2017
Within 1 year	0.96	0.27
1 – 2 year	1.33	0.33
2 – 3 year	1.21	0.65
3 – 4 year	1.38	0.41
4 – 5 year	1.06	0.58
5 – 10 year	14.72	8.10

(iii) Compensated absences :

The liability towards compensated absences (sented leave and sick leave) for the year ended 31st March 2018 based on actuarial valuation (carried out by using projected cost benefit method) resulted in decrease in liability by ₹ 1.00 crores (previous year increase in liability by ₹ 0.25 crores).

	Valuation as of		
	31 st March 2018	31 st March 2017	1 st April 2016
Discount Rate	7.60%	7.30%	5.00%
Expected rate of salary increase	10.00%	10.00%	10.00%

31 First time adoption of Ind-AS

First time Ind-AS adoption reconciliation

i. Reconciliation of total equity as at 31st March 2017 and 1st April 2016 :

Particulars	Notes	₹ in Crores	
		As at 31 st March 2017	As at 1 st April 2016
Equity as reported under previous GAAP		529.62	413.25
Ind AS: Adjustments increase (decrease) :			
Change in accounting of share based payments plans which were earlier accounted for as cash settled schemes, now accounted as equity settled schemes	A	0.92	(1.00)
Reclassification of ESOP Liability to Equity		2.56	3.28
Impairment of trade receivables based on expected credit loss model instead of identified loss model	D	0.66	(1.78)
Deferred tax on Ind AS Adjustments	E	0.03	0.33
Equity as reported under IND AS		533.79	414.12

Notes

forming part of the financial statements for the year ended 31st March 2018

ii. Reconciliation of total comprehensive income for the year ended 31st March 2017 :

Particulars	Notes	(₹ in Crores)
		Year ended 31 st March 2017
Profit or Loss as per previous GAAP		147.53
Ind AS: Adjustments increase (decrease):		
Change in accounting of share based payments plans which were earlier accounted for as cash settled schemes, now accounted as equity settled schemes	A	(0.10)
Remeasurement of employee defined benefit obligations reclassified to other comprehensive income	B	3.01
Impairment of trade receivables based on expected credit loss model instead of identified loss model	D	2.40
Tax effect of above adjustments	C	(0.80)
Total adjustment to profit or loss		3.91
Profit or Loss under Ind AS		151.44
Other Comprehensive Income (net of Tax)	E	(1.89)
Total comprehensive income under Ind AS		149.55

Note: No statement of comprehensive income was produced under previous GAAP. Therefore, the reconciliation starts with profit under previous GAAP.

iii. There are no material adjustments to the Statement of Cash Flows.

iv. Notes to the reconciliation to previous GAAP :

- Under previous GAAP, the share based payments plan, offered by its ultimate parent, Monsanto Company USA, to the Company's employees comprising of stock options and equity based awards (RSU's) were accounted for as cash settled schemes wherein the compensation cost was measured by reference to the fair value as of the reporting date. Under Ind-AS, the Company has accounted for these as equity settled schemes using the fair value at the respective grant dates.
- Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.
- Deferred tax has been recognised on the adjustments made on transition to Ind AS.
- Under previous GAAP, the Company had created allowance for trade receivables based on incurred loss model, which under Ind-AS has been determined based on lifetime Expected Credit Loss model.



Notes

forming part of the financial statements for the year ended 31st March 2018

32 Leases

Operating leases where Company is a lessee:

The Company has entered into lease arrangements pertaining to vehicles, office equipments, warehouses and office building. These leases are cancellable or non-cancellable and are executed for a period ranging from 11 to 48 months and may be renewed for further sorted periods based on mutual agreement of the parties.

(€ in Crores)

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Future non-cancellable minimum lease commitments		
- not later than one year	4.05	2.31
- later than one year but not later than five years	4.40	3.23
Future payments in the Statement of Profit and Loss		
Minimum Lease Payments		
- Cancellable	10.74	11.15
- Non-Cancellable	5.52	4.55

33 Related party transactions :

Names of related parties and description of relationship

- A. Ultimate holding company : Monsanto Company, USA
- B. Holding company : Monsanto Investments India Private Limited
- C. Fellow subsidiaries :

Monsanto Holdings Private Limited, Monsanto Pakistan Agritech (Pvt) Ltd, Monsanto Singapore Co Pte Ltd, Baling River Millierium Feri, Monsanto Europe SAS, Monsanto SAS France, Monsanto International S.A.R.L., Monsanto Ag Private LLC, Savana Vegetable Seeds Inc., Monsanto Nigeria, Mahyco Monsanto Biotech (I) Pvt. Ltd., Sany Agro Monsanto and City Guadalupe, Intaro, Monsanto South Africa Ltd.

- D. Key Managerial Personnel :

Ms. Shweta Sundhar Divakar, Managing Director

(€ in Crores)

Nature of Transactions	Year Ended 31 st March 2018					Year Ended 31 st March 2017				
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Purchase of Goods	121.88	-	-	-	121.88	78.72	-	-	-	78.72
Monsanto Company, USA	121.88	-	-	-	121.88	78.72	-	-	-	78.72
Sale of Goods	-	-	10.24	-	10.24	-	-	6.84	-	6.84
Monsanto Nigeria	-	-	0.54	-	0.54	-	-	-	-	-
Monsanto Pakistan Agritech (Pvt) Ltd	-	-	0.70	-	0.70	-	-	0.04	-	0.04
Licensing Fees	-	-	0.78	-	0.78	-	-	0.87	-	0.87
Monsanto Holdings Private Limited	-	-	0.78	-	0.78	-	-	0.87	-	0.87
Royalty Expense	11.37	-	-	-	11.37	7.04	-	-	-	7.04
Monsanto Company, USA	11.37	-	-	-	11.37	7.04	-	-	-	7.04
Salaries	-	-	0.46	-	0.46	-	-	0.82	-	0.82
Monsanto Holdings Private Limited	-	-	0.46	-	0.46	-	-	0.82	-	0.82
Depreciation	-	-	-	1.32	1.32	-	-	-	0.51	0.51
Salary Director Divakar	-	-	-	1.32	1.32	-	-	-	0.51	0.51

Notes

forming part of the financial statements for the year ended 31st March 2018

(Continued)

NOTE 4: Transactions

	Year Ended 31 st March 2018					Year Ended 31 st March 2017				
	Ultimate Holding Company	Holding Company	Follow Subsidiary	Key Managerial Personnel	Total	Ultimate Holding Company	Holding Company	Follow Subsidiary	Key Managerial Personnel	Total
Restatement of Expenses (Net)	(0.89)	-	(4.60)	-	(5.49)	(0.65)	-	12.73	-	12.08
Monsanto Company, USA	(0.89)	-	-	-	(0.89)	(0.65)	-	-	-	(0.65)
Monsanto Singapore Co Pte Ltd	-	-	-	-	-	-	-	-	-	-
Sony Agro-Monsanto and Co	-	-	-	-	-	-	-	-	-	-
Guadalupe, Mexico	-	-	(0.13)	-	(0.13)	-	-	-	-	-
Monsanto Korea Ltd	-	-	(0.60)	-	(0.60)	-	-	-	-	-
Monsanto International S.A.R.L.	-	-	(0.01)	-	(0.01)	-	-	-	-	-
Monsanto Ag Proct and LLC	-	-	(3.43)	-	(3.43)	-	-	(2.72)	-	(2.72)
Mahyco Monsanto Biotech (P) Ltd	-	-	3.41	-	3.41	-	-	3.64	-	3.64
Seminole Vegetable Seeds Inc	-	-	(0.01)	-	(0.01)	-	-	(0.01)	-	(0.01)
Monsanto South Africa Ltd	-	-	-	-	-	-	-	0.07	-	0.07
Monsanto Holdings Private Limited	-	-	(7.83)	-	(7.83)	-	-	12.76	-	12.76
Payment of Dividends	6.95	30.41	-	-	37.36	3.40	30.41	-	-	33.81
Monsanto Company, USA	6.95	-	-	-	6.95	3.40	-	-	-	3.40
Monsanto Investment 3 Ltd A Private Limited	-	30.41	-	-	30.41	-	30.41	-	-	30.41
Balance outstanding at end of the year	-	-	2.54	-	2.54	-	-	0.42	-	0.42
Sundry Debtors	-	-	-	-	-	-	-	-	-	-
Monsanto Nigeria	-	-	2.54	-	2.54	-	-	0.42	-	0.42
Loans and Advances	-	-	0.67	-	0.67	-	-	2.60	-	2.60
Monsanto Protein Agri-Tech (Pvt) Ltd	-	-	0.01	-	0.01	-	-	0.01	-	0.01
Monsanto Holdings Private Limited	-	-	-	-	-	-	-	1.93	-	1.93
Mahyco Monsanto Biotech (P) Private Ltd	-	-	0.52	-	0.52	-	-	0.32	-	0.32
Surging New Milwauke Ltd	-	-	0.01	-	0.01	-	-	0.01	-	0.01
Monsanto South Africa Ltd	-	-	0.13	-	0.13	-	-	0.13	-	0.13
Sundry Creditors	42.92	-	5.34	-	48.26	23.16	-	0.18	-	23.34
Monsanto Australia Ltd	-	-	0.53	-	0.53	-	-	-	-	-
Seminole Seeds (Breeding) Co. Inc	-	-	0.04	-	0.04	-	-	0.03	-	0.03
Monsanto Holdings Private Limited	-	-	4.16	-	4.16	-	-	-	-	-
Monsanto Europe SAS	-	-	0.01	-	0.01	-	-	-	-	-
Monsanto SAS France	-	-	0.11	-	0.11	-	-	0.10	-	0.10
Monsanto International S.A.R.L.	-	-	0.02	-	0.02	-	-	0.01	-	0.01
Sony Agro-Monsanto and Co Guadalupe, Mexico	-	-	0.13	-	0.13	-	-	-	-	-
Monsanto Ag Proct LLC	-	-	0.33	-	0.33	-	-	-	-	0.04
Seminole Vegetable Seeds Inc	-	-	0.01	-	0.01	-	-	0.06	-	-
Monsanto Company, USA	42.92	-	-	-	42.92	23.16	-	-	-	23.16

* Amount less than one lakh rupees

© does not include provision created for ESOP scheme of Monsanto Company, USA for employees of the company.

34 Earnings per share

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculations of basic earnings per share are as follows:

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2017
Profit attributable to Equity Shareholders (₹ in Crores)	164.56	151.44
Weighted average no. of equity shares outstanding during the year for basic and diluted earning per share	17,262,748	17,262,748
Basic and diluted earnings per share	95.34	87.74

Note - There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

Notes

forming part of the financial statements for the year ended 31st March 2018.

35 Fair Value Measurement

Key valuation techniques and input assumptions (if any)

Financial assets/ financial liabilities measured at Fair value	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	IF in excess
	31 st March 2018	31 st March 2017	1 st April 2016				Relationship of unobservable inputs to fair value and sensitivity
Financial assets: Investments in mutual funds	311.05	247.93	157.49	Level 1	Net Asset value as published by the mutual fund house	Not Applicable	Not Applicable

There were no transfers between Level 1 and Level 2 for recurring fair value measurements during the year. Fair value of financial assets and financial liabilities that are not measured at fair value

a) Financial assets measured at amortised cost

The carrying amounts of trade receivables, debt and bank equivalents and other bank balances, short-term loans and advances and security deposits are considered to approximate their fair values due to their short term nature. The carrying amounts of long term security deposits given are considered to approximate their fair value.

b) Financial liabilities measured at amortised cost

The carrying amounts of trade payables, payables for capital expenditure and security deposit received from customers are considered to approximate their fair values due to their short term nature.

36 Contingent liability and commitments

Contingent liabilities (to the extent not provided for)

Contingent liability in respect of following matters	As at	As at	IF in excess
	31 st March 2018	31 st March 2017	As at 1 st April 2016
(a) Contingent Liabilities pertaining to Income Tax	208.78	173.24	151.18
(b) Contingent Liabilities pertaining to Sales Tax and Service Tax	12.41	5.50	5.97
(c) Claims against the Company not acknowledged as debt	1.26	1.08	1.13

Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending before various authorities.

Commitments

Particulars	As at	As at	As at
	31 st March 2018	31 st March 2017	1 st April 2016
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	4.38	4.38	4.63
(b) Other commitments:			
(i) Dividend on shares in abeyance (refer note 18)	0.07	0.07	0.03
(ii) Contractual arrangement for payment on default on corporate credit card facility to employees availed from ASANA.			

Notes

forming part of the financial statements for the year ended 31st March 2018

37 Corporate Social Responsibility

- a. Gross amount required to be spent by the Company towards Corporate Social Responsibility is ₹ 2.66 Crores (Previous Year ₹ 2.52 Crores)
- b. Details of amount spent are as under :—

Sr No	Particulars	(₹ in Crores)		
		In cash	Yet to be paid in cash	Total
1	Construction / acquisition of any asset	—	—	—
2	On purposes other than (1) above	2.61	—	2.61

- c. No expenditure has been paid to a related party, in relation to CSR expenditure as per Ind-AS 24, Related Party Disclosures.

38. The Company has continually maintained a position that its income from agricultural activities (which involves growing seeds in various states through local growers), is not taxable. This contention has been upheld by the Honorable Bombay High Court for the Assessment Years 1993-94 to 2001-02 and Assessment years 2003-04 to 2005-06. The income tax authorities have filed special leave petitions with the Honorable Supreme Court against favorable orders received for the aforesaid assessment years and the same have been admitted by the Honourable Supreme Court. The matter has been listed for final hearing before Hon'ble Supreme Court and the hearing is likely to commence soon.

39 Unhedged foreign currency

The year end foreign currency exposures that have not been hedged by a derivative instruments or otherwise are given below

(₹ in crores)

Particulars	31 st March 2018						31 st March 2017				
	₹	BDT	EUR	MXN	NPR	USD	₹	BDT	EUR	NPR	USD
a. Amounts receivable in Foreign Currency on account of											
- Export of goods and services	(0.26)	—	—	—	—	—*	0.28	—	—	—	—*
- Advance to Suppliers	0.01	—	—	(0.04)	—	—	4.93	—	—	—	0.08
b. Amounts payable in Foreign currency on account of											
- Imports of goods and services	7.35	0.63	—*	—	0.06	0.10	7.68	0.53	—*	0.05	0.11
- Advance from Customers	(0.17)	—	—	—	—	—	0.90	—	—	—	0.01

* amount less than ₹ One Lakh

(₹ in crores)

Particulars	1 st April 2018				
	₹	BDT	EUR	NPR	USD
a. Amounts receivable in Foreign Currency on account of					
- Export of goods and services	0.68	—	—	—	0.01
- Advance to Suppliers	0.18	—	—	—	—*
b. Amounts payable in Foreign currency on account of					
- Imports of goods and services	11.07	0.67	—*	0.06	0.10
- Advance from Customers	—	—	—	—	—

* Amount less than ₹ One Lakh



Notes

forming part of the financial statements for the year ended 31st March 2018

40 Segment reporting

The Company's operations are dominantly relate to production and sale of agriculture inputs, namely chemical and hybrid seeds. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

41 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) have been made to the extent where parties have been identified on the basis of information collected by the management regarding their status under the MSMED Act.

Sr No	Particulars	IN IN Crores		
		31 st March, 2018	31 st March, 2017	31 st March, 2016
1	Amount remaining unpaid to supplier as at end of accounting year			
	- Principal Amount	-	0.22	0.35
	- Interest due thereon	-	0.98	1.00
2	Amount of interest paid along with the amounts of payment made beyond the specified day	-	-	-
3	Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.08	0.03
5	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-	-

42 Approval of financial statements

The Financial Statements of Monsanto India Limited were approved by the Board of Directors and authorized for issue on May 15th 2018.

43 Comparative financial information

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes

MONSANTO



MONSANTO INDIA LIMITED

(CIN: L74999MH1948PLC007912)

Registered Office: Akura Centre, B-Wing, 5th Floor, 95, Mahakali Caves Road, Andheri (East), Mumbai-400 093.

Tel No. 022 4247 6450; Fax No. 022 4247 4707, Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

Form No. SH-13-Nomination Form

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014)

To:

(Name of the Company)

Address of the Company)

Pin code

I/We _____ residing at _____

_____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) Particulars of Nominee

Name: _____		Date of Birth: ____/____/____		Please affix recent passport size photograph of the Nominee signed across.
Father's/Mother's/ Spouse's name: _____		Occupation: _____	Nationality: _____	
E-mail id: _____		Relationship with the security holder: _____		
Phone No.: _____				
Address: _____				
Pincode: _____		Signature of the Nominee _____		

3) In case Nominee is a Minor

Date of birth: ____/____/____	Date of attaining Majority: ____/____/____	Name of guardian: _____
Address of guardian: _____		
Pincode: _____		

Name of the Security Holder(s)	Signature
1. _____	_____
2. _____	_____
3. _____	_____
Name of witness: _____	Signature of Witness with date: _____
Address of witness: _____	
Pin code: _____	
Place: _____	Date: ____/____/____

Check all the boxes on Form 10 (Duplicate) after carefully reading the instruction given below:

1. The Nomination can be made by individuals only holding shares singly or jointly. Non-Individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family and Power of Attorney holder.
3. The shareholder(s) can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per Section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in duplicate should be lodged with the Registrar and Share Transfer Agent (Registrar) of the Company i.e. M/s. LUKMINTIAE INZUR PVT LTD, C-101, 241 Park, L B S Marg, Vikas Puri (West), Mumbai - 400082. The Registrar will despatch copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder(s) can cancel or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
8. Nomination stands cancelled whenever the shares in the given form are transferred/ encashment. Also in case of change in form due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder(s) of the shares is registered with the Company before the death of the registered holder(s) of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness attesting the document.
11. Attaching photograph of the nominee is not mandatory and if affixed the Nominee should sign across the photograph.

FOR OFFICE USE ONLY

Maximum lengthened 100

Date of Registration:

Signature of Employee with Code No.



MONSANTO INDIA LIMITED

(CIN: L74999MH1949PLC007912)

Registered Office: Atrium Centre, 5th Floor, 96 Mahakali Caves Road, Andheri (East), Mumbai - 400 093

Tel No: 022 4247 6450; Fax No: 022 4247 4707 Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP ID*

Master Folio No.

Client ID*

I hereby record my presence at the 68th Annual General Meeting held at the Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhonsale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021 on Tuesday, August 28, 2018 at 11:00 a.m.

Name of the Proxy / Representative (in BLOCK Letter)
(To be filled in if the Proxy attends instead of the Member)

Signature of the member or proxy / representative

* Applicable for investors holding shares in electronic form



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Tel No: 022 4247 6450; Fax No: 022 4247 4707 Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

PROXY FORM

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

Name of the member(s):	E-mail ID :
Registered address:	Folio No/ DP ID-Client ID :

I/We, being the member(s) of _____, shares of the above named company, hereby appoint

- (1) Name: _____ of _____ having e-mail id: _____
- (2) Name: _____ of _____ having e-mail id: _____
- (3) Name: _____ of _____ having e-mail id: _____

As my/ our proxy to attend and vote (on poll) for me/us and on my/ our behalf at the 68th Annual General Meeting held at the Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhonsale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021 on Tuesday, August 28, 2018 at 11:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below

Sl. No.	Resolutions	Optional ^a	
		For	Against
	ORDINARY BUSINESS		
1	Adoption of Financial Statements for the year ended March 31, 2018		
2	Declaration of final dividend on equity shares		
3	Reappointment of Mr. Sekhar Natarajan who retires by rotation		
4	Ratification of appointment of M/s. MSKA & Associates, Chartered Accountants as Statutory Auditors and fixing their remuneration		

SPECIAL BUSINESS

1. Confirmation of Mr. Baagla Bose Radhakrishna Mallipaddi as a Director
2. Ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2018
3. Approval of Related Party Transactions with ultimate holding company, Monsanto Company USA.
4. Continuation of Mr. H. C. Desai as a Non-Executive Independent Director

Signed (for) _____ Day of _____ 2018

Signature of shareholder(s)

Affix Revenue

Stamp not less

Signature of Proxy holder(s)

than ₹ 0.10

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy for any other person or shareholder.
4. This is only original. Please put an 'X' in the appropriate column against the resolutions, indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING



Rangaswami Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jagajit Baosale Marg, Nariman Point
Near Sachdevday Gymkhana, Mumbai - 400 021



MONSANTO



Monsanto India Limited
 (CIN L24999RJ1997PLC001240)
 Abura Centre, B/Wing 2, Floor
 96, Mahakul Caves Road,
 Andheri (East),
 Mumbai - 400 093, India
www.monsantoindia.com

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Certified True Copy

For MONSANTO INDIA LIMITED

Monsanto India Limited

✓ *Monika Gupta*
MONIKA GUPTA

MONSANTO



Farmers Progress Through Innovation



Manoj Kamalaskar

Assistant Manager, Technical Services, Swaraj Tractors Limited

A proud DEKALB® farmer with his family

Annual Report 2016-17

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Members are requested to:

- a) direct all share-related correspondence to Link Intime India Private Limited (R & T).
- b) bring their copy of the Annual Report to the Annual General Meeting.
- c) send their queries, if any, relating to the accounts of the Company, at least, 10 days before the Annual General Meeting, so that the necessary information can be made available at the Meeting.

Forward-Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

**Indian agriculture has come a long way since five decades and two "Green Revolutions".
From chronic food scarcity to becoming a food exporter.
From traditional techniques to modern and unconventional methods.
From unsustainable practices to sustainable farming methods.**

Despite rising farm output and reliability, introduction of new technologies, continuous innovations, and factors like uncertainty in global commodities, market linkages and price realisation are some of the key aspects that impact...

The Prosperity of Farmers.

The Government of India has embarked on bringing yet another revolution - this time the "Evergreen Revolution" with farmers as the central focus. From providing them with increased credit to evaluating and enhancing their soil quality, to introducing them to advanced agricultural practices, insuring them, and covering more area under irrigation, this "Evergreen Revolution" is all about farmers' progress. It's all about a mission to...

Empower Farmers and Double their Income by 2022.

Despite an average 30,000 hectares of cultivable land decreasing each year, low yields compared to global standards and less than half of the cultivated land being irrigated, this mission is well on its way to achieve its objective.

At Monsanto India Ltd. (MIL), we understand this challenge and intend to play a pioneering role in achieving the objective of empowering farmers and doubling their incomes by 2022 through our robust technology and innovation prowess.

Each year, we continue to make significant investments in Research & Development, focussed on developing new hybrids that can further enhance the quality of our high-yielding seeds to improve farmers' productivity. We leverage Information Technology to stay connected with farmers 24x7, keep them informed of various developments relating to weather, sowing and harvesting time, modern agricultural practices, improving their socio-economic status by facilitating them to sell their harvests at the right price and providing almost any information that they may require. Our experts also assist farmers in enhancing their farm yields by providing solutions to improve soil quality and helping them adopt sustainable agriculture practices.



30,000
hectares of cultivable land
decreasing every year



At MIL, our focus is to help
**Farmers progress
through innovation**

Monsanto Global

Monsanto is a Fortune 500 Company.

With a presence in 69 countries and over 20,000 employees, we are focussed on empowering and enriching farmers' lives.

We are amongst the world's leading advanced agriculture company. We focus on supporting farmers globally through our range of agricultural products, processes and partnerships that advance sustainable agriculture.

Our leading in-the-seed trait technologies facilitate farmers in enhancing yield and on-farm efficiency while reducing their on-farm costs. We have done this with our leading seed brands in crops like corn, cotton, oilseeds, fruits and vegetables. We believe, with limited natural resources (land, water and energy) these innovative and modern agricultural practices are the most sustainable solution. It shall not only facilitate in addressing the challenges of food crises across the globe, but also empower the farmers to earn more. Besides seeds and traits, we also manufacture agrochemicals that are used by farmers, consumers, and lawn-and-garden professionals for protection against weeds.

It is our endeavour to make these advanced technologies available to farmers across the globe, who are vital for supporting the global economy and provide food to over seven billion people. For this, we have entered into licensing agreements with other companies for using our seed and trait technology.

Headquarters

- St. Louis, Missouri, United States

Global product portfolio

- Agricultural and Vegetable Seeds
- Plant Biotechnology Traits
- Crop Protection Chemicals

Research and development

Agricultural research and development is our key area of expertise and we spend nearly USD 1.5 bn annually towards developing innovative and sustainable products to assist farmers in enhancing yields and farm income while using minimal resources. Our team works closely with the farmers' community to understand the evolving agricultural needs to deliver relevant and improved products.

Our R&D activities primarily concentrate in the areas of biotech traits, elite germplasm, breeding, genomics research, and improving the present product line-seeds and herbicide formulations.

Recognitions

- Shamirpet, India Supply Chain manufacturing site, won the British Safety Council - 2017 International Safety Award in Merit Category
- Silvassa site won Third prize in the Manufacturing Category in the 12th edition of CII's Western Region Safety, Health and Environment (SHE) Excellence Award 2015.
- Monsanto #13 on Science Magazine's 2016 Top Employers list
- MIT Technology Review 50 Smartest Companies
- National Organisation on Disability
- Corporate Responsibility Magazine recognises Monsanto as one of the 100 Best Corporate Citizens for 2016
- Diversity Inc Top 50 Companies
- Best Place to Work recognitions
- Great Place to Work® Institute and Fortune® magazine have recognised Monsanto as one of the 50 Best Workplaces for Flexibility, ranking the company No. 11
- Monsanto named by Fortune Magazine as one of the World's Most Admired Companies
- Monsanto Canada makes Canada's Best Diversity Employers list for 2016
- Monsanto receives the 2016 World@Work Work-Life Seal of Distinction Award
- Monsanto one of the top 50 companies most loved by its employees in Brazil



Monsanto India Limited

Monsanto India Limited (MIL) is the subsidiary of Monsanto Company (USA). It is Monsanto's only publicly listed entity outside the USA. Monsanto's over six decades presence in the Indian markets makes it one of the largest and most trusted players amongst the farming community. It enjoys a long-standing relationship with the farmers.

Key financials (2015-16)

635.82 
Net sales (₹ Cr.)

168.82 
EBITDA (₹ Cr.)

147.53 
PAT (₹ Cr.)

268 
Employees

4,395.70 
Market capitalisation (₹ Cr.)

529.62 
Net worth (₹ Cr.)

MIL, established in 1975, works on the parent company's philosophy of helping farmers to produce more and earn more while conserving natural resources. Over the years, we have empowered Indian farmers through our high-yielding hybrid maize seeds, crop protecting glyphosate herbicide and farm services to promote better agronomic practices.

Through our robust R&D prowess, breeding technology and techniques, extensive agronomic activities, and on-farm technology development, we are deeply committed to improving the agricultural scenario in the country.

We have partnered with various stakeholders to extend our presence and reach out to more farmers and provide them necessary support for a successful harvest. We also work with several NGOs across the country to focus on holistic development farmers and rural communities.

Robust geographic presence:

- Headquartered in Mumbai (Maharashtra, India)
- Branch offices in Mumbai, Kolkata, Coimbatore, Hyderabad and New Delhi
- Manufacturing facilities at Silvassa (herbicide plant), Shamirpet (maize conditioning plant) and Eluru (seed processing plant)
- Maize breeding stations at Udaipur and Bengaluru
- Quality assurance laboratory at Hyderabad

Certifications:

- ISO 14001 for environment safety
- OHSAS 18001 for ESH (environment, safety and health) management system

Product portfolio:

- **DEKALB®** - India's highest selling hybrid maize seeds
- **Roundup®** - World's highest selling glyphosate-based herbicide
- **Monsanto Farm AgVisory Services (MFAS®)** - an IT-based mobile platform that provides farmers valuable information and advice relating to better agronomic practices to help improve their crop yields and quality.

Stock ticker:

- BSE code: 524084
- NSE symbol: Monsanto

Our Commitment to Sustainable Agriculture

Our vision for sustainable agriculture strives to meet the needs of a growing population, to protect and preserve this planet we all call home, and to help improve lives everywhere. In 2008, Monsanto made a commitment to sustainable agriculture - pledging to produce more, conserve more, and improve farmers' lives by 2030.

At Monsanto, our commitment goes beyond fields and farms. Our focus is to make agriculture sustainable. By helping farmers in producing and conserving more, we sustain both the farms and farmers. By harvesting more success, we make agriculture more viable and rewarding. People around the world depend on agriculture and the hard work of farmers for their most basic needs. With the global population expected to grow by 40 percent in the next few decades, agriculture will need to become more productive and more sustainable in order to keep pace with the rapidly increasing demands.

We are committed to developing technologies that enable farmers to produce more crops while conserving more of the natural resources that are essential to their success. Producing more. Conserving more. Improving lives. That's sustainable agriculture. And that's what Monsanto is all about.

Producing more

Monsanto works with farmers from around the world to make agriculture more productive and sustainable. Our technologies enable farmers to get more from every acre of farmland. These yield gains come from a combination of advanced plant breeding, biotechnology, and improved farm-management practices.

Conserving more

We've strengthened our goal to double crop yields by committing to doing it with one-third fewer resources such as land, water, and energy per unit produced. We continue to develop better seeds and improve on-farm practices that enable farmers to better manage weeds, pests,

and environmental stresses. We work with partners to develop conservation systems that are better for the planet. We make these tools of innovation available to the people who have the most direct relationship with the land - the millions of farmers around the world.

Improving lives

The technology we use to develop better seeds and the partnerships we nurture to develop new agronomic practices, can drive big increases in yield and productivity. For all the world's farmers who raise themselves from poverty to prosperity, many more people will also prosper, through healthier diets, greater educational opportunities, and brighter futures fuelled by more robust local economies.



Our Pledge

The Monsanto pledge is our commitment to how we do business. It is a declaration that compels us to listen more, to consider our actions and their impact broadly, and to lead responsibly. It helps us convert our values into actions, and to make clear who we are and what we champion.



Integrity

Integrity is the foundation of all that we do. It includes honesty, decency, consistency and courage. Building on these values, we are committed to:

Dialogue

We will listen carefully to diverse points of view and engage in thoughtful dialogue. We will broaden our understanding of issues to better address the needs and concerns of society and of each other.

Transparency

We will ensure that information is available, accessible and understandable.

Sharing

We will share our knowledge and technology to advance scientific understanding, improve agriculture and the environment, improve crops and help farmers in the developing countries.

Benefits

We will use innovative science and thoughtful and effective stewardship to deliver high quality products that will be beneficial to our customers and to the environment.

Respect

We will respect the religious, cultural, and ethical concerns of people throughout the world. The safety of our employees,

the communities where we operate, our customers, consumers, and the environment will be our highest priority.

Act as owners to achieve results

We will create clarity of direction, roles, and accountability; build strong relationships with our customers and external partners; make wise decisions; steward our Company resources; and take responsibility for achieving agreed upon results.

Create a great place to work

We will ensure diversity of people and thought; foster innovation, creativity and learning; practice inclusive teamwork; and reward and recognise our people.

Chairman's Review



Our Hon'ble Prime Minister Mr. Narendra Modi, has the vision of making farmers the central focus of this 'Evergreen Revolution', with the clear objective of doubling farmers' income by 2022.



611

will support the
100 million farmers

Dear Shareholders,

These are dynamic and changing times in the history of Indian agriculture, as the country moves towards yet another agricultural Revolution coined the 'Evergreen Revolution' to address the challenges faced by the sector and the farmers. Our Hon'ble Prime Minister Mr. Narendra Modi has the vision of making farmers the central focus of his 'Evergreen Revolution' with the clear objective of doubling the farmers' income by 2022. The government has also launched a seven-point strategy that emphasises on stepping-up irrigation, providing better quality seeds, preventing post harvest loss, creating a national farm market, covering more farmers under crop insurance, and promoting ancillary activities and food processing.

As we all gear up towards this agenda, there is one major challenge - the need under crop cultivation continues to increase. Responding to queries in the Parliament, the Union government has stated that our water land in the country is decreasing at 100,000 hectares each year. There has been a debate in diversions for non-agricultural purposes such as urbanisation, industry, industries and housing. Though this decline seems marginal at this stage, when put in perspective with our growing population, the situation warrants close attention. Besides, as the government is rightly focussed on moving away from the concept of 'food security' to 'nutrition security', the use of science and technological interventions becomes imperative to develop crops that can enhance nutrition content while addressing the challenge

of our comparatively low productivity. New and advanced technologies like farm sensors that facilitate real-time traceability and diagnosis of crop, livestock and farm machine, use of genetic engineering tools, soil health testing, and improvement, precision farming, automation of planting and harvesting, and drip irrigation have already done wonders to agriculture productivity in several countries. It is only through a large-scale adoption of such technologies that we can help to usher in an 'Evergreen Revolution'.

At MTL, this is exactly what we have been doing in several years and I believe that being one of leading players in the segment, it is our responsibility to continue to play a pioneering role in this transformative effort. We bring to play several years of experience and expertise in the field of agricultural businesses and possess some of the most advanced technologies that enable us to empower farmers. We are therefore well placed in the industry to play our role and support the government in this mission-critical activity. The quality of our products have proven a positive in increasing farmers' yields. While our maize hybrids have provided ample savings for the farmers, our glyphosate-based herbicide have effectively helped in curbing growth of weeds that impact agricultural productivity. In addition, in this our highly advanced IT-based mobile platform, 'Farmwise', provides a gamut of technical, weather, and market-related information to farmers anytime, anywhere. Nearly 100 million farmers are already

registered with us and enjoying the benefits of our 'Farmwise' services. In the coming years, we intend to expand this services to reach out to many more farmers.

While working on our business, we have also given equal importance to CSR, Organizational Health and Safety, Human Rights and our employees. Our CSR activities primarily focus on the areas of promoting sustainable agriculture, health and sanitation, education and integrated community development. As far as human rights are concerned, we have ensured that none of the people whom we deal with employ child labour. For safety, our robust vehicle safety programme ensures that the incidents of collision were reducing every year. We also lay importance to safety of growers through several programmes including distribution of free anti-kegion kits. For employees, we make an engaging and learning work culture. In fact, MTL has been consistently rated amongst the 'best Companies to Work for' in India as per the 'Great Places to Work' survey.

We are happy that our innovative products and services have enabled the country's farmers to prosper. We will continue to invest in R&D to further improve and contribute towards the attainment of farmers and growth of India's agriculture sector.

Yours sincerely,

Sekhar Natarajan
Chairman



Message from the Managing Director



Dear Shareholders,

At the outset, I would like to express my sincere gratitude for the farmers of our country who continue to toil amidst hardships and seek to do the best they can on their farms to contribute food to our nation and in turn create their own livelihoods.

"It isn't the farm that makes the farmer, it is the love, the hard work and the character."

Two consecutive years of drought did not deter the zeal of our farmers to continue to embrace this noble endeavour. It was heartening indeed that after two years, most parts of our country were blessed with adequate rainfall in 2016. The farmers of our country responded to this and contributed an impressive 4.9 percent growth in agriculture.

The continued commitment of farmers, everlasting appetite for innovation and unstinted support to the Company's

DEKALB® and Roundup® brands has helped the Company deliver growth and meet your expectations. At the Company, we recognise that, "we succeed when farmers succeed". Agriculture in our country is on a journey and there is an immense amount of work to be done for sustainable development of agriculture, lowering risk exposure for our farmers and lasting enhancement to their livelihoods.

The Government of our country recognises the potential of our farmers to contribute to economic momentum. Significant focus on rural welfare and creation of rural infrastructure – both social and agriculture – will provide a robust backbone for the farm economy. Crop insurance and steps towards market linkages through the National Agriculture Marketing portal seek to address fundamental risks of weather vagaries and commodity price fluctuations. Alongside these foundational measures, the government is also focused on access to micro-irrigation and soil health to boost farm productivity.

The Company too recognises the productivity potential that India's vast arable land has and believes in delivering innovations to tap this potential through

new products, solutions and knowledge transfer. Tremendous adoption by our farmers is testimony to the relevance of innovation brought forward by us and encourages us to continue to understand the evolving needs of farmers and bring the most suitable innovation forward swiftly.

"The difference between setting a goal and achieving it is in having a plan and working it."

- Les Brown

This has been a year of all-round performance with > 18 percent growth in sales and > 45 percent growth in PAT.

Our DEKALB® corn seed portfolio was well placed to serve a higher planted area of corn and consistent performance of our hybrids in the prior two years of tough monsoons saw more farmers growing them this year. Our portfolio has been preferred by farmers who cultivate corn across the Rabi, Spring and Kharif seasons.



5/3

Our Roundup® business has been resilient even with low acid price competition from China-based imports and a prolonged dry spell in Southern India. We saw demand bouncing back in the latter part of the year reinforcing the trust in our product quality and Roundup® brand.

"When the customer comes first, the customer will last"

- Robert Half

We are guided by our mission to 'partner the nation and its farmers in their quest towards prosperity and progress'. This year marked the commencement of transformation efforts to become an even stronger, more forward-looking Company focused on farmers by embracing the possibilities of digital innovation.

This transformation has been embraced across the Company and our endeavour is to:

- Leverage analytics to inform decision-making across Breeding, Technology Development, Supply Chain and Sales
- Seek customer insights to focus our efforts
- Modernise our supply chain and quality capabilities
- Accelerate R&D discovery and delivery
- Streamline processes for speed and efficiency

"The best minute you spend is the one you invest in people."

- Ken Blanchard

The Company's people make possible the high standard of service and delivery to farmers. We value and recognise our people for their simplest contributions and their most innovative, for the small and large contributions they make day after day. Our commitment to people has been demonstrated in extensive focus on functional training as well as managerial and leadership development interventions to equip them to embrace transformation efforts and build capabilities to understand and use data and analytics. Simultaneously, there has been a keen eye and specific initiatives aimed at maintaining high levels of engagement. An energised, committed and capable team has made possible delivery to our farmers and meeting your expectations as share owners.

"We can change the world and make it a better place. It is in your hands to make a difference"

- Nelson Mandela

Making a real and lasting difference is the spirit with which the Company undertakes efforts towards serving communities. The philosophy guiding our social responsibility endeavor embodies the principles of:

- Creating lasting value for the communities we live and work in;
- Demonstrating the values of Integrity and Sharing
- Partnering extensively with state and civil society organisations to combine passion and skills.

Farming communities remain our principal inspiration in all that we do. We focus on rural women and children as

beneficiaries of our societal commitment and are engaged in promoting sustainable agriculture, ensuring human rights, supporting initiatives in water availability, education, healthcare and nutrition. We remain committed to rural communities at the grassroots of our country.

"It isn't where you came from, it's where you're going that counts"

- Elle Fitzgerald

With the confidence reposed by our farmers and support of all the stakeholders, we are encouraged to introduce relevant innovation, build stronger bonds with our farmers and continue our societal focus. On behalf of the Board of Directors, I take this opportunity to thank you for trusting the Company and providing your unstinted cooperation to all of us. We remain committed to delivering value through our DEKALB® and Roundup® brands to our farmers and to you.

Yours sincerely,

Shilpa Shridhar Divekar
Managing Director



Powering Progress by Providing High-Yielding Hybrid Seeds

High-yielding hybrid maize seeds from MIL are sold under Monsanto's globally recognised DEKALB® brand. The hybrid seeds are the outcome of extensive research and development activities carried out at the Company's world-class breeding stations in Bengaluru and Udaipur. Developed after factoring in various agro-climatic conditions and the soil composition across various parts of the country, hybrids from the DEKALB® portfolio have enabled farmers to increase yields significantly and sustainably, thus powering their progress. As of March 31, 2017, the Company has 29 hybrids in its portfolio, which are well-accepted by farmers and channel partners.

Performance Overview

The performance of the DEKALB® brand for the year 2016-17 has been impressive with new hybrids launched in the current as well as in the recent years gaining significant traction. The high yield levels achieved by DEKALB® hybrids launched in the past two-three years as well as increased product awareness boosted demand.

New Launches

In the last few years, the Company has been focussing on enhancing its product portfolio with hybrids that enable maximise farmers' productivity and profitability. To get a better perspective, as on March 31, 2017, of the 29 DEKALB® hybrids available in the market, 18 were launched in the last five years. 2016-17 was an outstanding year for new launches as five of these 18 products were introduced during this period. The products launched have been enjoying a very good response from customers and are now driving the Company's overall business.

The importance of new germplasm can be judged from the very fact that the valence of all these recently launched hybrids was close to 50% of our business.



Refreshing the Portfolio to Address Customers' Needs

DEKALB® 9126	DEKALB® 8164	DEKALB® 9165
DEKALB® 9133	DEKALB® 9164	DEKALB® 9120
DEKALB® 9141	DEKALB® 9149	DEKALB® 9135
DEKALB® 9144	DEKALB® 8161	DEKALB® 9150
DEKALB® 8144	DEKALB® 9162	DEKALB® 9155



Results, Reward and Respect

"The use of DEKALB® hybrids has not only enabled me to scale up my yield levels but also helped me to scale up my respect and recognition in society."

Brahmdeo Yadav, a corn farmer in Bishanpur, Forbesganj (Uttar Pradesh) who uses DEKALB® hybrids.

Kharif Season: The Company registered high volume growth for the Kharif season (June to August). After ten consecutive years of poor monsoons and low maize commodity prices, a normal monsoon season across most parts of the country in 2016-17 resulted in higher acreage of maize cultivation. Additionally, the success of the DEKALB® hybrids in increasing farm yield in the previous Kharif season pushed the demand for the DEKALB® hybrids in 2016-17 Kharif season.

Key focus areas during this season were:

- Grow the market for hybrids launched in recent years and widespread introduction of hybrids launched in the current year
- Encourage farmers to transition to the newer portfolio for better realisation by handholding them throughout the process through education and field-level efforts

Because of these efforts, the Company achieved excellent performance across the country, especially in the major growing states of Karnataka, Maharashtra, UP, Odisha and Chhattisgarh.

Rabi Season: Good monsoons led to adequate groundwater levels facilitating crop cultivation in the Rabi season. During this season, most farmers prefer to grow

only one crop and have the best possible yield for this single crop. Understanding the needs of the farmers, the Company channelised its efforts in the following direction:

- Share agronomy education both at ground level and on mobile advisory platform
- Demonstrate to both farmers and non-users the high yield levels of DEKALB® hybrids
- Spread strong word of mouth of key targeted DEKALB® hybrids in Bihar through the 'DEKALB® Yield Contest'
- Provide better value add availability through micro-level planning

Driven by these focussed efforts, the Company successfully registered a strong portfolio transition for its dry season hybrids, especially across the markets of Bihar, Andhra Pradesh, West Bengal and parts in Maharashtra. In fact, the Company is among the market leaders for the maize hybrid seeds for the Rabi season. Another key achievement was the successful introduction and scaling up of amylase proprietary of hybrids in the market that would be fundamental for future growth.

Spring Season: The Spring season is largely focussed on the markets in North

India. The use of Spring season DEKALB® hybrids has enabled farmers in this region to scale yield levels significantly, thus raising their economic and social conditions. The Company's key focus during this season were:

- Ensure timely delivery of hybrids through an efficient supply chain
- Promote agronomic practices and crop management techniques for higher yields

Backed by a very successful performance in the Spring season, the Company continued to command market leadership in this segment. In the last three years, the Company's share in the Spring season segment has only gone from strength to strength. An almost non-existent share in the market around five years back has now catapulted to a share of almost 55%, underlining the success of DEKALB® hybrids in meeting the aspirations of the farmers for the Spring season.



Farmer Level Initiatives

Improving the farmers' knowledge of the right agronomic practices, new techniques and technologies can significantly increase their farm productivity. The various farmer connect programmes undertaken by the Company thus rightly emphasises on this education. The programmes include:



DEKALB® MARGDARSHAK

The DEKALB® Margdarshak programme is one such strategic initiative that aims to guide and train the farmers on the right farm products and practices. The innovative feature of this programme is that it leverages the leadership trait of the most progressive farmers using the DEKALB® brand into Monsanto Margdarshaks. The Margdarshaks selected by the Company are provided regular agronomic trainings, weather and market information, access to agriculture innovations and knowledge of DEKALB® hybrids. They then disseminate this information to fellow farmers and serve as brand ambassadors for the DEKALB® brand.

The Company presently has 14,000+ Margdarshaks present across 10,000 villages across India, helping to increase agricultural sustainability and farm income.

Field Demonstrations

Driven by the fact that seeing is believing, the farmers for whom these seeds are means of livelihood, always prefer first-hand experience of the performance of the hybrid before utilising it in their field. Considering this, the Company significantly strengthened its demonstration programme with the number of demonstrations increasing by seven times over the last four years.

Demand Generation Campaigns

The Company conducts campaigns in all the major corn growing states across India, reaching out to farmers and explaining the features of its hybrids. Amongst the most successful campaigns launched in 2016-17 was the DEKALB® Yield Contest in Bihar where nearly 27,000 farmers participated. The campaign with a six-month duration encouraged farmers to record their yields from the DEKALB® 9120 and DEKALB® 9081 hybrids on the Company's mobile advisory platform. On the basis of registrations, the Company notified and incentivised the farmers with the best yields at each village level. In addition to this, the Company's sales team connected with more than 4 lakh farmers in other key states like Karnataka, Maharashtra, Madhya Pradesh and Uttar Pradesh through various pre-season campaigns.

Post Season Activities

The Company continued to reach out to farmers through field-level initiatives such as crop shows and harvest days. An important aspect of these activities was to specifically connect with farmers who are

non-users of DEKALB® hybrids to provide them with a first-hand experience of the benefits.

Channel Partner Level

Farmers attain a lot of agronomic information from channel partners. Educating the channel partners facilitates the farmers to gain the right inputs. In the past year, the Company put in extensive efforts for training and educating retailers and distributors so that they understand the features of DEKALB® hybrids and the crop management requirements. These channel partners were also invited at the crop shows organised by the Company to enable them understand the nature of the farmers' queries and how their requirements can be best addressed by DEKALB® hybrids.

The DEKALB® Directors Club set up by the Company is a robust platform for enhancing the relationship with distributors. By acknowledging the channel partners as a critical link in reaching out to the farmers and rewarding them for their contributions, the Company continued to strengthen this leading relationship programme during the year.

Apart from all the above, the Company launched a fresh positioning for the brand DEKALB® 'Seed Your Success'. The concept was that the Company along with its proven and tested superior performing hybrids also provides knowledge through its mobile advisory platform that assists farmers in getting optimum yields. The Company did a soft launch of this positioning in the key states of Maharashtra, Karnataka, Bihar and Uttar Pradesh. In the coming years, the Company shall continue to work aggressively in brand DEKALB® to further enhance its brand equity.





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“Impressive traction was seen in the new hybrids as well as those launched in the past three years. Farmers have received our products well and we remain committed to understand and meet their expectations to power their progress. The continual efforts to connect with farmers, growers and channel partners have resulted in significant increase in the awareness and equity of the DEKALB® brand. The Net Promoter Score (NPS) has more than doubled from that attained around four years ago. We can confidently say that we have embarked upon a journey to better connect with our customers.”

Ajit Kumar

India Marketing Lead



Powering Progress through Enhancing Breeding Capabilities

The demand for corn has increased significantly in recent years driven by its increasing use as feed from poultry and starch industries as well as its usage in the form of a staple food in several countries. Marred with the fact that the arable land globally is shrinking at a fast pace, the need of the hour is to increase farm productivity responsibly.

The goal of corn breeding is to develop products with better adaptation to local environment with higher yields, disease resistance, tolerance to other biotic and abiotic stresses and better quality. This, in turn, translates into better returns for the farmers. The Company continues to invest significantly in breeding and discovery to develop products suitable to local conditions and bring value to farmers. Our state-of-the-art breeding station at Udaipur commenced activities in April 2016 to develop hybrids that are suitable for rainfed markets of Central & North India. This will help the local farmers to get good hybrids and better yields and improve their economic conditions. It has the potential to impact over 3.7 million growers.

In the last couple of years, the India Corn breeding team has transformed the way breeding delivers the products and pipeline. The key activities undertaken during the year in breeding and testing include:

- Developing and implementing strategies such as:
 - Breeding 3.0** to drive step-change improvements in breeding methods,

nursery, testing operations & mechanisation

SMARTER PIPELINE to create a metric-based breeding, plant health & testing system

PRODUCT PLACEMENT to improve grower experience by enhancing product and system recommendations

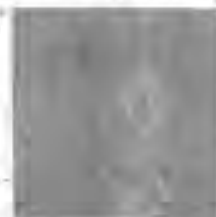
- Enhanced efforts on plant health and product placement to improve customer experience
- Increased incorporation of advanced tools and technologies such as of molecular markers, GWS, DH to increase breeding efficiencies:
 - Mapped the Quantitative Trait Locus (QTL) and implemented deployment strategies for various traits of economic importance in region e.g. PSR, LW and Southern Rust.
 - Major shift is being made from conventional approach to a data & information-driven approach. The use of predictive analytics to increase breeding and advancement efficiency across programmes has also been carried out
- Enhanced testing footprints across India for better product characterisation and placement:
 - Heightened mechanisation & automation with enhanced drivers of quality data
 - Initiated projects on characterising testing locations and prioritising them

for capturing the right data, in the right manner and at the right time

- Centralised operations for greater efficiency and effectiveness to carry out activities in a sustainable way
- Launched 4 products for different market segments of India:
 - DKC9178 for Kharif in Southern & Western India
 - DKC8171 for Dry season in South India
 - DKC9170 for Kharif in Eastern India
 - DKC9162 for Spring season in UP and Punjab

“At Monsanto, we are on a mission to create greater value for our customers by re-imagining plant breeding through constant innovation and passionate execution. This has helped us deliver better products and improve farmer yields.”

HB Hemareddy
Asia Row Crops
Breeding Lead



While the Breeding R&D is resolutely focussed on developing the new pipeline hybrids that can provide better yields under given conditions, the Technology Development and Agronomy segment is focussed on taking this potential pipeline of products into the marketplace after ascertaining their ability to meet the needs of customers and developing specific recommendations to enable customers realise enhanced value. The segment serves as an important bridge between the Breeding R&D and the commercial organisation.

While high quality seeds are critical for enhancing productivity, several other factors including agronomic practices – right planting density, crop management practices, nutrition management, irrigation systems, harvesting process – influence the final outcome. A key initiative this year was to enhance the value-offerings to the customers by disseminating relevant agronomic information and recommendations for maximum yield using new-age tools. The endeavour is to move from being a pure seed player to an integrated solution provider. This is being done through a two-pronged approach:

- Developing the hybrids and segment specific suitable agronomic practices for best yield
- Providing experience to the customers by showcasing the results in large-scale format

Centres of Excellence

The Centres of Excellence (COEs) established by the Company are knowledge transfer and feedback platforms that bring to customers a first-hand experience of the potential of our products in terms of their yield under prescribed management conditions. The COEs are showcased to different participants in the value chain including the government stakeholders, university scientists, channel partners, farmers and internal sales & marketing stakeholders. Our team has done over 700

projects for testing various hybrids under different fertigation and spacing conditions. In addition to this, the technology team also conducted nearly 400 demonstrations of the new hybrids across the country. These initiatives will ultimately facilitate the farmers in choosing the right product with right fertiliser dosages along with the best package and practices to be followed to get the higher yields.

Key Numbers of Technology Development Segment (DEKALB® Corn Business)

Particulars	Total
Centre of Excellence (COEs)	63
Product Performance Testing & Agronomy Solution Projects	710
Product Demonstrations	385
Total	1158

A key function being carried out by the Technology Development & Agronomy team is to help the Breeding R&D function prioritise the traits and kind of products that needs to be developed to meet customer needs. Sharing customer insights with the Breeding R&D team enables them to re-orient their research programme to ensure that from the early stages of product development it is conducting research towards the attributes required by the customers.



“Advising on not just the right hybrids, but the entire agronomic system that needs to be adopted for maximising yield is what has been our key focus to empower the progress and prosperity of our farmers.”

Dhiraj Pant
Technology Development
Lead - Asia





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Powering Progress by Optimising Supply Chain

The vision of India Supply Chain is to deliver the best customer experience through each product and service that it delivers while working as "One Team". The supply chain is responsible for timely delivery of the Company's products from the production centres to the end customers, delivering the best quality, and ensuring efficiency in operations. While carrying out these activities, the supply chain team works closely with the local communities and maintains high level of focus on safety, health and the environment.

In 2016-17, the supply chain exhibited a high level of operational excellence for all the three seasons, thus reinforcing its commitment towards customer-centricity.

In fact, while the performance was very good for the Kharif and Rabi seasons, the performance for the Spring season was truly outstanding. Extended cold temperatures in the seed production geographies exerted huge pressure on the supply chain for timely delivery of hybrids to Spring season corn markets. Relentless efforts of Supply Chain for over two months ensured that the hybrids reached the local markets at the right time.

Another key achievement was optimisation of the supply chain which resulted in the lead time reducing to 16-18 days from 25-30 days taken earlier. This reduction in lead time had a direct impact on improving customer service levels.



Supply chain initiatives at various levels to provide the best customer experience

Plant operations	Field production	Quality level	Customer care
- Imported the state-of-the-art machinery - Case IH Tractors which improves discolour/cut seeds making MII the first in the Indian industry to deploy such machinery - Increased automation of key processes resulting in less waste in breakdown - Improved plant operational sustainability	- Implemented multiple field optimisation initiatives such as increased usage of agronomic practices, drip irrigation, cell covered, and mechanical planters among others - Continued usage of digital tools to improve farm productivity	- Launched new technology for quality control processes making MII the only Company to implement it in the Indian industry - Introduced rigorous quality benchmarking process - Conducted QMS workshops covering all plant employees - Improved quality awareness through initiative "Quality's Attitudes"	- Improved operational reliability - Commenced sending SMS to customers as soon as shipments reach

“The India Supply Chain team contributed significantly in enabling the success of the DEKALB® as well as Roundup® businesses in the past year. By improving our supply chain effectiveness, we also delivered on our goal of customer-centricity.”

Piyush Nagar
Supply Chain Lead



Enabling Progress with Innovative Weed Management Solutions

Using the same nutrients and resources such as water, sunshine and space that might have gone to crops, weeds are a constant challenge to crop yields. By providing effective and superior quality weed management solutions through its flagship brand Roundup[®], MIL addresses farmers' concerns relating to weed control, thus improving their yields and income.

Product Overview

Roundup[®] is a broad spectrum, post-emergent systemic herbicide brand for weed management. It provides efficient weed control and can be used on farms, public spaces, roadsides, alongside railway tracks and gardens. The use of Roundup[®] facilitates significant savings in cost and resources (labour, time and water). A best-in-class weed control solution, Roundup[®] is the most trusted herbicide brand in the Indian market.

Highlights 2016-17

While the initial part of 2016-17 was challenging for the Roundup[®] business due to price competition and a long dry season in southern India, through advance placements and revival in demand pattern across the country, the year ended on a positive note. Notwithstanding rising competition, the Company maintained its leadership position in the Indian Glyphosate market.

The slow start to the business was primarily because of the drop in acid prices (primary raw material) from China, thus enabling competitors to provide low cost herbicide. With Roundup[®] using a better-quality acid sourced from USA, the Company was unable to reduce its herbicide prices.

Moreover, after the monsoons, there was a prolonged dry spell across large parts of the country, especially in the southern states of Tamil Nadu and Karnataka. A combination of these factors affected volume growth in the first and second quarter of 2016-17.

Towards the end of the second half, volumes recovered significantly driven by the following factors:

- Excellent advance placements in some parts of the country
- Improvement in demand from the western and central parts of India
- Demand being driven by farmers increasingly opting for best quality solutions





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Product Innovation

MIL's sharp focus on facilitating farmers' progress inspires it to innovate and develop new products that best serve the farmers' requirements. Moving forward on this path, the Company launched a new variant of glyphosate i.e. Glyphosate 54%, sold under the name of Roundup® Speed. With a higher technical-grade active ingredient in Roundup® Speed, the formulation enables farmers to control weeds by using lesser doses. Another value-addition to Roundup® Speed is that the surfactant blend, which enables the active ingredient to adhere to and penetrate leaves, is of a better quality. The Company held numerous demonstrations of its new formulation across the country so that farmers could understand the efficacy of the product and experience the product first hand.

During the fourth quarter, the sale of Roundup® Speed gained considerable momentum due to advance placements in the right markets. Going forward, the

Company remains confident that this latest addition to the product portfolio will gain traction in the current year and enable Roundup® to maintain its leadership position in the glyphosate market.

Strengthening Sales & Distribution

MIL continued to reinforce its sales and distribution network for Roundup®. The trade programme Roundup® Tiger Club, which connects with channel partners, was further strengthened during the year by bringing more distributors under its fold and increasing the number of activities conducted to reach out to them. The programme aims to incentivise trade

partners by rewarding them for their performance and contribution to the Company's Roundup® business. For the Roundup® business, growth criteria have been established with a special focus on certain geographies. The program is yielding the desired results and will help to drive growth in the coming years. The Company also organised a high number of demonstrations to generate awareness among distributors and farmers about the brand's superior quality. These were conducted across the States of Gujarat, UP, Haryana, Andhra Pradesh, Karnataka and Maharashtra. Further, the Centres of Excellence also serve to showcase the product's efficacy.

Key Numbers of Technology Development Segment (Roundup® Business)

Particulars	Total
Revenues - Ex-manufact (₹ Crore)	2.2
RoA (1000 to 10000 Roundup® weed management business) was 40/10000	1.75 million



Despite initial challenges by way of a prolonged dry spell across some parts of the country and competitive pricing pressures, through well-planned advance placements and strong brand equity, the Roundup® business performed well in 2016-17.*

Gaurav Katyal
Sales Lead



Facilitating Progress by Leveraging Technology

Providing innovative, customer-focussed and robust solutions, the IT function at MIL facilitates real-time data availability and informed decision-making. Aligned to the vision of 'Digital India', the Company is leveraging digital technology not only for internal processes but is also extending the same to its customers and farmers so that progress is assured, faster, sustainable and for all.

IT Initiatives For Farmers

Monsanto Farm AgVisory Service (MFAS®)

For providing agronomic advice through the mobile platform, MIL has set up the unique Monsanto Farm AgVisory Service (MFAS®). This platform offers relevant information to the farmers by sending them SMSs and leveraging the IVR service, across the entire agricultural cycle - from the time of buying seeds, pre-sowing, crop management, harvesting and finally, getting the right price for the produce. Farmers can register by simply giving a missed call to the designated number and once they are registered on this mobile platform, agronomic information is available to them 365 days a year.

During the year, based on inputs received from the Market Development Officers (MDOs) and Territory Managers (TMs), the MFAS® platform's capabilities were extended to provide more context-based information to farmers. Sharing of relevant agronomic advice goes a long way in ensuring that farm yield levels are not compromised even in the face of vagaries of nature while improving the overall brand value of DEKALB® as an integrated solution provider as against being just a seed player. In 2016-17, the Company

added another 1,50,000 farmers on the platform, thus taking the total number of registered farmers to 4.2 million. MFAS® is currently available in 16 states and in seven Indian languages.

Protecting Farmers through Innovative Offers

In addition to agronomic information, we also provided farmers with an option to insure seed loss damage by registering with the Company by sending an SMS to the number provided on the DEKALB® seed bag purchased by them. The exercise carried out across specific drought-prone districts in Tamil Nadu assured farmers indemnity to the extent of the cost of DEKALB® seeds in case of crop loss due to unfavourable weather conditions. On the other hand, the Company benefited from having an understanding of the farmers' growing conditions, the DEKALB® product they use while inspiring confidence and loyalty towards the brand.

Digital Service

Moving progressively ahead on the objective to provide agronomic advice to the farmers in the best possible manner, the Company has already started working on

building the next-generation capabilities. Leveraging the digital platform, this new offering will enable farmers to access agronomic information anytime, anywhere as per their convenience through the mobile application. Additionally, this new digital offering ensure that it gets precise information pertaining to operating conditions of each individual farmer in greater detail, and based on this contextual data it can provide analytical advisory across important decision points that the farmer is confronted with during the entire crop cycle. This new technology has been launched on a pilot basis with 100+ farmers currently accessing this digital offering.





IT Initiatives For Farmers

IDEA Platform

The IDEA (Information-based Decision and Execution Assistance) application captures data relating to corn cultivation and the use of DEKALB® hybrids right to the village level. Earlier, the application relied on inputs provided by MDOs, which meant that information could be inaccurate or incomplete due to the human limitation factor. Facilitating a more accurate analysis, the mobile-based application now uses satellite image analysis, thus providing the exact latitude and longitude coordinates of the area under corn cultivation. These details enable the Company to plan at which locations their sales team should be present and where the trade activities should be focussed. This, in turn, helps to improve the overall effectiveness of DEKALB® marketing campaigns and enhance maize business operations.

Salesforce.com

The Company has around 900+ large customers with whom the TMs and relationship managers have relations on a one-to-one basis. Salesforce.com, a new digital solution, enables the Company to carry out account planning and management for these critical customers. Features include scheduling meets, providing information on the number of planned customer activities and number of activities completed, and customer satisfaction among others. These insights enable the Company to plan the time and resources that need to be invested for each of these large accounts.

Greater transparency in supply chain

MIL products are sold through a network of distributors, large and small retailers. This multi-level distribution pattern can affect the visibility of inventory, which in turn can affect the supply chain performance.

During the year, by leveraging the latest IT tools, MIL has considerably enhanced the transparency across the supply chain, thus ensuring that farmers get the hybrids they need at the right time and at the right place thereby significantly improving service levels.



“MIL remains committed to deploying the best technology for the benefit of farmers, customers and for the business. Providing farmers with context-based agronomic information through the digital platform is now our next objective.”

Unnikrishnan Nair
IT Lead



Extending Progress to Communities

The inherent nature of the Company's business ensures that it helps uplift and enrich the lives of the impoverished sections of the society. It believes in going beyond the realms of business transactions and engaging with the communities where it operates and help them get better access to tools and techniques that enable progress.

At MIL, sustainable development is an integral part of the business and embedded in the Company's ethos. The Company believes in being change partners by working with several NGOs to engage in social projects that have both local importance and national significance. The Company's corporate social responsibility initiatives are aimed at delivering long-lasting solutions and promoting positive social change in the communities where it operates.

CSR focus areas

Sustainable Agriculture & Livelihoods

- Providing farm infrastructure
- Access to water and water conservation
- Building market linkages

Health and Nutrition

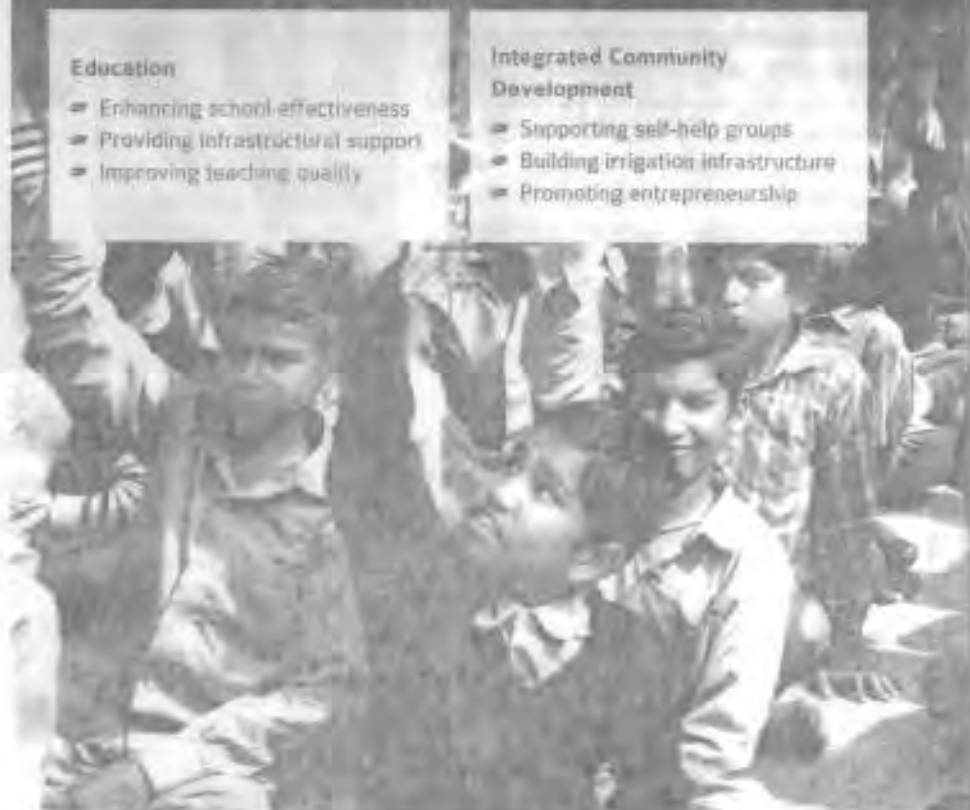
- Supporting midday meal programmes
- Providing sanitation facilities
- Personal and community hygiene
- Drinking water solutions

Education

- Enhancing school effectiveness
- Providing infrastructural support
- Improving teaching quality

Integrated Community Development

- Supporting self-help groups
- Building irrigation infrastructure
- Promoting entrepreneurship





The Company's CSR activities are covered under two major programmes: SHARE (Sustainable Harvests - Agriculture, Resources & Environment) and DISHA. The details of activities under each are as follows:

SHARE (Sustainable Harvests - Agriculture, Resources & Environment)

The programme aims at building capabilities of small and marginal farmers by providing them access to state-of-the-art agricultural information and training aimed at enhancing agricultural productivity sustainably. These include:

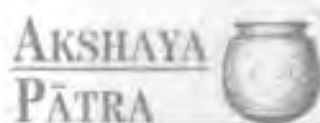
- Input-output capacity building
- Providing on-farm demonstrations for adoption of best agricultural practices
- Building water conservation & irrigation infrastructure
- Building market linkages
- Providing alternative livelihood opportunities
- Conserving natural resources

DISHA

Pradhan Mantri DISHA is an e-extension programme for providing agricultural information and advisory services to farmers through a dedicated website. The website under this programme is available at www.disha.monsanto.com.

- Crop advisory
- Extension on crop protection
- Soil health management
- Fertiliser and Pesticide usage
- Providing e-extension services





Nourishing Young Minds

The Company partnered with Akshaya Patra Foundation to provide nutritious midday meals to 15,000 children across 167 schools in Bhutanagar and Lucknow for 215 working days during the year. Besides, hygiene kits were distributed to all the children along with constitution of 62 WASH (Water, Adequate for Sanitation & Hygiene) councils to educate children on hygiene practices and create awareness for reducing health issues.



Enhancing Learning Levels

The education programme is primarily concentrated in Bihar, where the Company partnered with Deshkal Society to improve school participation and learning abilities of children from agricultural communities. These children are first generation learners and first in their respective community and family to get access to education. The aim is to improve education architecture through emphasis on elementary education and enhancing skills of teachers, reaching out to 48,000 children and 300 teachers across 165 schools in Kirtiyand block of Purnea district in Bihar. The intervention has seen a positive

impact on the learning capabilities of the children as well as the teaching abilities of the teachers. Some of the achievements of the project during the year include:

- Increase in attendance, reading proficiency and arithmetic ability of children by 15, 18 and 11 percentage points respectively.
- 90 interactive and participatory trainings were conducted aimed at capacity building of over 300 teachers.
- Arranged for 2,200 weekly parent teacher meetings to ensure higher level of community engagement in school management activities.
- Implemented new teaching and learning techniques like Activity Based Learning, inclusive classroom practices and peer learning.
- Extensive engagement of the Company and the partner Deshkal Society has generated critical insights that have led to significant interventions, which have also been incorporated in the National Education Policy as commendable practices. These being:
 - **Bal Panjika:** Developing child profile with insights on socio-economic background to promote the concept of inclusive classroom practices.
 - **Chitra Pragati Patrak:** Undertaking assessment of children progress (to provide required additional learning support via peer learning), forming and strengthening school education committee and timely distribution of free textbooks to the children.



Integrated Community Development

The Company partnered with AFPRO and positively impacted 9,500 community members across five villages in Silvassa by providing access to clean drinking water, sanitation facilities and creating alternate livelihood options. To alleviate water scarcity in the villages, 4 pumps, 40 water stand posts/water points, a 20,000-litre storage tank and four community irrigation structures (one dug well and three bore wells) were set up. This has facilitated access to drinking water and supported cultivation of a second crop on 75 acres of land.

337 household sanitation units were constructed in five villages in Silvassa and in the East Champaran district of Bihar. Extensive sensitisation and hygiene awareness trainings were provided to children and community members to influence behavioural change and shift from open defecation to adoption of hygiene practices using toilets.

Skill training on sewing, paper plate making, establishing kitchen garden and poultry farming for women self-help groups has assisted 82 families with alternate livelihood opportunities to enhance household income.





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Health & Nutrition**15,000**

Children across 167 schools were provided midday meals for 215 days

9,500

Community members gained access to drinking water through water infrastructure development projects

337

Household sanitation units constructed

Education**48,000**

Children in Purnea, Bihar show progress in reading proficiency and arithmetic ability

300

Teachers trained on inclusive classroom practices

“Only when we see progress across every nook and corner of our country can our nation’s progress be inclusive and real. Through our multiple CSR projects in rural areas, we are committed to helping communities progress.”

Arnab Das

Corporate
Engagement Lead



Inspiring Progress by Empowering Employees

The Company believes that its employees are its strategic differentiator; their expertise, commitment and experience enabling it to create new benchmarks of efficiency and customer service. 2016-17 was a transformational year for people development with the Company investing significantly in capability and competency building of its human capital, so as to reach out to its customers better.

Increasing its customer outreach and improving the customer experience is a stated objective of MIL. With customer-centricity as its overarching goal, the Company recognises that its people need to be equipped with the necessary skills that will enable them to reach out to its target audience better. Empowering and enabling the employees through right training and skilling fosters high performance teams that engage better, qualitatively and quantitatively, with customers. This, in turn, percolates to inspire the progress of the farmers who are served by these customers.





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Aligned to its goal of increasing its customer-centricity, the Company embarked upon the following capacity building activities during the year:

Role Clarity Conversations: Job descriptions of the sales teams were reviewed and updated based on evolving customer and market needs. These revised job descriptions were cascaded in the team for enhanced role clarity and triggered initiatives of ensuring better customer experience.

Goal-Setting Workshops: These were conducted for the Managers to ensure alignment of the business strategy with individual goals and synchronised working towards a common objective.

Leadership Capability Development: The Company devised several initiatives throughout the year for integrated talent development. While attracting talent, special attention was also given to grooming better recognised people so that they can serve customers better. Similarly, while cultivating future leaders, the Company focused on their continuity as a key attribute to ensure growth and expansion of existing customer engaged.

➤ **Next Orbit:** This programme was aimed at cultivating a more informed workforce among the Managers. Their horizon of perspective was widened to ensure they leverage internal as well as external sources with various stakeholders to understand customer needs and share improved customer experience as well as drive the business growth.

➤ **Change Resilience and Energy:** Anil Kumar Tyagi, Managing Director, India, launched the 'Managers to Embrace Change' programme that is leading change for the company.

➤ **Leading with Impact:** An intervention to build the leadership skills among the Core Team Managers from 644 teams.

Techco-Commercial Training: Technical experts were made as mentors and infusing the technical skills of the team members not already aligned with the Techco's. Techco-commercial training was conducted for Territory Managers (TM) and Market Development Officers (MDO) for augmenting their technical as well as soft skills resulting in enhanced product service and experience for the TMs. This training was implemented under the head of 'Doing it Right' and it covered 79 personnel for the MDOs. The programme was certified RINDE and it was extended to approximately 518 team members.

Recognition

- Recognised by Working Mother & Writ as the 100 Best Companies for Women in India in 2016.



“The path to progress of our farmers is through innovation. As a people-centric organisation, we strive to ensure that we provide our employees the right environment to innovate and the skills to understand, anticipate and service our farmer needs and create value for our farmer customers.”

Jaideep Iyengar
Human Resources Lead



Supporting Progress by Excelling in ESH & Human Rights

2016-17 was a year in which MIL continued to excel in ESH (Environment, Safety & Health) and Human Rights.

MIL's ESH and Human Rights programmes are guided by Monsanto's global vision to ensure inherently safe, compliant and sustainable operations. An uncompromising commitment to the highest health and safety standards and to uphold Human Rights in all its operations is of crucial importance to MIL. This benefits not only the employees but also its external stakeholders, including farmers and rural communities.



ESH and Human Rights Initiatives for 2016-17

At its corn production regions near the Hyderabad facility, MIL undertook several WASH (Water Adequate for Sanitation & Hygiene) projects. By connecting with farmers and communities at these locations and leveraging the information to provide services that they need, WASH aims to improve the living and working conditions in rural India. Drinking water through Reverse Osmosis (RO) units, community and school toilets, and other necessary amenities are being provided at sites and in neighbouring areas. For facilitating the progress of the younger generation, WASH also

focuses on children's health, education and nutrition.

MIL is committed to being at the forefront of human rights protection both with regards to its employees and to the local communities in which it operates. Protecting the most vulnerable section of the society, at all MIL locations including grower farms, the Company strictly upheld the policy of zero child labour. As a responsible organisation, the Company also advocated its business partners to comply with the policy of zero tolerance for child labour.





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Improvement in tracking injuries

MIL not only focusses on reducing injuries, which is a lagging indicator, but also on reporting safety suggestions and near-misses (leading indicators). This allows taking corrective action before an injury happens. This proactive rather than reactive approach enables the Company to achieve its target of reducing injuries. During the year, the Hyderabad site developed a new ESH scorecard factoring several leading and lagging indicators. This enables a more accurate assessment of the progress of our ESH initiatives. The Company is also in the process of implementing a new third-party tool for reporting near-misses, for which, bulk of testing having been successfully carried out in 2016-17.

Vehicle Safety Programme

MIL continued to deliver a strong vehicle safety programme. The Company sensitises its employees, particularly the sales team who often drive on rural roads and in difficult conditions, on safe driving practices. MIL is one of the few companies which tracks Collision per Million Miles (CPMM), and MIL's score on this parameter

has improved from 4.5 in 2015-16 to 4.4 in 2016-17 driven by its sustained road safety focus.

In India, two-wheelers account for a significant part of the total road accidents death. With farmers largely using two-wheelers for commuting, a logical extension of the road safety initiative was to spread awareness among farmers. The MIL sales team proactively shares information on the importance of helmets, driving discipline, and pedestrian safety among others to the farmers, thus facilitating safeguarding of their well-being.

Water Sustainability

Water is a scarce commodity and with agriculture requiring more fresh water than any other industry, MIL stepped up its efforts in encouraging farmers to use drip irrigation, which provides higher yields with less water. MIL continued to assist farmers by disseminating information on government schemes, bank loans, etc. relating to drip irrigation. In 2016-17, MIL advanced the use of drip irrigation to 1,500 acres from 1,200 acres in the previous year.

Off-the-Job Safety and Community Engagement Initiatives

Several such community outreach programmes including blood donation camps were held at MIL locations for the welfare of local communities.

Reach & Connect

Moving beyond the realm of its work and site locations, MIL also worked concerted to influence the society and the industry on the subject of ESH and Human Rights. These initiatives along with messages were posted on social media platforms including MIL blogs, Facebook page and Twitter handle.

MIL was invited to several leading industry forums to share its ESH and Human Rights best practices. At the Innogen® World View Conference, attended by 200 delegates from over a dozen countries, MIL communicated its best safety practices. MIL also shared its vehicle safety practices at an industry symposium held by the Confederation of Indian Industry (CII).

Awards & Appreciation

British Safety Council Award 2017

The MIRA (Monsanto India Road Accident) Award 2017 was presented to MIL for its outstanding performance in the field of road safety. The award is given to the company which has achieved the lowest number of road accidents per million miles driven in the year 2016-17. MIL was awarded this honour for its sustained efforts in reducing road accidents and ensuring the safety of its employees and the community. The award is given to the company which has achieved the lowest number of road accidents per million miles driven in the year 2016-17. MIL was awarded this honour for its sustained efforts in reducing road accidents and ensuring the safety of its employees and the community.

Global Health & Safety Award

MIL was awarded the Global Health & Safety Award 2017 for its outstanding performance in the field of health and safety. The award is given to the company which has achieved the lowest number of health and safety incidents per million hours worked in the year 2016-17. MIL was awarded this honour for its sustained efforts in reducing health and safety incidents and ensuring the safety of its employees and the community.

“MIL ensures the well-being and safety of people touched by agriculture and the responsible use of resources.”

Mahesh Chandak
India - Africa
ESH and
Human Rights
Lead



Board of Directors



Sekhar Natarajan

Chairman

He has been instrumental in guiding MIL to its present position. With a career spanning over three decades, he with his strong vision to revolutionise the agriculture sector has contributed significantly towards the growth of the sector and farmers. Presently, he provides strategic counselling and business guidance to MIL while representing it at industry forums. Prior to his stint as the Chairman, he was the Chief Financial Officer, Business Development Head, Sales and Marketing Head, and Global Corporate Strategy Lead at Monsanto's headquarters in St. Louis (USA). A qualified Chartered Accountant and Cost Accountant, he possesses extensive knowledge and experience in Business Development and Mergers and Acquisitions (M&A). He is also a Managing Partner of M/s. S. N. Consultants, engaged in providing advice and strategic guidance to local and international companies.



Shilpa Shridhar Divekar

Managing Director

She is an accomplished professional having over 21 years of extensive and diverse experience across Consulting (Arthur Andersen and KPMG) and Food & Agriculture industry (Bunge and Monsanto). Passionate for modernising Indian agriculture and sustainably improving farmers' lives, she is keenly focussed on leveraging technology to revolutionise the sector.

Over the 11 years of her association with the Company, she has successfully led several teams in Business, Strategy, Marketing & Product Management and Corporate Engagement. An M&A, Chartered Accountant, Cost Accountant and Post Graduate in Commerce, she has also contributed towards development of the Company's Sustainability and Corporate Social Responsibility programmes focussed on India. Besides agriculture, her interests include travelling, music, cooking, watching sports and reading books on management for perspective building.





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**H. C. Asher**

Independent Director

He is an M.A. and L.L.B. graduate from the prestigious Mumbai University. A renowned professional in corporate and commercial laws, he is a Senior Partner at M/s. Crawford Bayley & Co., a leading firm of Advocates and Solicitors in Mumbai. He has been on the Board of MIL since 1973. He is also a Director on the Boards of several other reputed companies.

**Pradeep Poddar**

Independent Director

He is a Chemical Engineer from UDCT, Mumbai, and an MBA from IIM, Ahmedabad having extensive knowledge and experience in consumer goods industry. He has been on MIL's Board since January 2006. He recently retired from the Tatas as Global President Water and Functional Beverages. Prior to this, he as Managing Director and CEO ran Heinz in India and South Asia for over a decade, starting his career in Glaxo. He is on the Board of Welspun Group and Uflex Limited and a trustee on the Board of United Way, Mumbai. He has been conferred the prestigious Udyog Ratna Award by the Karnataka Government and the Wisitex Foundation in 2001 for his notable contribution to the food industry.

**Piyush Nagar**

Director

He is an alumnus of IIT Bombay (B. Tech. Chemical Engineering) and IIM Calcutta (PGDM) having extensive and diverse experience of over 13 years working across multiple sectors, including over seven years in the agriculture sector. His tremendous skills in commercial roles, including marketing and product management at MIL for branded cotton and Roundup® herbicide, has enabled the Company to significantly scale-up these businesses. A member of the India Leadership Team, he ensures supply chain management of Row Crop and Crop Protection businesses in India. He also plays a central role in transforming the Company's supply chain function.

Prior to this, he has worked as a TAS Officer in Tata Group Companies ensuring marketing and product management in the steel sector. Thereafter he worked in Tata Group Holding Company, managing a portfolio of companies in sectors ranging from Auto-components to BPO services to E-learning.

Notice

Notice is hereby given that the 67th Annual General Meeting of the Members of Monsanto India Limited (CIN - L74999MH1949PLC007912) will be held on Thursday, August 10, 2017 at 11.00 a.m. at Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2017 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Statutory Auditors.
2. To declare a Final Dividend on equity shares.
3. To appoint a Director in place of Mr. Piyush Nagar (DIN - 02272383) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. MZSK & Associates, Chartered Accountants, (Firm Registration No. - 105047W) as Statutory Auditors of the Company in place of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the retiring Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of sixth Annual General Meeting subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending March 31, 2018.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and further on recommendation of the Audit Committee and Board of Directors, M/s. MZSK & Associates, Chartered Accountants, (Firm Registration No. - 105047W) be and are hereby appointed as the Statutory Auditors of the Company, in place of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. - 117356W/W-100018), to hold office for a term of five years from the conclusion of this Annual General Meeting until the conclusion of sixth Annual General Meeting subject to ratification at every Annual General Meeting and that

the Board of Directors be and is hereby authorised to fix such remuneration inclusive of applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit as may be determined by the Audit Committee in consultation with the Auditors and payable in a manner as may be decided."

5. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and such other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder and the Articles of Association of the Company, approval of the members be and is hereby accorded to the re-appointment of Ms. Shilpa Shridhar Divakar (DIN: 08619353) as the Managing Director for a period of three (3) years with effect from September 1, 2017."

"RESOLVED FURTHER THAT approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions and stipulations contained in an agreement to be entered into between the Company and Ms. Shilpa Shridhar Divakar, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialed by the Chairman of the Meeting for her re-appointment and as set out in the Explanatory Statement of the Notice."

"RESOLVED FURTHER THAT in event of loss or inadequacy of profits in any financial year during the period of re-appointment, remuneration, perquisites, benefits and amenities as provided in the Agreement to be entered into by the Company and referred to in the Explanatory statement to the Notice shall be payable to Ms. Shilpa Shridhar Divakar subject to approval of the Central Government, if necessary."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Ms. Shilpa Shridhar Divakar, from time to time, provided that any revision in the quantum of remuneration, perquisites, benefits and amenities shall not exceed the statutory limits as may be prescribed by Section

197 or any other applicable provisions of the Act and/or any schedules thereto subject to approval of the Central Government, if necessary."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised to do all acts, deeds, matters and things as may be necessary or expedient and sign and execute all documents or writings as may be necessary, usual or expedient for the purpose of giving effect to this resolution and for matters concerned (herewith or incidental thereto)."

6. To ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018 and to consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such guidelines and approvals as may be required from the Central Government, appointment of M/s ABK & Associates, Cost Accountants to audit Cost Accounting records with respect to Chemical business of the Company for the financial year ending March 31, 2018 at a consolidated remuneration of ₹ 2,50,000/- per annum (Rupees Two Lakhs Fifty Thousand only) and out of pocket expenses in the course of audit plus service tax or GST, as applicable, be and is hereby ratified."

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Audit Committee and the Board of Directors of the Company to authorise the Management of the Company to carry out transaction(s) in ordinary course of business and on an arm's length price, as may be appropriate, for:

- i. purchase and payment of IPA salt of glyphosate technical from the Company's ultimate holding company, i.e. Monsanto Company, USA, for its Roundup business, of an aggregate value not

exceeding ₹ 200 crore (Rupees Two Hundred crore) each for the financial years ending March 31, 2018 and March 31, 2019;

- ii. payment of royalty to the Company's ultimate holding company, i.e. Monsanto Company, USA for use of germplasm for corn hybrids, of an aggregate value not exceeding ₹ 15 crore (Rupees Fifteen crore) each for the financial years ending March 31, 2018 and March 31, 2019;
- iii. payment of charges for product development for corn seeds, to the Company's ultimate holding company, i.e. Monsanto Company, USA of an aggregate value not exceeding ₹ 30 lakh (Rupees Thirty lakh) for the financial year ending March 31, 2018 and an aggregate value not exceeding ₹ 50 lakh (Rupees Fifty lakh) for the financial year ending March 31, 2019;
- iv. testing of samples of IPA Salt and K-Salt with the Company's ultimate holding company, i.e. Monsanto Company, USA free of cost;
- v. import of miscellaneous items of equipment, apparatus, tool, device, gadget, for aiding corn breeding function, from the Company's ultimate holding company, i.e. Monsanto Company, USA of an aggregate value not exceeding ₹ 2 crore (Rupees Two crore) for each of the financial years ending March 31, 2018 and March 31, 2019;
- vi. re-imbursement of expenses to and by the Company's ultimate holding company, i.e. Monsanto Company, USA of an aggregate value not exceeding the following limits:
 - a. Expenses charged to and charged by your Company:
 - i. ₹ 3 crore (Rupees Three crore) charged to the Company for each of the financial years ending March 31, 2018 and March 31, 2019;
 - ii. ₹ 3 crore (Rupees Three crore) by to the Company for each of the financial years ending March 31, 2018 and March 31, 2019

on principal terms mentioned in the Explanatory Statement annexed hereto and to authorize the Audit Committee to approve ancillary terms and to authorise the Management of the Company to enter into appropriate agreement(s) or contract(s)."

"RESOLVED FURTHER THAT each of the Board of Directors, Audit Committee and the Management of the Company be and is hereby authorized, as may be appropriate or relevant, to implement and to give effect to the above resolution and from time to time, to take all steps

whatsoever and do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient or incidental thereto including finalizing the ancillary and incidental terms in relation to each transaction and to sign deeds, agreements, applications, documents and writings in relation thereto."

By Order of the Board of Directors

Mumbai

May 05, 2017

Company Secretary & Compliance Officer

Registered Office:

Ahura Centre, 'B' Wing, 5th Floor, 96, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093, India
Tel No. : +91-22-2824 6450 / 6702 9851
Fax No. : +91-22-2824 4707 / 6702 3361

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER/ (S) OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. The instrument of Proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than forty-eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be considered at the meeting, is annexed hereto.
3. Members are requested to intimate, indicating their folio number, the changes, if any, of their registered addresses to the Company at its registered office or to the Company's Registrar and Share Transfer Agent ("RTA") viz. Link Intime India Private Limited, C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai – 400 083, in case shares are held in physical form or to their respective Depository Participant ("DP") in case the shares are in dematerialised form.

The particulars recorded with the DP's will be considered for making the payment of dividend either by issuing physical instruments or through Electronic Claiming System ("ECS"). The members are requested to take appropriate

action in the matter, in their own interest to avoid delay in receiving the payment of dividend.

4. Trading in the Company's shares through stock exchanges is permitted only in dematerialised/electronic form. The equity shares of the Company have been registered with both NSDL and CDSL to enable members to hold and trade the securities in dematerialised/electronic form in view of the numerous advantages offered by the Depository system. members holding shares in the Company in physical form are requested to avail of the facility of dematerialisation.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, July 25, 2017 to Thursday, July 27, 2017 (both days inclusive) for annual closing and determining the entitlement of the members whose name appear in the Register of Members as on July 25, 2017, to the final dividend for the year ended March 31, 2017.
6. The payment of final dividend, if any, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after 10th August, 2017 as under:
 - a). To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be available to the Company by National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") as at the end of the day on Monday, July 24, 2017.
 - b). To all those members holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on Monday, July 24, 2017.
7. Members desiring any information regarding the accounts are requested to write to the Company Secretary at least seven (7) days prior to the Annual General Meeting, so as to enable the Company to keep the information ready.
8. In terms of Sections 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to "Investor Education and Protection Fund" (IEPF) established by Central Government. Accordingly, the Company has transferred unclaimed final dividend for the year ended March 31, 2009 and interim dividend for the year 2009-10 to IEPF.
9. The Ministry of Corporate Affairs (MCA) notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, on September 5, 2016 and the Investor Education and Protection Fund Authority

(Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 on February 29, 2017 ("IEPF Rules") which are applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2007-08, as on date of the 66th Annual General Meeting held on August 10, 2016, on the website of the IEPF viz. www.iepf.gov.in and under "Investors" Section on the Website of the Company viz. www.monsantoindia.com.

10. Members, who have not encashed their final dividend warrants for the year 2009-10 or thereafter, are requested to write to the Company or the RTA. According to the provisions of the Act, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.

In case of non-receipt of the dividend warrants, the members are requested to contact the Company's RTA/the Registrar of Companies as under:

Dividend for the financial year	Contact	Action by member
Up to 1994-95	Office of the Registrar of Companies, Maharashtra, Mumbai 'EVEREST' 5 th Floor, 100, Marine Drive, Mumbai-400 002.	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978
1995-96 To 2009-10 (Interim)	Non-recoverable since the unpaid amount has been transferred to Investor Education and Protection Fund.	
2009-10 (Final) to 2016-17	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083.	Request letter on plain paper.

11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Amendment Rules, 2015, as substituted vide a notification dated March 19, 2015 of the Ministry of Corporate Affairs and Rule 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote at the 67th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

In case of members receiving e-mail:

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Select "MONSANTO INDIA LIMITED" from the drop down menu and click on "SUBMIT".
- Enter your User ID
 - For CDSL: 16 digits beneficiary ID.
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 6 digits of the demat account/folio number in the PAN field. - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly the company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the Company Name MONSANTO INDIA LIMITED on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forget Password & enter the details as prompted by the system.
 - Institutional members (i.e. other than individual HUF, NRI etc.) are required to log on to www.evotingnse.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk-evoting@cdsindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk-evoting@cdsindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian (if any) in PDF format as the system will be configured to verify the same.



In case of members receiving the physical copy:

- I. (A) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
 - (B) The voting period begins on August 6, 2017 at 09.00 a.m. and ends on August 9, 2017 at 05.00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 3, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 3, 2017.
 - III. Mr. Gampati Nadiarni, Chartered Accountant (in practice (Membership No. 039297) or failing him Mr. Alwyn D'souza, Practicing Company Secretary (Membership No. F.C.S. No.5559, Certificate of Practice No.5137) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - IV. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting at the general meeting in the presence of at least two(2) witnesses not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
 - V. The results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.monsantoindia.com and on the website of CDSL, immediately after the result is declared by the Chairman and communicated to BSE and NSE Limited.
12. Electronic copy of the Notice of the 67th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 67th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (09.00 a.m. to 05.00 p.m.) on all working days except Saturdays, Sundays and Public Holidays up to and including the date of the 67th Annual General Meeting of the Company.
 14. The Members holding shares in physical form can avail of the nomination facility by filing Form SH-13 (in duplicate) pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or its RTA and, in case of shares held in demat form, the nomination has to be lodged with their DP. For convenience, nomination form is attached at the end of the Annual Report.
 15. Members may also note that the Notice of the 67th Annual General Meeting and the Annual Report for F.Y. 2016-17 will also be available on the Company's website www.monsantoindia.com. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours (09.00 a.m. to 05.00 p.m.) on all working days except Saturdays, Sundays and Public Holidays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the members may also send requests to the Company's investor email investorcare.india@monsanto.com.
 16. Details of Director retiring by rotation/seeking appointment/re-appointment at the ensuing Annual General Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of:
 - a. Securities and Exchange Board of India (Listing Obligation and Disclosures Requirement) Regulations, 2015 and
 - b. Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India
 17. Route map giving directions to the venue of the meeting is annexed to the Annual Report.

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As required by Section 102 of the Companies Act, 2013 (the 'Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

The Explanatory Statement for this Item No. 4 is being provided voluntarily, though strictly not required as per Section 102 of the Companies Act, 2013 (the 'Act').

Section 139 (2) of the Act inter alia provides for appointment of an Audit firm as Company's Auditor for two (2) terms of five (5) consecutive years. The Act also provides for a period of three (3) years to comply with the requirements of Section 139(2) in respect to companies existing before the commencement of the Act.

Accordingly at the 64th Annual General Meeting of the Company held on August 22, 2014, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, having firm registration number: 11366W/W - 100013 were appointed as Statutory Auditors of the Company for a period of three (3) years, subject to ratification of such appointment by the members of the Company at every Annual General Meeting. At two subsequent Annual General Meetings their appointment was duly ratified. M/s Deloitte Haskins & Sells LLP will hold office up to the conclusion of this annual general meeting and are not eligible for re-appointment. It is accordingly proposed to appoint M/s MZSK & Associates, Chartered Accountants as the Company's Statutory Auditors at this Annual General Meeting.

The appointment of M/s. MZSK & Associates is being made for the first time under Section 139 of the Act, for a term of five (5) consecutive years subject to the ratification by Members at every Annual General Meeting.

A special Notice has been received under section 140(4)(iii) from a shareholder holding not less than 1% of the total voting power for appointment of M/s. MZSK & Associates, Chartered Accountants, as the Company's Auditor for the said term of five years.

The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and has recommended their appointment.

The appointment of M/s. MZSK & Associates, Chartered Accountants is placed before the Members for their approval at Item no. 4 of the Notice.

Ms. Shilpa Shridhar Divekar, Managing Director of the Company, was appointed by the Members in the Annual General Meeting held on August 7, 2015 to hold office for a period of three (3) years from September 1, 2014.

Ms. Divekar is a MBA, Cost Accountant and a First Graduate in Commerce. Ms. Shilpa Shridhar Divekar has extensive and diverse experience of over 15 years across the agriculture and food sectors at Bunge & Monsanto and the consulting field of Arthur Andersen & KPMG. Her consulting career involved working with clients across a variety of sectors on engagements involving strategy, process realignment, business integration, acquisitions and organizational change.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on May 05, 2017 approving re-appointment of Ms. Shilpa Shridhar Divekar, as Managing Director of the Company for a further period of three years with effect from September 1, 2017. This is subject to the approval of the shareholders at this Annual General Meeting.

The Board of Directors at its meeting held on January 30, 2017, also approved the salary and all other terms and conditions of re-appointment of the said Managing Director, subject to approval of the Members in a general meeting.

The main terms and conditions of appointment of Ms. Shilpa Shridhar Divekar (the 'Managing Director') as set out in the agreement to be entered are set out as below:

1. The appointment of Managing Director is for the period of three (3) years from September 01, 2017 to August 31, 2020.



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2. The Company shall pay to the Managing Director in consideration of the performance of her duties, subject to the ceiling limit/s prescribed vide applicable provisions of the Companies Act, 2013. The remuneration and the perquisites proposed to be provided to her are as follows:

Sr. No.	Elements	Rupees
(i)	Basic Salary	₹ 62,58,020/- per annum
(ii)	Special Allowances	₹ 26,09,175/- per annum
(iii)	Incentive, Performance Bonus and Increment	As determined by the Board of Directors/Nomination and Remuneration Committee from time to time and within the overall Company's Scheme target at ₹ 44,08,614/- per annum
(iv)	House Rent Allowance (HRA)	As per Company's Policy (₹ 31,49,010/- Per annum)
(v)	Medical Benefits	a) Mediclaim Policy as per Company's scheme – family floater program, coverage ₹ 3,50,000/- b) Reimbursement of medical expenses to the extent of ₹ 21,000/- per annum.
(vi)	Leave Travel Allowance	₹ 5,24,835/- per annum
(vii)	Insurance:	● Group Personal Accident Policy; As per Company's Scheme, ● In addition, the cost of insurance cover against the risk of any financial liability or loss because of any error of judgment as the 'Managing Director' of the Company, as may be approved by the Board of Directors from time to time
(viii)	Leave entitlement	As per Company's Scheme.
(ix)	Contribution to the Provident Fund, Superannuation Fund or any other Fund	As per Company's Scheme.
(x)	Gratuity	As per Company's Scheme*
(xi)	Automobile	A fully maintained Motor Car for official use as per the rules of the Company.
(xii)	Communication facility	Mobile phone and residence landline telephone facilities will be reimbursed, to the extent of calls made for and incidental to the business of the Company.
(xiii)	Stock Options or Stock Appreciation Rights Plan	Eligible to participate in the Stock Options/Stock Appreciation Rights Plans etc., as in existence/to be declared by the Monsanto Company, USA from time to time. Actual cost of this Plan will be paid for by the Company.
(xiv)	The terms and conditions of the said appointment and/or agreement may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.	
(xv)	(i) The employment may be terminated by the Company without any notice or payment of any kind in lieu of such notice or otherwise in the event any act of dishonesty, disobedience, indulgence in illegal activities or other misconduct on the part of Managing Director or in the case when the Managing Director has been adjudged insolvent or applying to be adjudged insolvent or making a composition or arrangement with her creditors or being held guilty by a court of competent jurisdiction of any offence, whether involving moral turpitude or otherwise. (ii) The Agreement may be terminated by either party giving the other party ninety (90) days' notice.	
(xvi)	In any financial year, if the Company has no profits or its profits are inadequate, the Company will pay remuneration as set out in the Agreement, as minimum remuneration to the Managing Director subject to approvals of the Central Government.	
(xvii)	The Managing Director shall not be entitled to receive any sitting fees for attending meetings of the Board or any committee thereof.	

* As per the Gratuity Act/ Company policy.

3. The Managing Director shall be entitled to reimbursement of all actual expenses incurred by her for and on behalf of the Company, in furtherance of its business.

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4. The Managing Director shall not, except with the prior written consent of the Board, directly or indirectly engage herself in any other business, occupation or employment including as an employee of or advisor to any group / affiliates or subsidiary companies of Monsanto Company, USA either in India or abroad or take up any other employment, service, occupation, assignment, project, research, engagement etc.
5. The Managing Director shall not directly or indirectly, accept any commission, profits, presents or gratification of any kind from any person, firm or company having dealings with the Company and if she is offered any such commission, profits, presents or gratification, she shall immediately report the same to the Chairman of the Board in writing and if called upon to do so by the Company, shall forthwith hand over the same to the Company.
6. The Managing Director shall not become interested or otherwise concerned directly or indirectly in any selling agency of the Company or distribution or dealership of the Company's products.
7. The Managing Director shall not divulge or disclose any Confidential Information to any person and the Managing Director during her tenure shall make best endeavour to prevent any other person doing so.
8. The Managing Director agrees that all the Company's Property which shall come in her possession in the course of her employment shall be the absolute property of the Company and Managing Director upon the termination of the Agreement for any cause whatsoever, deliver up the same to the Company, without claiming any lien thereon and without retaining any copies, notes or excerpts thereof.
9. The Managing Director undertakes on cessation of her employment, she shall immediately vacate the Company leased/owned accommodation, if any.
10. If, during the Term, the Managing Director, either alone or jointly with any person or persons (whether or not said person or persons are employed in the service of the Company) makes or devises any invention, discovery, process or improvement (whether patentable or not) or compiles any data relating to any plant, machinery, appliance, project, process, technique, marketing devices, advertisements, propaganda material, packaging designs etc. or method of manufacture or construction now or hereafter used, made or dealt in by the Company or relating to any plant, machinery, appliance, project, process, technique or method of manufacture or construction which may be substituted for or used in conjunction with any plant, machinery, appliance, project, process, technique or method of manufacture or construction now or hereafter used made or dealt with by the Company ("Intellectual Assets"), are considered as 'works made for hire' and shall be the sole and exclusive assets of the Company and the Managing Director shall have no rights on all such Intellectual Assets of whatsoever nature.
11. The Managing Director shall not any time, on or after the termination of this Agreement, for whatever cause, either personally or by her agent, directly or indirectly:
 - a. represent herself as being in any way connected with or interested in the business of the Company; or
 - b. either on her own account or for any person, firm or company, canvass or solicit orders or business from any customer or client of the Company, and ensure that such person, firm or company shall not do so;
 - c. either on her own account or for any person, firm or company solicit, interfere with or endeavour to entice away from the Company any personnel of the Company; and ensure that such person, firm or Company shall not do so;
 - d. do any other act or thing calculated to prejudice the interests or business activities of the Company; or
 - e. shall not describe herself in any paper, document, name card, advertisement or anywhere else as formerly holding employment with the Company.

Nothing in this clause 11 shall, however, be deemed to prohibit the Managing Director from carrying on, after the termination of this Agreement, her general profession in such manner as shall not unfairly compete with the interests of the Company.
12. The Managing Director shall unless the Company otherwise notifies her in writing, retire from the services of the Company on her attaining the age of sixty (60) years.
13. It is expressly agreed by and between the Parties hereto that:
 - a. any indulgence granted or forbearance shown by the Company in connection with any breach on the part of the Managing Director of any of the provisions, conditions or stipulations herein contained shall not be deemed to imply waiver by the Company of its rights hereunder and shall not preclude the Company from at any time enforcing its rights under this Agreement against the Managing Director;
 - b. any termination by the Company of the Managing Director's employment and this Agreement shall be without prejudice to any claim, which the Company may have against her in respect of any act or omission.



whether committed before or at the time of the termination of the Agreement and her employment hereunder.

Your directors are of the opinion that since, Ms. Shilpa Shridhar Divekar has rich and varied experience in the industry and has been involved in the operations of the Company over a long period, it would be in the interest of the Company to continue with the employment of Ms. Shilpa Shridhar Divekar as Managing Director of the Company.

The draft Agreement to be entered into between the Company and Ms. Shilpa Shridhar Divekar is available for inspection by the Members of the Company pursuant to the provisions of Section 190 of the Companies Act, 2013, at its registered office at Ahara Centre, 5th Floor, 96, Mahakali Caves Road, Andheri (East), Mumbai 400 093 on any working day of the Company up to the date of Annual General Meeting.

Except Ms. Shilpa Shridhar Divekar, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution except and to the extent they are Members of the Company.

ITEM NO. 6

Proposal for appointment of Cost Auditor for 2017-18 was recommended by the Audit Committee to the Board in its meeting held on May 05, 2017. Pursuant to provisions of Section 148 of Companies Act, 2013 and Rules made thereunder, it was proposed to re-appoint M/s. ABK & Associates, Cost Accountants as Cost Auditors of the Company. M/s. ABK & Associates have submitted a letter regarding their eligibility for appointment as Cost Auditors, which will be available for inspection at the Registered Office of the Company during 09.00 A.M. to 05.00 P.M. on all working days except Saturday, Sundays and Public Holidays upto and including the date of the 67th Annual General Meeting of the Company.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost Auditors is to be ratified by the shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6, except as a member of the Company.

ITEM NO. 7

Section 188 of the Companies Act, 2013 (the "Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, provides that all transactions involving inter alia sale,

purchase or supply of goods or materials or services with a related party, other than transactions entered into by the Company in the ordinary course of business which are on an arm's length basis as defined in explanation (b) to section 188 shall require prior approval of the Members by way of a resolution where the sale or supply of such goods or materials and services exceeds 10 per cent of the annual turnover of the Company.

Further, Proviso to Regulation 23(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 per cent of the annual consolidated turnover of a company as per the latest audited financial statements of the company. Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 further states that all material related party transactions shall require approval of the Members through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

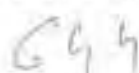
Monsanto Company, USA is a related party within the meaning of section 2(76) of the Act and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except for purchase of IPA Salt of Glyphosate technical, none of the transactions proposed for approval of the members, in the two financial years ending March 31, 2018 and March 31, 2019, are material by themselves.

However, these transactions considered together with the other material related party transactions of the Company with Monsanto Company, USA as described in the resolution at Item No. 7, are expected to exceed 10% of the annual turnover of the Company as per annual audited financial statements ending March 31, 2017. Accordingly, these transactions proposed for the financial year ending March 31, 2018 and March 31, 2019 are deemed to be material in terms of Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the relevant financial years which requires approval of the Members by a resolution. Accordingly, the resolution is being placed before the Members of the Company for approval.

The Audit Committee and the Board of Directors of the Company have reviewed and approved the proposal and recommend the same to Members for their approval for the below mentioned reasons:

PURCHASE OF IPA SALT OF GLYPHOSATE TECHNICAL

Your Company purchases the base material (IPA salt of Glyphosate technical) for manufacturing Round-up®, from the Company's ultimate holding company, Monsanto Company,



USA, with a view to maintaining quality standards and reliability of supplies of the product. This enables the Company to manufacture Roundup® of the same quality and standard as produced everywhere globally and helps marketing the Product. Glyphosate technical, is the base material for manufacture of Roundup® which is a broad spectrum, Glyphosate-based, post-emergent systemic herbicide for weed management and the flagship of the Company's herbicides business.

Your Company has been manufacturing high quality Roundup® (hereinafter also referred to as 'Product') for more than 20 years and has been purchasing IPA salt of Glyphosate technical from the Monsanto Company, USA to maintain quality standards of the Product. Your Company is a leading player in the market for sale of herbicides and has a sizeable share in the market. The business is important to the Company as it contributes to the turnover and profits of the Company.

The total imports for the previous financial year i.e., 2016-17 was ₹ 18.72 crore (Rupees Seventy Eight crore seventy two lakh). For the financial year ending March 31, 2018 and March 31, 2019, the estimates stand at an aggregate value not exceeding ₹ 200 crore (Rupees Two Hundred crore) each for financial year ending March 31, 2018 and March 31, 2019. These proposed transactions are in the ordinary course of business and at arm's length basis.

All source for purchase of IPA Salt of Glyphosate technical is required to be registered by the importer with the Ministry of Agriculture, Government of India, under The Insecticide Act, 1968. Our current source of purchase from Monsanto Company, USA is an approved source for purchase of IPA Salt of Glyphosate technical by the Ministry of Agriculture, Government of India under The Insecticide Act, 1968. Any change in the registered source of purchase of IPA Salt of Glyphosate technical with the Ministry of Agriculture, Government of India, may take anywhere upto 2 years from the date of application for making such change.

Purchase of IPA Salt of Glyphosate technical by the Company from Monsanto Company, USA shall be beneficial to the Company considering the quality of the product. It is in the interest of the Company, therefore, to import the technical material from the Seller to continue to manufacture the Product.

Your Company leverages a global germplasm pool of its ultimate holding company for development of new hybrids more suited to Indian operations. Import of germplasm is essential for the growth of the Company as a leader in the corn hybrid market. It has a direct bearing on the turnover and quality of the Corns. The germplasm is acquired by Monsanto Company, USA free of cost. Your Company uses such germplasm for development of new

hybrids for the Indian market. On successful commercialization of hybrids containing imported germplasm, your Company pays a royalty to Monsanto Company, USA at 4% of the annual net sales of such hybrids.

Your Company is known for the quality products manufactured by it and commands a sizeable share in the market. Corn business is important to the Company as it significantly contributes to the turnover and profits of the Company. Since the imported germplasm is a key element for better and new corn hybrid development, it helps the Company in providing a better value proposition for the farmers, thereby ensuring better value for its corn seeds and aiding growth in the Company's turnover. The business of the Company will be significantly impacted if imports of corn germplasm are not made or are not used in the development of new hybrid.

The total value of royalty paid on germplasm import for the year ending March 31, 2017 was ₹ 7.84 crore (Rupees Seven crore eighty four lakh) (4% of annual net sales of hybrids derived from the use of imported germplasms). Based on the demand for growth for such hybrids, the expected value of payment of royalty at 4% of the annual net sales are estimated at a value not exceeding ₹ 15 crore (Rupees Fifteen crore) each for the financial years ending March 31, 2018 and March 31, 2019. The resolution placed before the Members, is on the basis of these estimates. These proposed transactions are in the ordinary course of business and at arm's length basis. It is in the interest of the Company, therefore, to continue to pay a royalty of 4% of the annual net sales for importing the germplasm from Monsanto Company, USA to continue to manufacture corn seeds.

Monsanto Company, USA carries out product development activities on behalf of your Company for its preparedness for future launches of corn products in India, this is charged to your Company on per hybrid basis. The charge for the previous financial year i.e. 2016-17 was NIL. For the financial year ending March 31, 2018 and 2019, the estimates stand at an aggregate value not exceeding ₹ 30 lakh (Rupees Thirty lakh) for financial year ending March 31, 2018 and an aggregate value not exceeding ₹ 50 lakh (Rupees Fifty lakh) for financial year ending March 31, 2019. These proposed transactions are in the ordinary course of business and at arm's length basis.

Your Company is required to test samples of IPA Salt and K-Salt (Ingredients of Glyphosate) with Monsanto Company, USA, pursuant to good quality control and manufacturing process. The testings are done by Monsanto in its own laboratories against strict analytical standards through processes which are performed as best in class testing practices. Such testings assure best quality

products produced by your Company for the farmers. Monsanto Company, USA does not charge your Company for any of these testing processes. All shipping and other incidental charges are borne by your Company and no payments are made to Monsanto Company, USA. Monsanto Company, USA provides this service to other Monsanto entities in other regions of the world, without charging any cost for this service from such Monsanto entities. The proposed transactions do not involve the payment of price or consideration by your Company, and, accordingly, the question of arm's length pricing does not arise.

IMPORT OF MISCELLANEOUS EQUIPMENTS

Your Company has a specialized corn breeding program which aids development of several varieties of corn hybrids for commercialization. The corn breeding program is required to use these specialized equipments, tools, apparatus, devices, gadgets (together referred as "equipments") for its functioning. These equipments are designed and manufactured by the Engineering Department of Monsanto Company, USA exclusively for internal usage by the Monsanto Group companies. Neither the unique designs of these equipments nor anything similar to it is available outside the Monsanto Group. Various parts of the equipments are procured by the Engineering department of Monsanto Company, USA and, thereafter, assembled as per the customized design specifications of various Monsanto region requests, including requests from the corn breeding team of your Company. The prices to be charged by Monsanto Company, USA for these equipments to your Company and charged to other Monsanto regions in the past have been the same. These proposed transactions are in the ordinary course of business and at arm's length basis. The total cost of imports of such equipments made for the financial year ending March 31, 2017 was NIL. The estimated cost of all equipments to be procured for the year ending March 31, 2018 and March 31, 2019 will not exceed ₹ 2 crore (Rupees Two crore) for each of the financial years.

REIMBURSEMENT OF EXPENSES

Your Company provides and receives products, services from its ultimate holding company, Monsanto Company, USA. Costs for such products and services are debited to your Company or charged by your Company at actual costs and no element of

margin / profit is considered for the same. Payments are made within 30 days of receipt of invoice. Details of some of the transactions are as follows:

- **Manpower Cost** - In order to leverage global talent pool of employees, certain employees are deputed from time to time to / from your Company. All expenses relating to these specific employees for their period of deputation is debited to/by your Company. Currently there is no employee deputed, hence there is no cost.
- **Technical support** - As a part of global initiative, your Company/ Monsanto Company, USA leverages some of the global competencies/ process/IT system for improving its operations. This also includes testing of corn samples for ensuring quality standards. The cost of such technical support is being debited to/by your Company.
- **Stock options** - As a part of efforts to hire and retain best talent, Monsanto Company, USA operates stock options scheme/other equity based awards for specific categories of employees. Costs pertaining to employees from Monsanto India Limited are debited to/by your Company.

These proposed transactions are in the ordinary course of business and at arm's length basis. For the financial year ending March 31, 2017, the reimbursements have been as follows:

- Expenses charged to your Company - ₹ 0.82 crore (Rupees Eighty Two lakh)
- Expenses charged by your Company - ₹ 0.17 crore (Rupees Seventeen lakh)

Basis estimates made by the management, the following reimbursements of expenses charged to and by your Company, of an aggregate value not exceeding the following limits are proposed for members' approval:

- i. ₹ 3 crore (Rupees Three crore) charged to the Company for each of the financial years ending March 31, 2018 and March 31, 2019;
- ii. ₹ 3 crore (Rupees Three crore) charged by the Company for each of the financial years ending March 31, 2018 and March 31, 2019.



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Particulars	Purchase of IPAs (as of 31/03/2018)	Royalty Payment as (as of 31/03/2018)	Product Development Charges	Testing of samples of IPAs (as of 31/03/2018)	Import of materials (as of 31/03/2018)	Restatement of expenses
Material terms of the contract/ arrangements/ transactions	A. Price Negotiated Price based on exchange rate parity reviewed in parallel basis. B. Payment Terms: Payment to be made by the Company within 60 days of receipt of invoice. Period: 2 years	A. Price - To be determined on an arm's length basis. B. Payment Terms: Payment to be made by the Company within 30 days from finalisation of audited financial statements for the financial year. Period: 2 years	A. Price - To be determined on an arm's length basis. B. Payment Terms: Payment to be made by the Company within 30 days of receipt of invoice. Period: 2 years	A. Price Cost of cost. A. Payment Terms: Payment to be made by the Company within 30 days of receipt of invoice. Period: 2 years	A. Price On actual. B. Payment Terms: Payment to be made by the Company within 30 days of receipt of invoice. Period: 2 years	
Actual Payments from April 2016 to March 2017	₹ 28.72 crore (Rupees Seventy Eight crore seventy two lakh)	₹ 7.64 crore (Rupees Seven crore eighty four lakh)	None	None	None	Expenses charged to MLL - ₹ 0.82 crore (Rupees Eighty Two lakh) Expenses charged by MLL - ₹ 0.17 crore (Rupees Seventeen lakh)
Monetary value	Not exceeding ₹ 300 crore each (Rupees Three Hundred crore) for financial years ending on March 31, 2018 and March 31, 2019.	Not exceeding ₹ 15 crore (Rupees Fifteen crore) each for financial years ending on March 31, 2018 and March 31, 2019.	• Not exceeding ₹ 30 lakh (Rupees Thirty lakh) for financial year ending March 31, 2018; and • Not exceeding ₹ 90 lakh (Rupees Fifty lakh) for the financial year ending March 31, 2019.	Not Applicable	Not exceeding ₹ 2 crore (Rupees Two crore) for each of the financial years ending March 31, 2018 and March 31, 2019.	Financial year ending March 31, 2018 • Expenses to be charged to and by the Company - ₹ 1 crore (Rupees Three crore) each Financial year ending March 31, 2019 • Expenses to be charged to and by the Company - ₹ 1 crore (Rupees Three crore) each
Are the transactions in the ordinary course of business	Yes	Yes	Yes	Yes	Yes	Yes
Are the transactions usual and of length term	Yes	Yes	Yes	Yes	Yes	Yes
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes	Yes	Yes	Yes	Yes	Yes

The Company considers that these transactions which are proposed to be entered into with Monsanto USA are in the ordinary course of the Company's business and are on an arm's length basis. The Audit Committee has recommended the same to Board of Director and the Board of Director has approved the proposed resolution which is being placed before the Members for their approval.

It is in the interest of the Company to continue import and, for that purpose, to pass the required resolution.

In terms of Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties shall abstain from voting on the resolution set out at Item No. 7.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise, in the resolutions set out at Item No. 7.

By Order of the Board of Directors

Mumbai

May 05, 2017

Monika Gupta

Company Secretary & Compliance Officer

Registered Office:

Ahura Centre, "B" Wing, 5th Floor, 96, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, India
Tel No.: +91-22-2824 6450 / 6702 9851
Fax No.: +91-22-2824 4707 / 6702 3361

Annexure

DETAILS OF DIRECTORS RETIRING BY ROTATION SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Director	Mr. Piyush Ramesh Nagar	Ms. Shilpa Shridhar Divekar
Director Identification No.	02272383	06619353
Date of appointment	23/03/2016	01/09/2014
Date of Birth	17/10/1979	30/11/1973
Expertise in specific functional areas	He has extensive and diverse career experience of over 12 year across multiple sectors which he gained through working in various Tata Group Companies as TAS officer and in Monsanto.	She has extensive and diverse experience of over 15 years across the agriculture and food sectors.
Qualifications	IT Bombay (B. Tech, Chemical Engineering) and IIM Calcutta (PGDM)	MBA, Cost Accountant and Post Graduate in Commerce
Directorship as on March 31, 2017*	-	(i) Monsanto India Limited (L) (i) Mahyco Monsanto Biotech (India) Private Limited (U) (i) Maharashtra Hybrid Seeds Company Private Limited (U) (i) CropLife India (U) Monsanto India Limited – Stakeholders Relationship Committee (M) NIL
Committee Chairmanship/ Membership as on March 31, 2017*	-	
Shareholding in Monsanto India Limited	NIL	NIL

* Directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and their Committee memberships (if declared), Membership and Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Public Companies have been included in the above table.

(M) – Member, (C) – Chairman, (U) – Listed, (L) – Unlisted

By Order of the Board of Directors

Mumbai
May 25, 2017

Company Secretary & Compliance Officer

Registered Office:

Aktara Centre, B-Wing, 5th Floor, 96, Mahadevi Caves Road,
Andheri (East), Mumbai - 400 093, India
Tel No.: +91-22-2824 6450 / 6702 9851
Fax No.: +91-22-2824 4707 / 6702 3361



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Financial Summary for 10 Years

Particulars		2010-11	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
I. INCOME, PROFIT & DIVIDEND											(₹ in Crores)
Sales (Net)		635.82	536.41	540.63	576.40	436.34	367.98	356.76	410.14	387.00	365.23
Other Income		18.34	19.34	31.06	19.54	22.79	20.94	13.50	12.54	15.14	56.56(1)
Total Income		654.16	555.75	571.69	595.93	459.13	388.92	370.26	422.68	402.15	421.79
Profit Before Depreciation, Interest & Tax		170.11	122.05	137.31	158.04	86.56	70.42	61.38	69.53	100.51	138.17
Depreciation and Exceptional Items		9.06	9.32	7.92	11.89	10.09	9.00	10.61	11.49	13.35	12.70
Profit Before Interest & Tax and Exceptional Items (PBIT)		161.05	112.73	129.39	146.15	76.47	61.42	50.77	58.05	87.16	125.47
Interest		1.10	0.68	0.41	0.51	0.70	1.28	0.28	0.29	0.24	0.35
Profit Before Exceptional Items & Tax		159.95	112.05	128.98	145.64	75.77	60.14	50.49	57.76	86.92	125.12
Exceptional Items		1.29	2.89	-	-	-	-	-	-	-	-
Profit Before Tax (PBT)		158.66	109.16	128.98	145.64	75.77	60.14	50.49	57.76	86.92	125.12
Tax		11.13	7.91	23.68	15.85	7.83	9.95	7.46	3.95	13.30	24.95
Profit After Tax (PAT)		147.53	101.25	105.30	129.79	67.94	50.19	43.03	53.81	73.62	100.17
Dividend		25.89	51.79	62.14	158.82	37.95	34.52	17.26	15.10	20.71	178.66
Dividend - ₹ per share		15.00(11)	30.00(10)	36.00(9)	92.00(8)	22.00(7)	20.00(6)	10.00(5)	17.50(4)	24.00(3)	207.00(2)
II. SHARE CAPITAL & CAPITAL EMPLOYED											
Share Capital		12.26	17.26	17.20	17.26	17.26	17.26	8.43	8.63	8.63	8.63
Reserves and Surplus		512.36	395.94	357.07	327.24	390.16	367.13	365.89	342.95	306.78	257.48
Net Worth (Shareholders' Fund)		524.62	413.25	374.27	344.50	407.42	384.39	374.32	351.58	315.41	266.11
Loans (Secured and Unsecured)		-	-	-	-	-	-	-	-	-	-
Total Capital Employed		524.62	413.25	374.27	344.50	407.42	384.39	374.32	351.58	315.41	266.11
Represented by											
Fixed Assets (Net)		106.53	95.05	87.85	80.50	89.16	91.99	92.72	115.60	113.62	114.43
Investments		347.93	157.49	186.48	266.73	250.94	105.78	151.36	80.72	57.97	255.14
Net Current/Non Current other Assets		75.16	160.71	97.00	(10.73)	67.32	96.62	130.24	155.26	143.82	(103.46)
Total Assets		529.62	413.25	374.33	344.50	407.42	384.39	374.32	351.58	315.41	266.11
III. RETURN											
On Sales (PAT) %		25	20	24	24	17	16	14	14	22	34
On Capital Employed (PBIT) %		30	27	35	40	19	16	14	17	28	47
On Shareholders' Funds (PAT) %		28	25	28	36	17	13	11	15	23	38
Per Share (PAT) ₹		85.38	55.66	61.59	71.20	39.01	29.07	49.62	62.36	85.20	116.05

1. Include Dividend Income

2. 1st interim dividend of ₹ 12, 2nd interim dividend of ₹ 180 as a special dividend and final dividend of ₹ 15

3. Interim dividend of ₹ 12 and Final dividend of ₹ 12

4. Interim dividend of ₹ 10 and Final dividend of ₹ 7.50

5. Interim dividend of ₹ 10 and Final dividend of ₹ 10

6. Interim dividend of ₹ 10 and Final dividend of ₹ 10

7. Interim dividend of ₹ 10 and Final dividend of ₹ 12

8. Including Special dividend of ₹ 50, Interim dividend of ₹ 12 and Final dividend of ₹ 30

9. Including Interim dividend of ₹ 18 and Final dividend of ₹ 16

10. First interim dividend of ₹ 10 and Second interim dividend of ₹ 10

11. Interim dividend of ₹ 15

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Directors'

Your Directors have pleasure in presenting their 67th Annual Report on the business and operations of the Company and the financial results for the Financial Year ended March 31, 2017.

The financial performance of your Company for the year ended March 31, 2017 is summarized below:

	Year ended March 31, 2017	Year ended March 31, 2016
Net Sales	640.71	541.57
Profit Before Tax	158.66	108.15
Taxation	11.13	1.81
Balance of Profit	147.53	106.34
Add: Balance brought forward from previous year	128.54	89.62
Amount Available for Appropriation	276.07	195.96
Appropriated As Under:		
a. Interim Dividend	35.83	51.78
b. Tax on Interim Dividend	5.27	10.54
c. Proposed Final Dividend	—	—
d. Tax on proposed Final Dividend	—	—
e. Transfer to General Reserve	—	—
Balance in Statement of Profit & Loss	244.91	133.64

During the financial year (FY) 2016-17, your Company posted a Profit After Tax (PAT) of ₹ 147.53 crore as compared to previous year PAT of ₹ 106.34 crore (increased by 45.11%). Pre-tax profits is higher by 45.15% at ₹ 158.66 crore (previous FY ₹ 108.15 crore).

Due to good value spread (platoon) of Kharif 2016 resulted in the Net Turnover for the year under review, increased to ₹ 640.71 crore compared to ₹ 541.57 crore for the previous FY (increase by 18.31%).

Your Company's seeds (DEKALB[®]) sale is higher at ₹ 438.64 crore in the FY 2016-17 vis-à-vis ₹ 354.98 crore in the FY 2015-16, indicating a growth of 23.52%. A strong kharif 2016 and spring performance coupled with successful portfolio transition led to this growth.

Net Sales of Roundup[®] during the year stands at ₹ 197.13 crore compared to the previous year net sales of ₹ 181.45 crore (higher by 8.67%). The increase was led by volume growth, while competition continued to be under competitive pressures arising out of lower prices for many parts of the year.

In the year under review the operating expenses for the year is ₹ 304.25 crore, which is a increase of 8.41% over previous year.

During the financial year 2016-17, your Company had declared an interim dividend of ₹ 15/- (Rupees fifteen only) per equity share. In addition, your Directors are pleased to recommend a payment of ₹ 15/- (Rupees Fifteen only) per equity share as final dividend for the financial year ended March 31, 2017. If approved by the members at the Annual General Meeting to be held on August 10, 2017, the total dividend (interim and final dividend) for the financial year 2016-17 would be ₹ 30/- (Rupees Thirty only) per equity share.

In terms of Regulation 43A of SEBI Listing Regulations (LODR), your Company has formulated the Dividend Distribution Policy of the Company which is annexed as (Annexure 1) and forms a part of this Report. The policy is in accordance with the parameters prescribed under the Listing Regulations and is also available on the website of the Company at www.mopasatdtdia.com.

The Company has not transferred any amount to general reserve.



INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

Your Company has adopted IND - AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs' notification dated February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors appointed Mr. Saurabh Vaidya as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from August 4, 2016 on the recommendation made by Audit Committee and Nomination and Remuneration Committee.

Ms. Chandana Dhar tendered resignation as the Company Secretary and Key Managerial Personnel of the Company effective, December 23, 2016. Your Directors place on record their sincere appreciation of the valuable contribution made by her during her tenure as Company Secretary of the Company.

Your Board appointed Ms. Monika Gupta as the Company Secretary and Key Managerial Personnel of the Company w.e.f. January 30, 2017 on the recommendation made by Nomination and Remuneration Committee.

In accordance with provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, Mr. Piyush Nagar retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

A brief profile of Mr. Piyush Nagar (DIN: 02272383) and the details of directorship held by him, forms a part of the Notice convening the 57th Annual General Meeting, contained in this Annual Report.

The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under Section 149 of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There is no change in the composition of the Board of Directors during the year under review.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Every Independent Director of the Company is provided with ongoing information about the industry and the Company so as to familiarise them with the latest developments. The Independent Directors also visit the facilities at various locations of the Company where they can visit and familiarise themselves with the operations of the Company.

The details of familiarisation programs provided to the Directors of the Company are available on the website www.monsantoindia.com

FORMAL ANNUAL EVALUATION OF BOARD OF DIRECTORS, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committee. A structured evaluation report was prepared after taking into consideration inputs received from the directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board dynamics, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who are evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The criteria applied in the Board evaluation process is explained in the Corporate Governance Report.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the non-independent directors was carried out by the Independent directors who also reviewed the adequacy and flow of information to the Board. The directors expressed their satisfaction with the evaluation process.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Board/Committee Meetings are prescheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law which are confirmed at the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board/Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

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During the year under review six Board meetings and five Audit Committee meetings were convened and held. Details of each such meetings are given in the Corporate Governance Report. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Currently, there are five (5) Committees of the Board, namely:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee
- (iv) Corporate Social Responsibility Committee
- (v) Share Transfer Committee

The Board decides the terms of reference for these Committees. Minutes of meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided in detail in the Corporate Governance Report, which forms a part of this Annual Report.

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The Internal Auditors are an integral part of the internal control mechanism of the Company. To maintain its objective and independence, the Internal Auditors report to the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial statements and disclosure.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (FRN: 117366W/W-100018) were appointed Statutory Auditors of your Company for a term of three years from the conclusion of the 64th Annual General Meeting held on August 22, 2014

ill the conclusion of the 67th Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, retire as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting. The Audit Report given by the Auditors on the financial statements of your Company is part of the Annual Report. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

In terms of the provisions of Section 139, of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term as permitted under the said section. Accordingly, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, retire as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting as they have been the Auditors of your Company since 2001 and have completed a term of 10 years, including three years of transitional period allowed under Section 139 read with the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board, at their respective meetings held on May 05, 2017, have recommended the appointment of M/s. MZSK & Associates, Chartered Accountants (Firm Registration No. 105047W), as Statutory Auditors of the Company. M/s. MZSK & Associates will hold office for a period of five consecutive years from the conclusion of 67th Annual General Meeting of the Company till the conclusion of 72nd Annual General Meeting to be held in the year 2022, subject to the approval of shareholders of the Company at the ensuing Annual General Meeting and subsequent ratification at each Annual General Meeting upto the 72nd Annual General Meeting. Appropriate resolution for the same has been included in the Notice convening the 67th AGM of the Company.

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, your Board had reappointed M/s. ABK & Associates, as the Cost Auditor of your Company for the financial year 2016-17 to conduct the audit of the cost records of the Company.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder and as per the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 05, 2017, had re-appointed M/s. ABK & Associates, (Registration no. 000038) as the Cost Auditors of your Company for the financial year 2017-18 to conduct the audit of the cost records of the Company. A resolution for ratification of the remuneration of the said Cost



Auditors is included in the Notice convening the 67th AGM of the Company for seeking approval of members. The report with respect to the audit of cost accounts maintained in respect of insecticides manufactured by the Company, will be submitted to the Central Government within the period stipulated under the Act.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Vinod Kothari & Co., Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the year under review.

The Secretarial Audit Report for the FY 2016 - 17 is annexed as (Annexure 2) and forms a part of the Board's Report to the Members. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed M/s. Vinod Kothari & Co., Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2017 - 18.

EXTRACT OF THE ANNUAL RETURN

In accordance with requirements under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT 9 is annexed as (Annexure 3).

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Information required under Section 134(3)(c) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed as (Annexure 4).

The Policy for the same is available on: <http://www.monsanto.com/global/in/whoweare/pages/policies.aspx>.

DETAILS OF ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM FOR DIRECTOR AND EMPLOYEES

Your Company maintains a Code of Business Conduct and Anti-Corruption Program. Additionally, a vigil/whistle blower mechanism ('Monsanto Speak-Up Protocol for India') has also been developed pursuant to requirements of Section 177(9) and (10) of the Act and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India. The Company's 'Monsanto Speak-Up Protocol for India' aims at:

- informing employees of their obligation to report serious wrongdoing within the Company;

- providing employees with guidance on how to raise concerns;
- reassuring employees that they should be able to raise genuine concerns in good faith without fear of retaliation; and
- providing specific direction on how to contact the Chairperson of the Audit Committee of Board of Directors.

The Company has made available to its employees, anonymous email facility and telephone hotlines for reporting of any deviations/concerns.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee of the Board of Directors has adopted a Charter which deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This Policy is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration policy is annexed as (Annexure 5), stated in the Corporate Governance Report and is available on <http://www.monsanto.com/global/in/whoweare/pages/policies.aspx>.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY

The particulars of every contract/arrangement entered into by the Company with the related parties referred to in Sub section 1 of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto has been disclosed in Form AOC - 2 as (Annexure 6).

The Policy on related party transactions as approved by the Board is uploaded on the Company's website and is available on <http://www.monsanto.com/global/in/whoweare/pages/policies.aspx>.

CORPORATE GOVERNANCE CERTIFICATE

A detailed report on the corporate governance system and practices of the Company forming part of this report is given as a separate section of the Annual Report.

The Compliance Certificate from the Statutory Auditors regarding of compliance of conditions of corporate governance as stipulated under regulation 34 SEBI Listing Regulations, 2015 is annexed to the report as (Annexure 7).

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(3)(c) of the Companies Act, 2013 ('the Act'), your Directors, on the basis of information made available to them, confirm the following for the year under review:

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- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care to the best of their knowledge and ability, for the 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 fraud and other irregularities; and
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently;
- f) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

As stipulated under Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report on Company's as required by Regulation 34(2) of the Listing Regulations, initiatives on environmental, social and governance aspects forming part of this report is given as a separate section of the Annual Report.

A Management Discussion and Analysis on the business and operations of the Company as required by Regulation 34(2) of the Listing Regulations, forming part of this report is given as a separate section of the Annual Report.

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **(Annexure B)** to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report. In terms of the first proviso to Section 136(1) of the Act, the reports and accounts are being sent to the shareholders excluding the aforesaid remuneration.

Any shareholder interested in inspection of the documents pertaining to the above information or desiring a copy thereof may write to the Company Secretary.

Total number of permanent employees employed with your Company as on March 31, 2017 is 268 as compared to 290 as on March 31, 2016.

The information required to be furnished pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is annexed as **(Annexure 9)** and forms part of this report.

The details of earnings and expenditure in foreign currency are given in Note 29 and 30 in the Notes to the Accounts forming part of the Financial Statements.

The Company has zero tolerance towards sexual harassment at the workplace and has constituted an Internal Complaints Committee for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

No cases of Sexual Harassment were received during the year under review.

Your Company has been recognised for being one of the 100 Best Companies for Women in India by Working Mother & Atyar. The "2016 Working Mother & Atyar Best Companies for Women in India" (BCWI) Project is India's largest self-tracking, self-reporting and self-evaluating opportunity for companies to benchmark themselves with regard to policies and practices for women's career advancement.

Your Company not only features in the list of top 10 "Great Places to Work", but also focuses extensively on "Diversity" as a core ingredient of day-to-day lives.

Your Company's India Supply Chain manufacturing site at Shamper won the British Safety Council - 2017 International Safety Award in Merit Category in March 2017. This prestigious award signifies that the site excels in identifying the most significant health and safety hazards, it implements robust control measures for the most significant hazards and evaluate them for effectiveness. The site depicts a strong leadership

commitment to implement a robust ESH management system based on a Plan-Do-Check-Act (PDCA) cycle to ensure continual improvement. The site has strong management of change process and all relevant stakeholders are involved with the risk assessment process. Senior management at the site positively influences internal and external stakeholders including contractors and communities.

Silvassa site of your Company won Third prize in the Manufacturing Category in the 12th edition of CII's Western Region Safety, Health and Environment (SHE) Excellence Award 2016. The site won after multiple rounds of short-listing including a detailed written application, presentation and actual site visit by three subject matter experts appointed by CII.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. The Managing Director of the Company does not receive any remuneration or commission from its Holding Company.

5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. Particulars of Loans given, Investments made, Guarantees given and Securities provided.
7. Changes in nature of business.
8. Material changes and commitments affecting the financial position of the Company between end of the financial year and the date of this report.
9. Reporting of fraud by auditors in terms of Section 143(12) of the Act.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from its shareholders, Government authorities, vendors, channel partners, and other business associates. Your Directors appreciate the continued support from Monsanto Company, USA and would also wish to place on record their deep sense of appreciation for the committed services by the employees of the Company. Without this support, the Company would not be able to successfully serve its farmer customers whose success eventually determines the Company's success.

For and on behalf of the Board of Directors:

Mumbai
May 05, 2017

Sekhar Netarajan
Chairman
01031445

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Annexure 1

The Board of Directors (the "Board") of Monsanto India Limited ("the Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") in its meeting held on March 23, 2017.

The Policy shall become effective from the date of its adoption by the Board i.e. March 23, 2017.

The Securities Exchange Board of India vide its notification dated June 17, 2016 has amended the Listing Regulations by inserting Regulation 43A to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every financial year. Considering the provisions of the aforesaid Regulation 43A, the Board of the Company has laid down a broad framework for considering the subject of decisions with regard to distribution of dividend to its shareholders and/ or retaining or ploughing back profits. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits in the interest of providing transparency to the shareholders such that they be enabled to take better investment decisions.

The Policy shall not apply in the following cases:

- * Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law.
- * Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.
- * Determination and declaration of dividend on preference shares as the same will be as per the terms of issue approved by the shareholders.
- * Where strategic agreements have been entered into by the Company with any investor, where such agreements have negative covenants with respect to seeking approval of the shareholders before declaration of dividend.

Subject to the considerations as provided in the Policy, the Board shall determine the dividend payouts in a particular year after

taking into consideration the operating and financial performance of the Company, the advice of the executive management including the CFO, and other relevant factors.

The Board shall consider the following, while taking decisions of a dividend payout during a particular year:-

Prudential requirements

The Company shall analyse its prospective projects and strategic decisions in order to determine the dividend payout.

- to build a healthy reserve of retained earnings
- to augment long-term strength
- to build a pool of internally generated funds to provide long term resources as well as resource-raising potential for the Company; and
- the needs for capital conservation and appreciation

Proposals for major capital expenditures etc.

In addition to making provision for ploughing back earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital stock, including any major capital expenditure proposals.

Extent of realized profits as a part of the GAAP profits of the Company

The extent of realized profits out of its profits, calculated as per GAAP, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend or retention decision.

Expectations of major stakeholders, including small shareholders

The Board, while considering the decision of dividend payout or retention of a certain amount of entire profits of the Company, shall, in far as possible, consider the expectations of all the stakeholders including the small shareholders of the Company who generally expect a regular dividend payout.

In addition to the aforesaid parameters such as retained profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based the following:



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Operating cash flow of the Company

If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run its day-to-day operations. The Board will consider the same before deciding whether to declare dividend or retain the profits of the Company.

Net sales of the Company

To increase its sales in the long run, the Company will need to expand its capacity in order to increase its sales such as marketing and selling expenses, advertising etc. The amount outlay in such activities will influence the decision of declaration of dividend.

Return on invested capital

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

Magnitude of earnings of the Company

Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

Cost of borrowings

The Board will analyze the requirement of necessary funds considering the long term and short term requirements of the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

Obligations to creditors

The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

Inadequacy of profits

If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividend for that financial year.

Post dividend Earnings Per Share (EPS)

The post dividend EPS can have strong impact on the funds of the Company, thus, impacting

- (i) the overall operations of the Company on a day-to-day basis;
- (ii) profits of the Company; and
- (iii) the decision for dividend declaration during a particular year.

The following will also require to be taken into account:

- (i) Provisioning levels and provision coverage;
- (ii) Possibilities of alternate usage of cash, including capital expenditure; and
- (iii) Unforeseen events and contingencies with financial implications.

D. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

External Factors

Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividend by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.
- Relevant international economic trends.

Product/ market expansion plan

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders' expectations for the long run which shall have to consider by the Board before taking dividend decision.

Macroeconomic conditions

Considering the general economic situation in India, policy decisions being formulated the management may retain a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

Competition

Faced with competition in the market impacting the prospects of growth of the Company, the Company will require to take that aspect into account while declaring the dividend.

Internal Factors

Past performance/ reputation of the Company

The trend of the performance/ reputation of the Company during the past years with specific reference to the revenue which the products manufactured by the Company in the market generate, determine the expectation of the shareholders.

Working capital management in the Company

The current working capital management system within the Company also impacts the decision of dividend declaration.

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The age of the Company and its product in the market in which the Company operates will be one of the most significant determining factors for ascertaining the profitability of the Company and dividend declaration or retention.

In the absence of any major expansion plan or capital investments or other strategic investment plans in the hands of the Company, the investors may not appreciate excessive cash holdings in the Company. The Board shall have to consider the same before taking any decision of dividend declaration.

Corporate restructuring or scheme of arrangement having a financial impact on the Company, will also impact the dividend disbursement by the Company.

Dividend shall not be declared out of reserves. The Board shall consider the factors provided above under Paras A, B, C and D before determination of any dividend payout, after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majority be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

The discussion below is a summary of the process of declaration and payment of dividend, and is subject to applicable regulations:

In case of final dividend

1. Recommendation for declaration of dividend shall be made by the Board taking into account the financial position of the Company and shall usually be made in the meeting.
2. The dividend has recommended shall be placed for approval before the shareholders at the Annual General Meeting.
3. The payment of dividend shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable law.

In case of interim dividend

1. Interim dividend, if any, shall be declared by the Board.
2. Before declaring interim dividend, the Board shall examine the financial position of the Company that allows the payment of such dividend.

3. The payment of dividend shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

The Board may retain its earnings in order to make better use of the available funds and increase the value of the shareholders in the long run.

The retained earnings shall be utilized for:

- (i) Capital expenditure;
- (ii) Building up reserves;
- (iii) Unforeseen requirements; and
- (iv) Long-term strategic requirements.

The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Product expansion plan;
- Increase in production capacity;
- Modernisation plan;
- Diversification of business;
- Long-term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Other such criteria as the Board may deem fit.

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividend as may be declared by the Company. Since the Company has issued only one class of equity shares with equal voting rights, all the shareholders of the Company are entitled to receive the same amount of dividend per share. The Policy will be suitably revisited at the time of issue of any new class of shares depending upon the nature and applicability of relevant rules, regulations and guidelines.

The Board reserves the right to review and amend the Policy.

Date: 29-03-2017

Place: Mumbai

CHAIRMAN



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Annexure 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Monsanto India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Monsanto India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as specified in Annexure 1 (hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the Books and Papers maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and Companies Act, 1956 (to the extent applicable) and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. 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;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations);
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
6. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
7. Laws specifically applicable to the industry to which the Company belongs, as identified and confirmed by the management, that is to say:
 - i. Indian Explosives Act, 1884
 - ii. Petroleum Act, 1934
 - iii. The Static and Mobile Pressure Vessels (Unfired) Rules 1981
 - iv. The Water (Prevention & Control of Pollution) Act, 1974 and Rules made there under
 - v. Seeds Act, 1966 read with Seeds Rules, 1968
 - vi. Seed Control Orders 1983 read with Essential Commodities Act, 1955

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- vi. Insecticides Act, 1968 read with Insecticides Rules, 1971
- vii. Plant Quarantine (Regulation of Import into India) Order, 2003
- ix. Protection of Plant Varieties and Farmers' Rights Act, 2001
- x. Biological Diversity Act, 2002 read with Biological Diversity Rules, 2004
- xi. Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 read with Andhra Pradesh (Agricultural Produce and Livestock) Markets Rules, 1969
- xii. Destructive Insects and Pests Act, 1914
- xiii. The Karnataka Agricultural Pests and Diseases Act, 1968
- xiv. The Protection of Plant Varieties and Farmers' Rights Act, 2001
- xv. Public Liability Insurance Act, 1991
- xvi. Environmental (Protection) Act, 1986 read with Environmental Protection Rules, 1986
- xvii. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- xviii. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
- xix. Water (Prevention and Control of Pollution) Cess Act, 1977
- xx. The Air (Prevention & Control of Pollution) Act, 1981 read with Water (Prevention & Control of Pollution) Rules, 1982

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above.
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- v. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or efficiency with which the management has conducted the affairs of the Company.

In the course of our audit, we have made certain recommendations for good corporate practices, separately placed before the Board, for its necessary consideration and implementation by the Company.

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

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

Boardroom  www.boardsroom.co.in



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

We further report that during the audit period, the Company has not incurred any specific event/ action that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For M/s. Vinod Kothari & Company
Practising Company Secretaries
UIN P1996WB042300

Vinita Nair
Partner
C. P. No. 11902

Place: Mumbai
Date: April 28, 2017

ANNEXURE I

LIST OF DOCUMENTS

1. Corporate Matters
 - 1.1 Minutes books of the following Committees were provided in original
 - 1.1.1 Board Meeting
 - 1.1.2 Audit Committee
 - 1.1.3 Nomination and Remuneration Committee
 - 1.1.4 Share Transfer Committee meetings
 - 1.1.5 Corporate Social Responsibility Committee
 - 1.1.6 General Meeting
 - 1.2 Agenda papers for Board and Audit Committee Meetings along with Notice.
 - 1.3 Annual Report, 2016
 - 1.4 Memorandum and Articles of Association
 - 1.5 Disclosures under Listing Regulations
 - 1.6 Documents pertaining to Listing Regulations compliance
 - 1.7 Forms and returns filed with the ROC
 - 1.8 Statutory Registers

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Annexure 3

FORM NO. MGT 9

As on financial year ended on March 31, 2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

1. PIN	L74999MH1949PLC007912
2. Registration Date	08/12/1949
3. Name of the Company	Monsanto India Limited
4. Category/Sub-category of the Company	Company limited by shares/ Non-Govt Company
5. Address of the Registered office & contact details	Ahura Centre, 5 th Floor, 95, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel No. +91-22-6702 9851
6. Whether listed publicly	Yes
7. Name/Address & contact details of the Registrar & Transfer Agent (If any)	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vile Parle (West), Mumbai - 400 083

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Fertilisers/Herbicides	24219	80.78
2.	Hybrid Seeds	01119	69.22

*Independent National Code

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Monsanto Investments India Private Limited	U65191MH2014PTC254886	Holding	58.12	2(67)(iii)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total % of Total Shares	Demat	Physical	Total % of Total Shares		
A. Promoters								
1. Mr. Jagan								
2. Mr. Jagan (HUF)								
3. Mr. Jagan (Sole Proprietor)								
4. Mr. Jagan (Sole Proprietor)								
5. Mr. Jagan (Sole Proprietor)								
6. Mr. Jagan (Sole Proprietor)								
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99. Mr. Jagan (Sole Proprietor)								
100. Mr. Jagan (Sole Proprietor)								



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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
Total shareholding of Promoter (A)-(A)(1) + (A)(2)	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	588509	800	589309	3.414	598057	800	598857	3.469	0.055
b) Banks / FI	9364	0	9364	0.054	13276	0	13276	0.077	0.023
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FPs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	597873	800	598673	3.468	611333	800	612133	3.546	0.078
2. Non-Institutions									
a) Bodies Corp.	804774	320	805094	4.664	726906	320	727226	4.2127	-0.4513
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	1866401	114053	1980454	11.472	1837604	104157	1941761	11.2483	-0.3237
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	604032	15000	619032	3.586	574758	15000	589758	3.4164	-0.1696
c) Others (specify)									
Non Resident Indians	65267	0	65267	0.378	69979	0	69979	0.4054	0.0274
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	513211	0	513211	2.978	590809	0	590809	3.4225	0.4495
Market Maker	4394	0	4394	0.026	1883	0	1883	0.0109	-0.0151
Clearing Members	21120	0	21120	0.322	61930	0	61930	0.3587	0.2367
Directors' Relatives	800	0	800	0.005	800	0	800	0.005	0

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign	658	0	658	0.004	2658	0	2658	0.0154	0.0114
Foreign Non-Resident	102332	0	102332	0.338	99622	0	99622	0.5771	-0.0186
Foreign Institutional Investor	97332	0	97332	0.563	110145	0	110145	0.6381	0.0754
Sub-total (A+B+C)	2000658	128373	2129031	24.588	4077094	119477	4196571	24.311	-0.025
Total Public Shareholding (Demat & Physical)	2000658	128373	2129031	24.588	4077094	119477	4196571	24.311	-0.025
(C) Shares held by Custodian for GDRs & SDRs	0	0	0	0	0	0	0	0	0
Gross Total (A+B+C)	2000658	128373	2129031	100.00	4077094	119477	4196571	100.00	0

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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)	Mitsubishi Corporation Ltd. (Japan)	10137124	58.723	-	10137124	58.723	-	-
2)	Mitsubishi Company	2316920	13.421	-	2316920	13.421	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year				
	Date was Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the end of the year				



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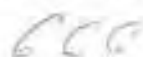
iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	Government Pension Fund Global	0	0	428812	2.48
2.	R C Khanna (HUF)	389976	2.26	389976	2.26
3.	UTI - CHILDRENS CAREER BALANCED PLAN	100000	0.58	100000	0.58
4.	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE SMALL CAP FUND	0	0	100000	0.58
5.	Reliance Strategic Investments Limited	167000	0.97	91545	0.53
6.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	75000	0.43	85059	0.49
7.	M3 Investment Private Limited	150000	0.87	75000	0.43
8.	DSP Blackrock 3 years close ended Equity Fund	118142	0.68	68431	0.40
9.	Globe Capital Market Limited	0	0	65110	0.38
10.	DSP BLACKROCK SMALL AND MID CAP FUND	61796	0.47	63766	0.37

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	Mr. Sekhar Natarajan , Non-executive Chairman				
	At the beginning of the year	800	0.005	800	0.005
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	800	0.005	800	0.005



Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	—	—	—	—
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	NIL
Change in Indebtedness during the financial year				
* Addition	—	—	—	—
* Reduction	—	—	—	—
Net Change	—	—	—	NIL
Indebtedness at the end of the financial year				
(i) Principal Amount	—	—	—	—
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	NIL

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

			(₹ in lakhs)
Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Ms. Shilpa Shridhar Divekar (MD and KMP)	Total Amount
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	143.84	143.84
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	8.92	8.92
(c)	Profits in lieu of salary under section 17(13) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others, please specify:-		
(i)	Co's Contribution to PF ¹	7.09	7.09
(ii)	Incentive Accrued ²	NIL	NIL
(iii)	Superannuation ³	NIL	NIL
	Total (A)	159.85	159.85
	Ceiling limit as per the Companies Act, 2013 (5% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)	796.22	796.22

¹ Paid in Government PF fund

² Accrued as incentive for period for which he has served as MD paid in November

³ Paid to LIC of India as contribution to approved Superannuation Fund



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B. Remuneration to other directors

1. Independent Directors

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. H. C. Asher	Mr. Pradeep Poddar	
1	Fee for attending Board & Committee Meetings	6.75	6.75	12.50
2	Commission	12.50	12.50	25.00
3	Others, please specify	-	-	-
	Total (B)(1)	19.25	19.25	38.50
	Ceiling limit as per the Companies Act, 2013 159.24 (1% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)			

Ceiling limit as per the Companies Act, 2013 – Sitting fees paid to the Independent Directors was within the ceiling limit as prescribed under the act

2. Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Sekhar Natarajan	Mr. Piyush Nagar	
1	Fee for attending Board & Committee Meetings	-	-	-
2	Commission	-	-	-
3	Others, please specify	-	-	-
	Total (B)(1)	-	-	-
	Total (B)=(B)(1)+(B)(2)	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Saurabh Vaidya Chief Financial Officer **	Ms. Monika Gupta Company Secretary & Compliance Officer***	Ms. Chandana Dhar Company Secretary & Compliance Officer***	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63.37	4.92	36.89	105.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL

CCB

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Saurabh Vaidya Chief Financial Officer *	Ms. Monika Gupta Company Secretary & Compliance Officer**	Ms. Chandana Dhar Company Secretary & Compliance Officer***	
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL
5	Others, please specify Co's Contribution to PF	3.60	0.30	1.50	5.40
	Total	66.96	5.22	38.40	110.58

* Held in Government PF fund

** Resigned on 17 August, 2016

*** Resigned on 1 January 2017

**** Resigned on 1 October 2016

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					



Annexure 4

Corporate Social Responsibility (CSR)

[Pursuant to clause (a) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The key philosophy of all CSR initiatives of the Company is guided by the vision of "Help Improve Lives by Partnering with Communities to deliver lasting Solutions", wherein the core objective of the CSR activities will be to stay committed to improving lives:

- of farmers, farm families, women and children of communities where we live and work.
- by developing solutions that are sustainable and have long term impact.

The Vision is built on the four value pillars:

- Improving Lives
- Sustainable Development
- Partnerships
- Care and Concern

The CSR policy of the Company is available at the following web link: http://www.monsanto.com/global/whowearedoing/communities/csr%20policy_monsanto%20india%20limited.pdf

Our CSR commitments focus on:

- **Sustainable Agriculture:** Monsanto is committed to aiding development of farmers and farm families by providing support for farm infrastructure, access to water and water conservation and improving rural productivity and market linkages, thereby making the agricultural system sustainable.
- **Health and Nutrition:** Rural India has 6.4 lakh villages with significant challenges in access to quality health care, access to sanitation facilities, personal and community hygiene and drinking water solutions. There is an opportunity for holistic development and improving lives of the rural communities with our programs in the health and nutrition space.
- **Education:** Monsanto believes in the power of education and the difference that it can make to the future generations of the country. DISHA is Monsanto's flagship program in education and is committed towards strengthening learning outcomes by enhancing school effectiveness, improving quality of teaching practices and infrastructure support.
- **Disaster Rehabilitation:** Being an integral part of India's business ecosystem and being integrally linked to the communities, Monsanto is committed to helping the communities overcome the disruption in their livelihoods and return to their normal lives. The Monsanto disaster rehabilitation effort provides sustained support to the people and communities affected by natural calamities to help them rebuild their lives and recover.

Monsanto partners with NGOs like - Akshaya Patra Foundation, Deshikar Society, Action for Food Production (AFPRO), Jaldhara Foundation to

- a) enhance food and nutritional security of children via the mid-day meal program;

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- b) **improve learning levels of children** through infrastructure support in schools, facilitating teachers' training programs and
- c) **provide access to clean drinking water and sanitation facilities** for better health of the communities

In line with the themes above, our target beneficiaries include farmers, farm families, women and children. Monsanto has a deep understanding of farm and farm families, which make up an estimated 60% of rural households. They provide food and nutrition to the entire nation and livelihood to millions of people in the country. In addition, we recognize that women and children are the most vulnerable groups across different societies and require special attention. Efforts in improving lives of women and children create a multiplier effect beyond these individuals, extending benefits to their families and the community.

Our efforts in the thematic areas are being executed under two spearhead programs:

Programs under SHARE focus on **Sustainable Agriculture** practices to increase agricultural yields sustainably by imparting best package of practices and facilitating market linkages for improving household incomes for small and marginal farmers.

DISHA covers our efforts in the Health, Nutrition and Education areas focused on **women and children in rural communities** and is aimed at reducing rural hunger and enhancing learning levels in children. The program also focuses on providing access to clean drinking water and sanitation facilities for rural communities. Another important component of the program is women empowerment, which provides additional livelihood opportunities to enhance rural household incomes.

Detailed below are our Company's present projects under these programs:

- 1. **School Nutrition project:** We are partnering with NGO Akshaya Patra to provide nutritious mid-day meals to 15000 children across 147 schools in Orissa and Uttar Pradesh. The program includes distribution of hygiene kits to the children containing basic toiletries and sensitization on wash and hygiene awareness. **Duration: April 2015- April 2017**

Impact: ~ 15000 hygiene kits have been distributed to the children; Awareness and training on hygiene has been imparted. WASH groups have been created in 100+ schools.

- 2. **Integrated Community Development project (Silvassa) -** We are partnering with the NGO Action for Food Production (AFPRO), across 5 villages in Silvassa with 1100 households and a population of 9000+. The focus is on improving access to clean drinking water and sanitation facilities, creating community irrigation structures to enhance household income, women empowerment by providing livelihood opportunities, skill based trainings and entrepreneurship opportunities to enhance rural household income and the economic condition. **Duration: April 2015- Oct 2017**

Outcome:

- a) **Drinking water facilities:** 5 villages supported with installation of 4 hand pumps; reinstalled a drinking water pipeline; 40 new stand posts with tanks for water storage and a storage reservoir of 20000-liter capacity have been constructed.
- b) **Sanitation facilities:** Constructed 150 household sanitation units across five villages along with sensitization training programs on health and hygiene. 67 household sanitation units are currently under construction.
- c) **Women empowerment:** Seven women Self Help Groups (SHGs) established and 83 families supported with various initiatives. Thirteen groups have been benefited by installation of paper plate making machine; 43 women have been trained on sewing/tailoring and one of the groups has been supported for garment making. Additionally, 32 families have been supported for establishing kitchen garden. Fifty poultry sheds have been completed and market linkage created for sale of eggs and one dairy group has been formed and will be supported by the government.



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- d) **Agricultural livelihood with shared irrigation sources** – Completed hydrogeological study for all sites and 4 farmer water user groups have been identified. Three bore wells and one dug-well have been constructed enabling farmers extend their agricultural activities into the next season.

Impact: Increased access to safe drinking water for 9000 community members across five villages; sanitation status of the village improved by 75% resulting in improved personal hygiene and health; second crop has been cultivated and harvested on 75 acres of land increasing agricultural productivity and improved socio-economic status of 60% of target women population.

3. **Improving learning levels of children from agricultural communities** – Project being undertaken, in partnership with NGO Deshkal Society, in the Kartikeyanand block of Purbia in Bihar with a focus on creating inclusive classrooms to make learning more joyful and participatory for 48,000 children across 165 Government run Primary schools. The project focuses on teachers' trainings at the cluster resource centers (CRCs) with resource material developed for learning practices and processes with an aim to increase retention and attendance of children. The project also has an institutional set up of strengthening the School Education Committees (SECs), to have participation of parents and teachers in tracking the academic progress of the children and having an effective school organization. **Duration: April, 2015 – April, 2017**

Outcome:

- Reading material for learning and implementation of inclusive practices and sports material has been distributed to all the 165 schools
- Weekly parent teacher meetings and monthly school education committee meetings are going on regularly
- 90 training sessions completed for capacity building of 300+ teachers
- Three block level workshops with teachers, CRC coordinators and Block Education Officer and one district level workshop completed.
- Regularized midday meal program, drinking water availability and Sanitation facilities.

Impact – Improved learning levels of 48,000 children across 165 Government run Primary schools; Reading proficiency improved by 18%; Attendance in school went up by 14% and arithmetic ability by 9%. In addition, educational policies have been recommended to the government for implementation. Bal Panjika – Developing profile of a child with insights on socio-economic background to promote the concept of inclusive classroom practices. Chhatra Pragati Patrak – undertaking assessment of children progress (to provide required additional learning support via peer learning), forming and strengthening school education committee, and timely distribution of free text book to the children

The project has received appreciation of Teachers and Headmasters in the schools with increased participation of students and parents in the learning process and school organization. Government authorities have started to take note of the program and have been supportive of the program approach & design. End line assessment of the project will be initiated in May.

4. **Community Drinking Water project in Telangana**– This project seeks to provide safe drinking water solutions for rural communities in Telangana and is being executed in partnership with the Jaldhara Foundation. Under the project, Monsanto will help setup 5 Water Health Centers (drinking water plants) across identified sites in Telangana and Karnataka. The plants in Huzurabad in Karimnagar, Shamsabad in Rangareddy, Mriyalaguda in Nalgonda have been completed. The other two centers at Sultanabad in Karimnagar district of Telangana and Sindagi in Bijapur district of Karnataka are being constructed and scheduled to complete by end August. **Duration: March, 2016 – Sep, 2016**

Impact – The project provides access to clean and safe drinking water to around 2 lakh+ community members around the 5 water scarce sites. Access to safe drinking water is also expected to reduce the incidence of water borne diseases in these communities and will have a positive impact on health of the members.

5. **Sanitation Facilities in Champaran, Bihar**– This project is being executed with the help of AFPRO and involves construction of 180 household sanitation units across beneficiary villages in the East Champaran district of Bihar. **Duration: March 2016 – Oct 2016**

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Outcome: 100 sanitation units constructed. Work is in progress for 50+ more sanitation units. Construction of all facilities will be completed by end of May.

Impact: Access to sanitation facilities will lead to change in behavior with respect to sanitation and hygiene. The project will have positive health impacts for the communities with reduction in the diseases caused due to contaminated water use. Appreciation received for the design & structure of the toilet units from the community, Panchayat & the Block Development officer. There is a request to construct more such sanitation units.

2. The Composition of the CSR Committee

- * Mr. Sekhar Natarajan – Chairman, Non-Executive Director
- * Ms. Shilpa Shridhar Divekar – Member, Managing director
- * Mr. H.C. Asher – Member, Non-Executive Independent Director and
- * Mr. Pradheep Poddar – Member, Non-Executive Independent Director

3. Average net profit of the company for last three financial years – ₹ 126.02 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 2.52 crore

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year – ₹ 2.52 crore

(b) Amount unspent, if any - NIL

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Annual ₹ crore)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ crore)	Cumulative expenditure upto to the reporting period	Amount spent - Direct or through implementing agency*
1	Program BSHS	Education and Nutrition School Nutrition project- Support mid day meals for 1500 children from 142 schools across Lucknow and Bhutanagar for the entire year	Other area, Bhutanagar, Orissa & Lucknow (Uttar Pradesh)	1.35	1.35	1.35	Through implementing agency BSHS



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(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (Annual T. crore)	(6) Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads (T. crore)	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent : Direct or through implementing agency*
2	Program DISHA	Swachh Bharat Ashrayan, Rural Development Integrated Community Development Providing access to drinking water and sanitation facilities for rural communities and empowering women by providing alternate livelihood opportunities. Promotion of agricultural livelihoods through creation of shared irrigation sources	Local area: 6 villages of Silyassa- Vasona, Dapada, Mandoni, Motapati, Chotapati, Kared	0.63	0.63	1.2	Through implementing partner NGO: Action for Food Production (AFPRO)
3	Program DISHA	Education Improving learning levels of children from agricultural communities	Local Area: Purnia, Bihar	0.70	0.70	1.06	Through implementing partner NGO: Deshkal Society
4	Program DISHA	Rural Development Community Water Purification Project	Other area 4 sites in Telangana 3 in Karnataka Telangana - Huzurabad and Sultanabad in Karimnagar; Shamshabad in Rangareddy; Miryalaguda in Nalgondac Karnataka - Sindagi in Bijapur	0.33	0.33	1.10	Through implementing partner NGO: Jaldhaare Foundation

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise (Annual ₹ crore)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ crore)	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Program: DSSAK	Swachh Bharat Mission Rural Bihar Construction of 100 household toilets along with community managed dry toilet hygienic storage	Other area Chandrapur, Bihar	0.50	0.50	0.50	Through implementing partner NGO Action for Food Production (AFPRO)
4	Administrative Expenses				0.077	0.077	
	TOTAL			3.51	3.587	6.057	

5. In case the Company has failed to spend the two per cent of the average net profit of the last three 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

The signatories to this report state that to the best of their knowledge and belief, implementation and monitoring of CSR activities of the Company is in strict compliance with CSR objectives and Policy of the Company.

sd/-

Managing Director

sd/-

Chairman, CSR Committee

Annexure 5

Nomination and Remuneration Policy

Monsanto India Limited ("the Company") has had a Remuneration Committee of the Board, consisting of three Non-Executive Directors, pursuant to requirements of the Companies Act, 1956 and non-mandatory requirements of the Listing Agreements. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on May 30, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Clause 49 under the Listing Agreement with the Stock Exchanges.

The Key objectives of the Committee and the Policy would be to lay down guidelines and recommend to the Board:

- a) Criteria for appointment, performance evaluation and removal of Directors, Senior Management and Key Managerial Personnel. They shall also lay down guidelines to establish the functional independence of an Independent Director;
- b) A policy on Board diversity;
- c) A succession plan for the Board, the Senior Management and the Key Managerial Personnel;
- d) Criteria for determining reasonable and sufficient remuneration payable to the Directors, the Senior Management and the Key Managerial Personnel.

2. DEFINITIONS

- a) **"Board"** means the Board of Directors as defined under the Companies Act, 2013.
- b) **Key Managerial Personnel** (hereinafter referred to as KMP) : Key Managerial Personnel or KMP means—
 - (i) Chief Executive Officer or the Managing Director or the Manager;
 - (ii) Company Secretary;
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer; and
 - (v) such other officer as may be statutorily prescribed from time to time.
- c) **"Nomination and Remuneration Committee"** or **"Committee"** means the Committee of the Board constituted from time to time under the provisions of Listing Regulations and Section 178 of the Companies Act, 2013.
- d) **Senior Management** (hereinafter referred to as SM) means company employees who are members of its core management team excluding Board of Directors. It would include members of management one level below the executive directors, including functional heads.

3. MEMBERSHIP

- a) The Committee shall be constituted / re-constituted from time to time by the Board of Directors of the Company.
- b) The Committee shall consist of a minimum 3 Non-Executive Directors, of which not less than one half will be Independent Directors. The Chairperson/Chairman of the Company (whether executive or non executive) can be a part of the Committee but shall, at no point, chair the Committee.
- c) Minimum two (2) members shall constitute a quorum for Committee meeting.
- d) The Committee shall either meet in person or through other permitted mode(s) such as video-conferencing.
- e) The Committee may also decide on matters through its resolutions passed by circulation.

- f) The Chairman of the Company shall be a permanent invitee to the Committee.
- g) Details of Committee membership and functioning shall be disclosed in the Annual Report.
- h) Chairman of the Committee shall be an Independent Director.
- i) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman and
- j) Chairman of the Committee could be present at the Annual General Meeting. However, such chairman may choose appropriately and decide who shall answer specific shareholder queries.

Meetings of the Committee shall be held at such regular intervals as may be required. However a minimum of one meeting every financial year is mandatory.

The Committee shall ensure the following:

- a) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board. SM and as KMP.
- b) Review and update as necessary the existing minimum selection criteria with regards to education, work experience, or as may be deemed suitable for SM and KMP.
- c) Evaluate the composition and constitution of the current Board. SM and KMP based on the criteria set above. Recommendations to be made to the Board based on such findings.
- d) To review the suitability for continued service of each Board member when his or her term expires and when he or she has a change in status such as employment change etc., and shall recommend whether or not the Director should be reappointed.
- e) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013.
- f) Lay down the criteria for establishing the independence of an Independent Director.
- g) Lay down criteria for performance evaluation of the Independent and Executive Directors, the Chairman, the entire Board.
- h) Review the performance of the Executive Board members, SM and the KMP based on the existing performance management system of the Company.
- i) Lay down a repository of potential causes/reasons for termination of contract for any of the Independent Directors.
- j) Evaluate the Company Policy on potential causes/reasons for termination of service and make recommendations of change, if any.
- k) Lay down guidelines on the 'confidentiality clause' to be serviced by a Board member, SM, or KMP.
- l) To ensure that there is at least one successor each for all Executive Directors, SM and KMP; and
- m) To ensure that there is diversity in the Board structure, SM and KMP which may include diversity on gender, race, religion, age, national origin, disability, or any other characteristic protected by applicable central or state law.

Further, the Committee should, before recommending a candidate for Directorship on the Board, or being a member of the SM or accepting a position of a KMP in the Company, consider the qualities in such candidate, such as the following:

FOR EXECUTIVE DIRECTORS, SM AND KMP:

- Takes time to understand the strengths, development needs, and career aspirations of others (especially direct reports).
- Coaches, structures on-the-job experiences, and identifies formal training opportunities to help others succeed.



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Influencing:

- Knows how to get things done both through formal channels and informal networks
- Promotes ideas persuasively; advocates for ideas that are in the company's best interest

Modelling the Monsanto Pledge:

- Demonstrates integrity and authenticity; is genuine and consistent in interactions with others.
- Engages in dialogue: listens carefully to diverse points of view and engages in thoughtful dialogue to broaden understanding of issues

Critical Thinking about the Business:

- Thinks about business issues broadly and strategically (beyond immediate area of responsibility / geography); demonstrates business acumen
- Understands issues from the perspective of customers and other external stakeholders and applies to decision-making in balance with internal priorities.

Inspiring Others:

- Sets direction: uses relevant business / industry information to develop a clear vision for the team; helps team members understand their role in achieving the vision and goals
- Enrolls others in the vision; demonstrates enthusiasm for what needs to be achieved and inspires others to follow

Relationship and Network

- Recognizing, respecting and leveraging the talents, skills and resources of others, both in and outside of Monsanto.
- Working effectively with teams and networks across geographic, political, demographic, functional and other cultural and organizational boundaries.

Courage and Candour:

- Know what you believe and be willing to respectfully express opinions to improve the common good, particularly when it means challenging the status quo.
- Courageously face new challenges and opportunities; leaving behind the familiar in an exploration of the unknown

Agility:

- Demonstrate a high level of comfort with ambiguity
- Adapt quickly to changes in business; strong ability to respond quickly to new opportunities

Initiative and Foresight:

- Anticipate and plan for the future
- Take action instead of waiting to be told what to do, or waiting for the environment to become more stable

Result Orientation

- Passion about making the right things happen in the right way at the right time — in spite of potential barriers
- Discipline in operational excellence

FOR NON - EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS:

Although Non-Executive Directors need to establish close relationships with Executives and be well informed, all Non-Executive Directors need to be independent of mind and willing and able to challenge, question and speak up. The other criteria for appointment that the Committee may look for may include, but not be limited to:

- Integrity and high ethical standards;

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- Sound Judgments
- Availability and willingness to challenge and probe: Within the "collegiate" environment of a unitary Board, Non-Executive Directors must have the strength of character to obtain full and satisfactory answers to their questions.
- Strong interpersonal skills: The effectiveness of a Non-Executive Director depends on exercising influence whilst not giving orders. To exercise influence, a Non-Executive Director must have the trust of his or her colleagues on the Board.

New Board members are required to possess the particular skills, experience and expertise that will best complement Board effectiveness at that time. In its evaluation of candidates for the Board, the Committee will have regard to generally accepted nomination criteria including, but not limited to:

- (a) the ability to exercise sound business judgment;
- (b) a position of leadership or prominence in a specified field;
- (c) absence of conflicts of interest or other legal impediments to serving on the Board;
- (d) a willingness to devote the required time;
- (e) availability to attend Board and Committee meetings;
- (f) appropriate experience and/or professional qualifications; and
- (g) integrity and moral reputation.

Accordingly the Nomination and Remuneration Committee shall determine whether or not a Non-Executive Independent Director satisfies the tests of independence, by referring to the guidelines described in the Companies Act, 2013 and the Listing Regulations and other related factors. To aid the determination by the Nomination and Remuneration Committee, every Non-Executive Independent Director shall, on appointment, and subsequently on an annual basis, submit to the Nomination and Remuneration Committee a declaration in the form as provided by the Committee on his/her independence. The Committee shall review the return and decide as to whether such Director shall continue to be considered independent.

Remunerating Executive Directors, Key Managerial Persons (KMPs) and Senior Management

Monksens India Limited will provide an opportunity for competitive rewards to attract and retain talent and foster a sense of ownership in the Company. The Company's focus is on total compensation, which includes competitive base pay, annual cash incentives and long term incentives. These will be aligned and in sync with the global Human Resources policy and framework of the Company.

The base pay of the employees recognizes their skills, experience and role responsibilities. In most years, this base pay will increase in line with the cost of labor movement in the relevant market, i.e. the amount that companies are using to increase base pay from one year to the next, using information from a variety of professional salary surveys to determine market rates. The incentive levels will also depend on the levels of employment of the employees within the hierarchical organization of the Company.

The Company will provide base pay adjustments based on market movements amongst comparable companies (pegged at the 50th percentile) which may consist of a broad range of diverse companies including:

- Science-based, research-focused, organizations from the biotechnology, pharmaceutical or related industries
- Specialty or diversified chemical companies requiring ongoing introduction of new products
- Well-known global industry leaders
- Industry specific groups (Seed, Ag Chem, Biotech)

The Company's annual incentive program will be based on:

- performance of the Company globally;
- in the local region; and
- the employees' individual performance.



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Rating of the employees' individual performances and the incentive amounts will be decided in consultation with the respective managers of such employees, the functional leads and the Chairman of the Company.

The Company encourages employees to act as owners to achieve results. With the opportunity to define and drive their long-term growth strategy, managers are provided incentives that bear results over a long period of time. The Long-Term Incentive (LTI) awards, which are granted to employees who are in management roles, are designed to recognize the role they play in defining and driving Monsanto's long-term growth strategy. Long-term incentives are delivered through a combination of Stock Options (60%) and Restricted Stock Units (RSUs) (40%).

All components of the total compensation will be confirmed to the employees (as applicable) in writing at the time of joining and every time any change is made to their compensation.

Remunerating Non-Executive Directors :

The Committee should consider remunerating the Non-Executive Directors with

- a combination of fees for attending meeting of the Board and its Committees, and
- annual commission, appropriate to the size and nature of the Company, as permitted by the statutory provisions and further as approved by the members of the Company.

Duties of the Committee in relation to remuneration matters will also include :

- Recommending to the Board criteria to establish remuneration of the Non-Executive Directors is reasonable, sufficient and appropriate as per the statutory requirements;
- Recommending to the Board criteria to establish the remuneration of Executive Directors, SM and KMP such that it is designed to be reasonable to attract, motivate and retain talent as per the demands of the job;
- Ensuring that balance is maintained between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

8. EVALUATION OF BOARD MEMBERS, SENIOR MANAGEMENT AND KMP

The Committee, if deemed necessary, may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend any changes, it considers necessary for the approval of the Board of Directors. The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

For evaluation of the Board members, the Committee may consider the following aspects for an evaluation:

- Adherence to processes;
- Adherence to charter of the Committee / Board;
- Effectiveness and contribution to the respective positions.

9. COMMITTEE GUIDELINES

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated;
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee;
- c) The Company Secretary of the Company shall act as Secretary of the Committee, if required;
- d) Committee is empowered to delegate any of its administrative powers to one or more of its members or the Secretary of the Committee; and
- e) Committee members may, at their discretion, consider any other matters as may be requested by the Board.

10. REVIEW OF NOMINATION AND REMUNERATION COMMITTEE CHARTER

The adequacy of this charter shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any, shall be made.

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Annexure 6

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

Firm for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of 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

All the contracts or arrangements or transactions of the Company with related parties have been priced at arm's length basis. Details of related party transactions of the Company for the financial year ended March 31, 2017 can be found on page no. 133 and 134.

2. Details of material contracts or arrangement or transactions* at arm's length basis

(a) Names of the related party and nature of relationship – Monsanto Company, USA, Ultimate Holding Company.

(b) Nature of contracts/arrangements/transactions:

1. Purchase of Raw Material – Purchase of key raw material (IPA Salt of Glyphosate technical) from Monsanto Company, USA, for Roundup® business the Company.
2. Royalty on import of Germplasm – Your Company leverages a global germplasm pool of its ultimate holding company (i.e. Monsanto Company, USA) for development of new hybrids more suited to Indian operations.
3. Reimbursement of Expenses – Your Company provides and receives products, services from its ultimate holding company (i.e. Monsanto Company, USA). Details of some of the transactions are Stock Options, Manpower Cost, Technical Support.

(c) Duration of the contracts / arrangements/transactions – Ongoing on the basis of purchase order.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Name of the related party Particulars	(Amount in crore ₹)	
	Monsanto Company, USA Amount incurred from April 2016 to March 2017	Approved for full year (2016-17)
1. Purchase of Raw Material	78.72	206.40
2. Expense towards Royalty	7.84	15.00
3. Reimbursement of Expenses:		
– Expenses charged to MHL	0.82	8.00
– Expenses charged by MHL	0.17	5.00

(e) Dates of Approval by the Board, if any – July 11, 2014. The above transaction has also been approved by the shareholders vide a postal ballot dated November 3, 2014.

(f) Amount paid as advances, if any – NIL.

*Material Related Party Transactions means such Related Party Transactions to be entered into with a related party, value whereof individually or taken together with previous Related Party Transaction during a financial year, exceeds 5% percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or such other threshold as may be laid down from time to time by the Board.

For and on behalf of the Board of Directors:

Sekhar Natarajan
Chairman
(1011445)

Mumbai
May 05, 2017



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Annexure 7 Monsanto India Limited

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated 29th September, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Monsanto India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the

Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366 W/W - 100018)

P. B. Pardiwalla

Partner

Place: Mumbai

Date: May 05, 2017

Membership No. 40005

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Annexure 8

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :

* Shilpa Shridhar Divekar, Managing Director	12.73 : 1
* H.C. Asher, Independent Director	1.95 : 1
* Pradeep Poddar, Independent Director	1.95 : 1

- (ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

Name of Directors / Chief Financial Officer / Company Secretary	percentage increase in remuneration
Sekhar Natarajan, Non Executive Chairman	-
Shilpa Shridhar Divekar, Managing Director	8%
H.C. Asher, Independent Director	-
Pradeep Poddar, Independent Director	-
Piyush Nagar, Non-Executive Director	-
Saurabh Vaidya, Chief Financial Officer	9%
Monika Gupta, Company Secretary	-

- (iii) Percentage increase in the median remuneration of employees in the financial year :

Median - 9%

- (iv) Number of permanent employees on the rolls of company :

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- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The median percentile for the people leaders is 6% while the median percentile increase for individual contributors is also 9%. Hence the ratio works out to be 1 : (9%/9%) i.e. 1 : 1

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.

The Directors affirm that compensation changes in the Company are in line with the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sekhar Natarajan
Chairman
DIN 01021145

Mumbai
May 05, 2017



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Annexure 9

Conservation of Energy, R&D, Technology Absorption, Foreign Exchange Earnings and Outgo

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

(a) Steps taken or impact on conservation of energy	We have initiated and implemented replacement of old traditional lights by new LED lights as a step to reduce electric energy consumption at Silvassa & Hyderabad (PFN). Automatic changeover from DG to GEB supply once the supply is restored for effective utilization of fuel consumption We have also installed PIR motion sensors at plant areas used by multi users like common toilets, offices, operator rooms etc. This helps auto on/off of electrical supplies in these areas thus helps us avoid wastage of electricity.
(b) Steps taken by the Company for utilizing alternate sources of energy	We have installed solar street lights & LED lights for our lighting requirements in the site.
(c) Capital investment on energy conservation equipments	₹ 6 lakhs

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

- Developed and implemented the strategies such as
 - Breeding 3.0 to drive step-change improvements in breeding methods, nursery, testing operations & mechanization
 - Smarter Pipeline to create a metric based breeding, plant health, & testing system.
 - Product Placement to improve grower experience by enhancing product and system recommendations.
- Increased incorporation of advanced tools and technologies such as of molecular markers, GWS, DH to increase breeding efficiencies –
 - Mapped the Quantitative Trait Locus (QTL) and implemented deployment strategies for various traits of economic importance in region e.g. FSR, LW and Southern rust.
 - Major shift is being made from conventional approach to a data & information driven approach. The use of predictive analytics for increasing breeding and advancement efficiency across programs.
- Enhanced efforts on plant health and product placement to improve customer experience.
- Enhanced testing footprints across India for better product characterization and placement
 - Enhanced mechanization & automation with enhanced drivers of quality data.
 - Initiated projects on characterizing testing locations and prioritizing them for capturing the right data, right way and at right time.
- Launched various products for different market segments of India.

(iii) Imported technology (Imported during the last three years reckoned from the beginning of the financial year)–

- (i) the details of technology imported: Germplasm, Shelling line, Planter, Combine, Direct drill, breeding tools and mobile applications
- (ii) the year of import : Germplasm import is a continuous process, Centrifuge in 2015; COMBINE, Single ear sheller, Direct print in 2014; breeding tools and mobile applications in 2015 reflecting in improved data generation and quality.
- (c) whether the technology been fully absorbed : Yes

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(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not Applicable

Expenditure on R&D		£ (in crore)
a) Capital (including CWIP)		5.31
b) Recurring		26.99
TOTAL		32.30

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows – The details of earnings and expenditure in foreign currency are given in Notes 29, 30 and 31 in the Notes to the Accounts.

Report on Corporate Governance

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017.

Your Company believes that corporate governance is at the core of the Company's policies and systems for managing and supervising itself, including its organization, its values, business policies and guidelines, as well as all internal and external regulatory and monitoring mechanisms. The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' in the area of Corporate Governance across various geographies. Effective and transparent corporate governance guarantees that your Company is managed and monitored in a responsible manner focused on value creation. This fosters the confidence of our domestic and international investors, the financial markets, our customers and other business partners, employees and the public in the Company.

Our corporate governance philosophy is based on the following principles:

- Appropriate size and composition of the Board with each Director bringing in key expertise in different areas.
- Systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties.
- Ethical business conduct by the management and employees.
- Appropriate systems and processes for internal controls on all operations, risk management and financial reporting; and
- Timely and accurate disclosure of all material operational and financial information to the stakeholders.

BOARD OF DIRECTORS:

COMPOSITION:

The Board of Directors, along with its Committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure.

The Board consists of Executive and Non-Executive Directors. As required under Section 149(1) of the Companies Act, 2013, and Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter 'SEBI LODR') Ms. Shilpa Shindhar Divekar,

a Woman Director, has been appointed on the Board. Currently, the Board consists of five members, one of whom is Executive (Managing Director) and four others are Non-Executive Directors including the Chairman of the Company. One-third of the Board consists of Independent Directors.

There are no relationship between the directors inter se.

Percentage of Board Composition: (%)



Monsanto Company, USA has certain rights enshrined in the Articles of Association pertaining to the appointment of Directors.

Number of Board Meetings:

During the financial year ended March 31, 2017, six (6) meetings of the Board of Directors were held on May 30, 2016, August 4, 2016, September 26, 2016, November 3, 2016, January 30, 2017 and March 23, 2017. The maximum time gap between any two consecutive meetings did not exceed four (4) months. The necessary quorum was present in all the meetings.

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues relating to the business. The tentative annual calendar of Board Meetings for approving the accounts for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report.

All the Directors have informed your Company periodically about their Directorship and Membership on the Board Committees of the other Company. As per disclosure received from Director(s), none of the Director(s) holds membership in more than ten (10) Committees and Chairmanship in more than five (5) Committees. None of the Directors of the Company are related to each other. All Non-Executive, Non-Independent Directors are liable to retire

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by rotation. The appointment, tenure and remuneration of the Managing Director once approved by the Board is subject to the further approval of the members of the Company.

The details of the composition, nature of Directorship, the number of meetings attended and the directorships in other companies of the Directors of the Company are detailed below in Table 1.

Table 1:

Name of the Director	DIN	Category	Attendance		No. of Directorships ¹		Committee Position ²	
			At the Board Meetings	At the last AGM	Listed companies	Others	Chairman ³	Member
Mr. Sekhar Natarajan	01031445	Non-Executive Chairman	6	YES	3	2	2	1
Ms. Shree Shridhar Divakar	06619353	Managing Director	6	YES	1	12	-	1
Mr. H. C. Asher	00024863	Non-Executive Independent	6	YES	4	6	1	5
Mr. Pradeep Poddar	00025199	Non-Executive Independent	6	NO	2	1	1	1
Mr. Piyush Nagar	02272383	Non-Executive	6	YES	-	-	-	-

¹ Directorship other than in foreign or other organisations.

² Membership/Chairmanship in Audit and Stakeholders' Relationship Committees of wholly owned companies, indirect hold of - including Mynscoed Mills Limited.

³ Chairmanship in Audit and Stakeholders' Relationship Committees excluding the membership.

The Board Meetings are governed by structured agenda for the meeting. The agenda along with comprehensive notes and background material are circulated at least seven days before each meeting to all the Directors for facilitating effective discussion and decision making. The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video-conferencing or other audio visual mode. Accordingly the option to participate in the Meeting through video-conferencing was made available to the Directors except in respect of such items which are not permitted to be transacted through video-conferencing.

The minimum information to be placed before the Board as required by Part A of Schedule II of SEBI (LODR), 2015 is placed before the Board during its meetings.

The Board members may bring up any matter for consideration of the Board in consultation with the Chairman. Presentations are made by the Managing Director & CEO and other Business Heads on the Company's operations and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes and the draft minutes are circulated to the Board for their perusal before they are finalised.

Recognizing the immense contribution that Committees make in assisting the Board of Directors in discharging its duties and

responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following five (5) Committees of the Board:

- 1. Audit Committee,
- 1. Nomination and Remuneration Committee,
- 1. Stakeholders' Relationship Committee,
- 1. Corporate Social Responsibility (CSR) Committee,
- 1. Share Transfer Committee.

The Board decides the terms of reference for these Committees. Minutes of meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these Committees are provided hereunder.

Role of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI LODR and includes overseeing the Company's financial reporting process, approval of any subsequent modification of transactions of the company with related parties, reviewing the financial statements and the adequacy of internal audit. The role of Audit Committee also includes periodic discussions with the Internal Auditors and the Statutory Auditors about their scope of audit and adequacy of internal control system. The Audit Committee also

recommends appointment/re-appointment of Statutory Auditors and also reviews and monitors the auditor's independence and performance, and effectiveness of audit process.

The Audit Committee comprises of:

- Mr. Pradeep Poddar – Chairman, Non-Executive Independent Director
- Mr. H. C. Asher – Member, Non-Executive Independent Director and
- Mr. Sekhar Natarajan – Member, Non-Executive Director

all being Non-Executive Directors. Mr. H. C. Asher and Mr. Pradeep Poddar are Independent Directors. The Company Secretary acts as Secretary to the Audit Committee.

Managing Director, Chief Financial Officer, Head – Legal Affairs, Internal Auditors, Statutory Auditors and other Business Heads, as and when required are invited to the Audit Committee meetings.

The Audit Committee met during the Financial Year five (5) times on May 27, 2016, August 4, 2016, November 3, 2016, January 30, 2017 and March 23, 2017. Details of members' attendance at the Committee's meetings are given in Table 2.

Table 2: Attendance Details in the Audit Committee Meetings

Name of the Member	Meetings Held	Attendance
Mr. H. C. Asher	5	5
Mr. Pradeep Poddar	5	5
Mr. Sekhar Natarajan	5	5

NOMINATION AND REMUNERATION COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR, a Nomination and Remuneration Committee of the Board is constituted. The Chairman of the Committee is an Independent Director and majority of the members on the Committee are Independent Directors. The terms of reference of the Committee inter alia include:

1. Formulation of 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying 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.

The Nomination and Remuneration Committee comprises of:

- Mr. H. C. Asher – Chairman, Non-Executive Independent Director
- Mr. Pradeep Poddar – Member, Non-Executive Independent Director
- Mr. Sekhar Natarajan – Member, Non-Executive Director.

The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

During the Financial Year, the Committee met four (4) times on May 30, 2016, August 4, 2016, November 3, 2016, and January 30, 2017. Details of members' attendance at the Committee's meetings are given in Table 3.

Table 3: Attendance Details in the Nomination and Remuneration Committee Meetings

Name of the Member	Meetings Held	Attendance
Mr. H. C. Asher	4	4
Mr. Pradeep Poddar	4	4
Mr. Sekhar Natarajan	4	4

Nomination and Remuneration Policy:

The Board has approved a Nomination and Remuneration Policy of the Company which has been uploaded on the website of the Company. This Policy is in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Regulation 19 and Schedule II, Part D of the SEBI LODR.

The Nomination and Remuneration Committee has adopted a Charter which deals with the manner of selection of Board of Directors and CEO and Managing Director and their remuneration.

1. Criteria of selection of Non-Executive Directors:
 - a. The Non-Executive Directors shall be of high ethical standards and integrity with relevant expertise, experience and particular skills that will complement Board effectiveness.
 - b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall determine whether or not an Independent Non-Executive Director fulfils the tests of independence, by referring to the guidelines described in the Companies Act, 2013 and the Listing Agreements and other salient factors.
 - c. To aid determination, every Independent Non-Executive Director shall, on appointment and subsequently on an annual basis submit to the Nomination and Remuneration Committee a declaration in the form as provided by the Company on his/her independence.

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- g. The Nomination and Remuneration Committee shall consider the following criteria while recommending to the Board the candidature for appointment as Director:
 - x Professional qualification, appropriate experience and the ability to exercise sound business judgment.
 - x Availability and willingness to challenge and probe.
 - x Strong interpersonal skills and a willingness to devote the required time.
 - x A position of leadership or prominence in a specified field.
- h. The Nomination and Remuneration Committee shall ensure that the Director to be appointed is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- i. The Executive Directors or KMP demonstrates integrity and authenticity and is genuine and consistent in interactions with others. Also promotes ideas that are in the Company's best interest.
- j. The Executive Directors or KMP shall recognize respect the talent, resources and skills of others and work effectively with teams and network across geographic, political, demographic, functional and other cultural and demographic boundaries.
- k. The Executive Directors or KMP thinks about business issues broadly and strategically and understands issues from the perspective of customers and other external stakeholders.
- l. The Executive Directors or KMP shall be disciplined in operational excellence, anticipate and plan for the future, demonstrate a high level of comfort with ambiguity and has strong ability to respond quickly to new opportunities.

The Board is comprised of one Executive Director (Managing Director) and four Non-Executive Directors.

The Managing Director receives a monthly salary, perquisites and performance pay as per the policies of

the Company and as per the agreement executed by and between her and the Company for her appointment. No sitting fee is paid to her for attending the meetings of the Board of Directors or Committees thereof. In the event the Managing Director desires to leave the services of the Company, she is required to serve to the Company 90 days' notice in writing. However, the Company may, at its sole discretion, relieve the Managing Director of her duties at any time during her notice period.

The criteria for making payment to the Managing Director are:

1. Salary paid to the Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board and the Shareholders. Perquisites, retirement benefits and performance pay are also paid/provided to the Managing Director in accordance with the Company's compensation policies, as applicable to all employees of the Company.
2. Remuneration paid to the Managing Director is determined keeping in view the industry benchmarks.

Mr. Sekhar Natarajan and Mr. Piyush Nager do not/did not receive any salary, sitting fees or commission from the Company. All other Non-executive Directors receive sitting fees for attending the meetings of the Board of Directors and Committees thereof and commission on the net profits of the Company, as decided by the Board, within the overall limits approved by the Shareholders.

The criteria for making payments to other Directors are:

1. The Directors are paid sitting fees of ₹ 50,000/- for each meeting of the Board and the Audit Committee and ₹ 25,000/- each for other Committee meetings attended by them.
2. Shareholders of the Company have approved payment of commission in the aggregate not exceeding 1% of net profits calculated in accordance with Section 197 read with Section 198 and 123(2) of the Companies Act, 2013, collectively, to all the Directors of the Company (excluding Managing Director, Whole Time Director and Directors-nominated by Monsanto Company, USA). The Board decides proportion and manner of payment of such commission every year, subject to the above said overall limit approved by the Shareholders.



The remuneration paid or payable to the Directors is given in Table 4.

Table 4: Remuneration paid/payable to the Directors

Name of Directors	Sitting Fees	Salary & Perquisites	Incentive/Commission	(₹ in lakhs)
				Total
Mr. Sekhar Natarajan	-	-	-	-
Ms. Shilpa Shridhar Divekar	-	134.11	16.82	150.93
Mr. H. C. Asher	6.75	-	12.50	19.25
Mr. Pradeep Poddar	6.75	-	12.50	19.25
Mr. Piyush Nagar	-	-	-	-

The Company has no stock option/pension plan for the Directors of the Company. However, employees of the Company including Managing Director of the Company and nominee Directors of Monsanto Company, USA who are in full time employment, are entitled for the Stock Options declared by the parent company i.e. Monsanto Company, USA, from time to time.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI LODR, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committee. A structured questionnaire was prepared after taking into consideration inputs received from the directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board dynamics, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who are evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the non-independent directors was carried out by the independent directors who also reviewed the adequacy and flow of information to the Board. The directors expressed their satisfaction with the evaluation process.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI LODR, a Stakeholders' Relationship Committee has been constituted. The Committee considers redressal of Investors' complaints/grievances. It also considers matters concerning complaints regarding transfer of shares, non-receipt of dividends and Annual Report, dematerialisation of share certificates, etc.

The Stakeholders' Relationship Committee comprises of:

- Mr. H.C. Asher – Chairman, Non-Executive Independent Director
- Mr. Sekhar Natarajan – Member, Non-Executive Director
- Mr. Pradeep Poddar – Member, Non-Executive Independent Director and
- Ms. Shilpa Shridhar Divekar – Member, Managing Director.

During the Financial Year, the Company received 76 complaints. All complaints have been resolved by the Company. There were no committee meetings held during the year.

SHARE TRANSFER SYSTEM:

The Company's shares, being in compulsorily dematerialized (demat) form, are transferable through the depository system. Transfer of shares in physical form are processed by the Registrars and Share Transfer Agents (RTA) and approved by the Share Transfer Committee of the Company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by RTA subject to requisite documents being in order.

The Company has a Share Transfer Committee currently comprising of:

- Mr. Sekhar Natarajan – Chairman, Non-Executive Director
- Ms. Shilpa Shridhar Divekar – Managing Director,
- Mr. Saurabh Vaidya – Chief Financial Officer,
- Ms. Madhuvanti Kale – India Controller
- Ms. Monika Gupta – Company Secretary & Compliance Officer.

Share Transfer Committee has been reconstituted due to resignation of Ms. Chandana Dhar as the Company Secretary on December 23, 2016. Ms. Monika Gupta, Company Secretary has been inducted as a member of the Committee in place of Ms. Chandana Dhar with effect from January 30, 2017. Also Mr. Saurabh Vaidya was inducted as a Member on November 3, 2016.

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The Committee meets once every week or as and when required and approves all matters related to shares i.e. transfers, transmission, dematerialisation and rematerialisation of shares.

Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Committee

- formulate and recommends to the Board a CSR Policy for the Company which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act 2013;
- recommends the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitors the CSR Policy of the company from time to time.

The Committee reports regularly to the Board all matters as are relevant to the Company.

The CSR Committee currently comprises of:

- Mr. Sekhar Natarajan – Chairman, Non-Executive Director
- Ms. Shilpa Shridhar Divekar – Member, Managing director
- Mr. H. C. Asher – Member, Non-Executive Independent Director and
- Mr. Pradeep Poddar – Member, Non-Executive Independent Director

The Company Secretary acts as Secretary to the Corporate Social Responsibility Committee.

During the Financial Year, the Committee met on May 30, 2016, August 4, 2016, November 3, 2016, January 20, 2017 and March 23, 2017. Details of members' attendance at the Committee's meetings are given in Table 5.

Table 5:

Name of the Member	Meetings Held	Attendance
Mr. Sekhar Natarajan	5	5
Mr. H. C. Asher	5	5
Mr. Pradeep Poddar	5	5
Ms. Shilpa Shridhar Divekar	5	5

CSR Policy:

The CSR policy is in compliance with the provisions of Section 135 of the Companies Act, 2013 and read with applicable rules thereto. The CSR policy as approved by your directors has been placed on the website of the Company.

The CSR Policy provides details about the principles on which the Company develops its CSR initiatives and the control mechanisms that the Company is required to put in place for monitoring the CSR projects while ensuring that CSR objectives of the Company are met. Such initiatives taken by the Company during the year have been reported as an Annexure to the Directors' Report.

Pursuant to the provisions of Section 149 of the Act and Regulation 17 of the SEBI LODR, every listed public company is required to have at least one-third of the total number of directors as independent directors. Such independent directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. Accordingly, the company had sought approval of shareholders for appointment of Mr. H. C. Asher and Mr. Pradeep Poddar, both non-executive independent directors of the company. The appointments were approved in the 66th Annual General Meeting of the company for a term for five years each.

The Company has issued a formal letter of appointment to each of the directors in the manner as provided in the Companies Act, 2013 and Regulation 19(4) of the SEBI LODR. The terms and conditions of the appointment have been disclosed on the website of the Company (www.monsantoindia.com).

Section 149(8) of the Act has prescribed the Code for Independent Directors in Schedule IV for every company that has Independent Directors. Clause VII of the said Schedule and Regulation 25 of the SEBI LODR requires every company to convene a separate meeting of the Independent Directors.

During the year, the Independent Directors met on March 23, 2017 to:

- Review the performance of Non-independent Directors and the Board as a whole;
- Review of performance of the Chairman; and
- Assess 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 their duties.

All the Independent Directors were present at the Meeting.

Familiarization Program for Independent Directors

Your directors has adopted Familiarization Program ("the Program") for Independent Directors pursuant to Regulation 48 of the SEBI LODR. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. Such programs will provide an opportunity to the Independent



Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Document adopted for the Program has been uploaded on the Company's website for your information and is available on <http://www.monsanto.com/global/in/whoweare/pages/board-of-directors.aspx>.

MANAGEMENT:

Management of the Company has developed and implemented policies, procedures and practices that attempt to translate the Company's future plans into reality. The management also identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operations. These are internally supervised and monitored through the India Leadership Team (ILT) of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report forms a part of this Annual Report.

INTERNAL CONTROL SYSTEMS:

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically reviews the findings and recommendations of the auditors and take corrective actions wherever necessary. The Board recognizes the work of the internal and statutory auditors as an independent check on the information received from the management on the operations and performance of the Company.

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of employees, and an organization structure that segregates responsibilities.

RELATED PARTY TRANSACTIONS:

During the financial year under review your Company has had transactions/contracts/agreements that are classified as "Related Party Transactions" under provisions of the Act and the Rules framed thereunder. These contracts/arrangements/agreements have been in the ordinary course of business, to facilitate the business of the Company and have been approved by the Audit Committee and Board of directors.

Suitable disclosures as required by Accounting Standards (AS-18) have been made in the Notes to the financial statements.

As required under Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Company has also formulated a Related Party Transactions Policy which has been put up on the website of the Company at <http://www.monsanto.com/global/in/whoweare/documents/rptpolicy/ml.pdf>.

POLICY AGAINST SEXUAL HARASSMENT AT WORKPLACE:

Your Company has a long standing tradition in maintaining employee's well-being and is committed to providing a workplace to all employees that is free from sexual harassment. Your Company has zero tolerance to any form of conduct which can be considered harassing, diminishes the dignity of any person, or creates offensive work environment. The Company has put in place a policy for redressal for sexual harassment at workplace. As per the Policy any employee may report his/her complaint to the Internal Complaints' Committee.

MEANS OF COMMUNICATION:

During the financial year under reference, quarterly results were published in widely circulated national and local daily newspapers i.e. The Business Standard and Sakshi. Financial Results were not sent individually to the shareholders.

As per the requirement of the Regulation 46(2) of the SEBI LODR, the Company has designated an e-mail ID (investorcare.india@monsanto.com) exclusively for the purpose of registering the complaints by investors. The said email ID has also been displayed on the Company's website.

The Company's results and official news releases are displayed on the Company's website www.monsantoindia.com. There were no presentations made to the institutional investors or analysts during the financial year.

DISCLOSURES:

Material Transactions with the Company

Except the details of transactions given in Note no. 32 of Notes forming part of the Financial Statements, the Company had no material transactions with its promoters, directors or the management, their relatives etc. that may have a potential conflict of interest with the Company. There are no commodity price risk and commodity hedging activities undertaken by the Company during the year.

Compliances in respect of Capital Markets

The Company has complied with all regulatory requirements of capital market and has not been imposed any penalty/strictures by the Stock Exchanges or SEBI or any other statutory authorities.

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Shareholding of Directors

Mr. Sekhar Natarajan holds 800 equity shares in individual name. No other Directors are holding any shares in the Company.

The Board has adopted a Code of Conduct for all Directors and senior management personnel of the Company. The Code of Conduct is posted on the website of the Company.

All Directors and senior management personnel affirm compliance with the code on annual basis. Based on the affirmations received from Directors and senior management personnel, the Managing Director of the Company has signed the following certificate:

To the shareholders of Monsanto India Limited

I, Shiba Sridhar Divakar, Managing Director of the Company, hereby certify that the Board members and Senior Management personnel have affirmed that they have complied with the 'Code of Business Conduct' of the Company for the financial year ended March 31, 2017.

Mumbai, May 02, 2017

Managing Director

Prohibition of insider trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct For Prevention Of Insider Trading.

Your Company is committed to conducting business with the highest standard of honesty and integrity and expects all their employees to maintain high standards. Your Company maintains a Code of Business Conduct and Anti-Corruption Program. Additionally, a whistle blower mechanism ('Monsanto Speak-Up Protocol for India'), has also been developed pursuant to requirements of Section 177(9) and (10) of the Act and Regulation 4(2)(d) of the Listing Regulations. The Company's 'Monsanto Speak-Up Protocol for India' aims at:

- informing employees of their obligation to report serious wrongdoing within the Company;
- providing employees with guidance on how to raise concerns;
- reassuring employees that they should be able to raise genuine concerns in good faith without fear of retaliation, and;
- providing specific direction on how to contact the Chairperson of the Audit Committee of the Board of Directors under all exceptional circumstances.

The aforesaid Whistle Blower Policy has been uploaded on the website of the Company.

The Company has made available to its employees, anonymous email and telephone hotlines, for reporting of any deviations or concerns. Additionally, no employee of the Company has been denied access to the Chairman of the Audit Committee during the year ended March 31, 2017.

Compliance with Mandatory and Non-mandatory Requirements

The Company has complied with the mandatory requirements of Schedule V of the Listing Regulations. Further, the Company has adopted non-mandatory requirements of Schedule V of the Listing Regulations viz the Company has appointed separate persons to the post of Chairman and Managing director.

Mr. Piyush Nagar, Non-Executive Director

Mr. Piyush Nagar comes with several years of experience in commercial roles, including marketing and product management for branded cotton and Roundup® in India. During his more than 2 years of involvement in the Agriculture sector, he successfully led the growth of cotton seeds business and played a key role in Monsanto's success in leading and scaling up Roundup® business.

An alumnus of IIT Bombay (B. Tech. Chemical Engineering) and IIM Calcutta (PGDM), Mr. Piyush Nagar has extensive and diverse career experience of over 12 years across multiple sectors which he gained through working in various large group companies as T&E Officer and in Monsanto thereafter.

Mr. Piyush Nagar's present directorship/committee membership is as follows:

Sr. No.	Name of the Company	Nature of Interest	Chairmanships or memberships of Committee of the Board
1	Monsanto India Limited	Director	-

Ms. Shilpa Shridhar Divekar, Managing Director

Ms. Shilpa Shridhar Divekar is an MBA, Cost Accountant and a Post Graduate in Commerce. During her 15 years of involvement in the Agriculture sector, she has successfully guided the India-focused Seed Breeding R&D team of Monsanto to develop future products to meet farmers' needs and also played a key role in Monsanto's success in leading, scaling up and executing public-private partnerships with various State Governments aimed at enhancing income and improving livelihoods of lakhs of corn farmers across states in India.

Ms. Shilpa Shridhar Divekar's current Directorship/Committee membership are as follows:

Sr. No.	Name of the Company	Nature of Interest	Chairmanships or memberships of Committee of the Board
1	Monsanto India Limited	Managing Director	Member - SRC
2	Mahyco Monsanto Biotech (India) Private Limited	Director	-
3	Maharashtra Hybrid Seeds Company Private Limited	Director	-
4	CropLife India	Director	-

SRC - Stakeholder's Relationship Committee

GENERAL SHAREHOLDERS INFORMATION:

Address for correspondence	Monsanto India Limited, Ahuja Centre, 5 th Floor, 96, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel: 022-2824 6450/6702 9851 Fax: 022-2824 6452/2824 4707 E-mail: investorcare.india@monsanto.com
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ANNUAL GENERAL MEETING AND DIVIDEND:

Date and Time	Wednesday, August 10, 2017 at 11.00 a.m.
Venue	Rangaswar Hall, Y. B. Chavan, 4 th Floor, Gen. Jagannath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.
Last Date for Receipt of Proxy Form	Monday, August 8, 2016 before 11.00 a.m.
Date of Book Closure	Tuesday, July 25, 2017 to Thursday, July 27, 2017
Dividend Payment Date	On or after August 10, 2017

ANNUAL GENERAL MEETINGS (AGM) HELD DURING THE LAST THREE YEARS:

Date	Venue	Time	Special Resolution Passed
64 th AGM August 22, 2014	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.	11.00 a.m.	1. Payment of Commission to Non-executive directors
65 th AGM August 7, 2015	Y.B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.	11.00 a.m.	1. Appointment of Ms. Shilpa Shridhar Divekar as the Managing Director of the Company for the period of 3 years. 2. Approval of ongoing business transactions (material related party transaction) with ultimate holding Company i.e. Monsanto Company, USA 3. Approval of procurement of a specialised machine (material related party transaction) from the ultimate holding Company i.e. Monsanto Company, USA

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Date	Venue	Time	Special Resolution Passed
68 th AGM August 10, 2016	V.B. Chavan Auditorium, Gen. Jaganath Bhosale Marg, Nakurani Point, Near Sachivalay Gyankhand- Mumbai - 400 021	11.00 a.m.	1. Re-appointment of Mr. H.C. Asher as an independent director of the Company for a term of 5 consecutive years. 2. Re-appointment of Mr. Pradeep Padkar as an independent director of the Company for a term of 5 consecutive years.

Postal Ballots

During the financial year 2016-17, no approval of the members has been sought vide Postal Ballot.

None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot.

Financial Calendar

Financial Year	April 1, 2017 to March 31, 2018
Declaration of financial results for the quarter ending June 30, 2017	By 2 nd week of August, 2017
Declaration of financial results for the quarter ending September 30, 2017	By 2 nd week of November, 2017
Declaration of financial results for the quarter ending December 31, 2017	By 2 nd week of February, 2018
Declaration of financial results for the quarter ending March 31, 2018	Last week of May, 2018
AGM (or, MS, your choice), May 11, 2018	In the month of August, 2018

Shares Information

Listing on Stock Exchange(s)	• BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 023 • National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C-1, B-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Stock Code	524084
BSE Limited	MONSANTO
National Stock Exchange of India Ltd.	INE274B01011
International Securities Identification Number (ISIN)	Listing fees of both the stock exchanges have been paid for the year 2017-18.
Listing Fees	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083 Tel: 022-491 86060, 022-491 86270 Fax: 022-491 89060 Email: int.helpdesk@linktime.com
Registrar and Share Transfer Agents/Address for Correspondence	Ms. Monika Gupta, Company Secretary & Compliance Officer, 99.30% of the paid-up capital of the Company has been dematerialised as on March 31, 2017.
Dematerialisation of shares and liability	Not Applicable
Outstanding GDR/ADR/Warrants or any Convertible Instruments	



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Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that:

- Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to the Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company.
- Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

Shareholding Pattern and Distribution Schedule as on March 31, 2017

Shareholding Pattern

Category	No. of Shares	%
Promoters	1,24,54,044	72.14
Mutual Funds	6,98,479	4.05
Trust	2658	0.02
Bodies Corporate	727226	4.21
Public	25,31,519	14.66
NR/FII/OCBs	6,60,788	3.83
Others	1,88,034	1.09
TOTAL	1,72,62,748	100.00

Distribution Schedule

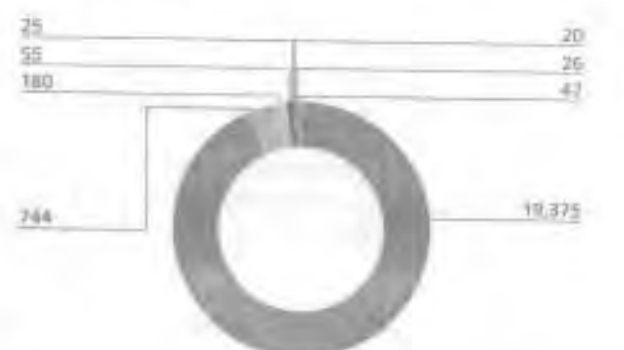
Category	No. of Shareholders	No. of Shares
Upto 500	19,375	10,71,053
501 - 1000	744	5,55,774
1001 - 2000	180	2,59,264
2001 - 3000	55	1,36,619
3001 - 4000	25	88,177
4001 - 5000	20	91,801
5001 - 10000	26	2,02,332
10001 and above	47	1,48,57,728
TOTAL	20,472	1,72,62,748

Shareholding Pattern



■ Promoters ■ Mutual Funds ■ Trust ■ Bodies Corporate
■ Public ■ NR/FII/OCBs ■ Others

No. of Shareholders



■ Upto 500 ■ 501 - 1000 ■ 1001 - 2000 ■ 2001 - 3000
■ 3001 - 4000 ■ 4001 - 5000 ■ 5001 - 10000 ■ 10001 and above

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Share Price performance - High-low share prices on BSE and NSE

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Traded Qty (in cr.)	High Price (₹)	Low Price (₹)	Traded Qty (in cr.)
Apr-2016	1,902.40	1,520.00	0.02	1,903.00	1,522.00	0.079
May-2016	2,559.40	1,731.00	0.11	2,588.00	1,720.00	0.587
Jun-2016	2,744.85	2,167.35	0.06	2,746.70	2,190.80	0.339
Jul-2016	2,617.65	2,343.85	0.02	2,614.00	2,350.00	0.071
Aug-2016	2,500.00	2,328.00	0.02	2,499.00	2,271.10	0.087
Sep-2016	2,728.90	2,286.00	0.03	2,728.00	2,300.00	0.169
Oct-2016	2,419.95	2,340.10	0.00	2,418.95	2,338.05	0.024
Nov-2016	2,371.90	2,200.25	0.01	2,366.75	2,240.00	0.029
Dec-2016	2,325.00	2,230.00	0.00	2,302.00	2,230.05	0.020
Jan-2017	2,357.00	2,237.00	0.01	2,358.80	2,236.00	0.028
Feb-2017	2,544.40	2,281.35	0.01	2,545.00	2,280.00	0.058
Mar-2017	2,570.00	2,445.00	0.00	2,570.05	2,440.00	0.035

Headquarters	1-4 B-5, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi, Silvassa - 396240 Union Territory of Dadra & Nagar Haveli.
Seed:	(i) Moka Road, Srinagar Village, Bellary - 563103, Karnataka (ii) Survey No. 677-679, Village: Lalgaol Malakpet, Shamirpet Mandal, District: Rangas Reddy - 500078, Andhra Pradesh (iii) Corn Breeding Station, Village- Batheda Ki Sarai, Post- Dardoli, Tehsil - Vallabh Nagar, Dist - Udaipur - 313001, Rajasthan (iv) Mega Breeding Station, Kallinayakanahalli Village, Thondabavi Hobli, Gowribidnur Taluk, Chikballapur District, Karnataka - 561213

Other information to the shareholders

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	None
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	None
Number of shareholders in whom shares were transferred from the suspense account during the year	None
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	None

with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Link Intime India Private Limited by sending a letter, duly signed by the first/sole holder stating details of Folio No.

Shareholders may write to the respective Depository or to Link Intime India Private Limited for guidance on depository services.

Address for correspondence with Depositories are as follows:-

1. National Securities Depository Limited - Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400015. Tel: (022) 2499 4200. Fax: (022) 2497 6351. E-mail: info@nsdl.co.in. Website: www.nsdl.co.in

2. Central Depository Services (India) Limited - Phoenix Jamnabai Towers, 17th Floor, Dalal Street, Mumbai - 400001. Telephone: Toll free: 1800-200-5533. E-mail: helpdesk@cdslindia.com. Website: www.cdslindia.com

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address



Management Discussion & Analysis

GLOBAL ECONOMY

2016 was a difficult year for the global economy marked with sluggish global trade, restrained investment and heightened political uncertainty. The global economy continued to grow at a gradual pace with growth estimated at a 3.1%, as per the estimates of the International Monetary Fund (IMF) in the World Economic Outlook, April 2017. The two most anticipated events that dominated global headlines due to their unexpected outcomes were the elections in the USA and the referendum in the UK. Both these events contributed to anxiety and nervousness in investor sentiments. Assertion of protectionist policies in advanced economies has emerged as the new challenge to growth prospects. The resurgence in commodity prices, especially petroleum, was another highlight of the year, which is expected to improve economic activity in commodity exporting economies. Global growth is expected to recover moderately to 3.5% in 2017, led by pick-up in activity in emerging market and developing economies. (Source: IMF)

INDIAN ECONOMY

2016 will be long remembered as a year of bold decisions taken by the government with a strong intent and focussed purpose for ushering in a new era of economic growth in the country. In November 2016, the government's decision to demonetize 86% of the currency in circulation was the most talked about event of the year, impacting every aspect and sector of the economy – from manufacturing to agriculture to consumer spending. Temporary aberration of a few months notwithstanding, demonetization is expected to incentivize digital transactions, expand the formal economy and increase tax revenues. Another historic decision during the year was the approval of the Goods and Services Tax (GST) Constitutional Amendment Bill. The projected rollout of the GST in July 2017 is expected to create a far more levelled playing field and make the formal sector of the economy stronger.

During 2016-17, India's economic performance has shown traction on the back of an improved activity in the core infrastructure sector. However, private investments are yet to gather momentum. Even amidst these challenges, the overall economic environment continues to be conducive for realizing high levels of GDP growth. The government's continued thrust on infrastructure development, call for a cooperative form of Centre-State relations and commitment towards fiscal targets augur well for economic prosperity. Inflation continued to be fairly stable for most part of the year under review. However, the chances of RBI lowering lending rate in the immediate future is bleak amidst concerns of hardening global crude and commodity prices and the expected inflationary impact of the GST in the short term once it is implemented. Normal rainfall in most parts of the country in FY 2016-17 has boosted the performance of

the agricultural and allied sectors. This is expected to revive rural demand and jumpstart the engine of economic growth. Further, the reform efforts by the government have bolstered the investment environment, as reflected in India's improved ranking to eighth position in the 2017 A.T. Kearney Foreign Direct Investment (FDI) Confidence Index. Propelled by these factors, the IMF expects the Indian economy to register a growth rate of 7.2% in 2017-18 and 7.7% in 2018-19 as compared to 7.1% in 2016-17.

OVERVIEW OF INDIAN AGRICULTURAL SECTOR

The agriculture sector is considered to be the backbone of the Indian economy. Providing livelihood to over 58% of households in the rural areas, the agriculture sector, along with fisheries and forestry, is also one of the largest contributors to the Gross Domestic Product (GDP). The agriculture sector plays an important role in food security as well as in contributing to the foreign exchange. Agricultural export constitutes 10% of the country's exports and is the fourth-largest exported principal commodity.

As per the provisional estimates by the CSO, the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is expected to be 17.4% of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices. Also, as per the same estimates, agriculture and allied sectors are likely to show a growth of 4.9% in its GVA during 2016-17, as against the previous year's growth rate of 0.7%.

The Indian agricultural sector follows July to June as the crop year and the Indian cropping season is divided in two major seasons:

Cropping Season	Period of Year	Major Crops Grown
Kharif season	July-October (Summer)	Rice, maize, sorghum, pearl millet/bajra, finger millet/ragi (cereals), arhar (pulses), soyabean, groundnut (oilseeds), cotton
Rabi season	October-March (Winter)	Wheat, maize, barley, oats (cereals), chickpea/gram (pulses), linseed, mustard (oilseeds)

The growth rate of the agriculture sector is mainly dependent on the monsoon as majority of the cultivated area still does not have access to irrigation facilities. As per the Ministry of Agriculture, the percentage of cultivated land area that is covered by irrigation is only 45%. The net sown area is currently around 142 million hectares. This translates to only 64 million hectares having access to irrigation facilities.

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Production

After two consecutive years of sub-par monsoon, 2016-17 witnessed normal rainfall, falling marginally short of the 100% long term average (LTA). The actual rainfall measured as an index on the basis of un-irrigated area under foodgrains as weights was 1.5% above its normal level. Favoured by good monsoons that led to higher area under cultivation and several policy measures undertaken by the government, the total foodgrains production in 2016-17, as per the third advance estimates, is estimated to be at record, 273.38 Million Tonnes (MT), which is higher by 8.34 MT than the previous record production of 265.04 MT achieved during 2013-14. The estimated foodgrain production in 2016-17 is significantly higher than the previous year by 21.81 MT and higher by 16.37 MT compared to the previous five years (2011-12 to 2015-16) average production of foodgrains.

The estimated high foodgrain production in 2016-17 is being driven by record harvest in several major crops. Rice, wheat, maize, cereals, pulses and oilseeds are all expected to record new highs. However, sugarcane output is likely to be lower at 306.03 MT this year, against 348.44 MT last year.

Estimated production of major crops (in million tonnes)

Crop	(in million tonnes)	
	2016-17 (second advance estimates)	2015-16 (Final)
Rice	109.15	104.41
Wheat	97.44	92.29
Coarse Cereals	44.39	38.52
Maize	26.14	22.57
Pulses	22.40	16.36
Oilseeds	32.52	25.25
Sugarcane	306.03	348.45
Cotton*	32.58	30.01

* Million bales of 500 kg each

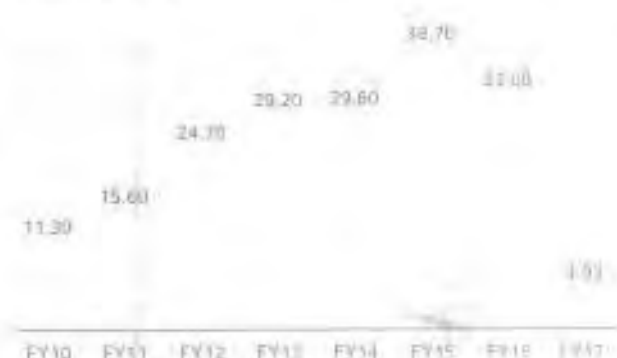
Source: Ministry of Agriculture

Exports

India is among the 15 leading exporters of agricultural products in the world. The total agriculture exports from India grew at a Compounded Annual Growth Rate (CAGR) of 19% over 2010-16 period to reach US\$32.08 billion in 2015-16.

As per data released by the Agricultural and Processed Food Products Export Development Authority, in 2016-17 the

CAGR 19%



Source: Ministry of Commerce, World Trade Organisation, India's Export (2016-17), TechSis Research

Notes: CAGR - Compounded Annual Growth Rate

* Data pertains to April-May 2016

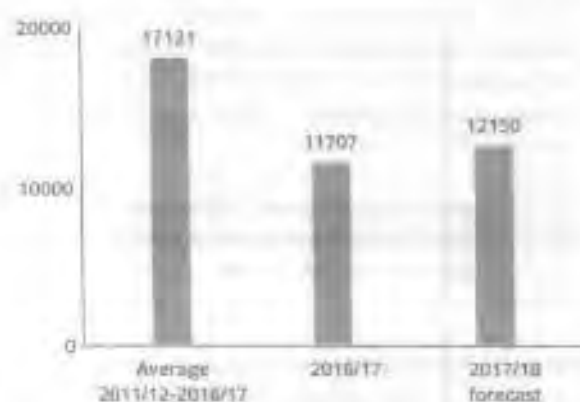
agriculture exports of India increased by nearly 0.9% and reached US\$16.28 billion. In 2015-16 the overall agriculture exports declined to US\$16.20 billion from US\$21.49 billion in 2014-15. The marginal growth is being attributed to the factors of demonetization, high Indian export prices, and removal of export incentives by the government. Maize exports during the year declined 32.4% from 6.50 lakh metric tonnes in 2015-16 to 5.69 metric tonnes.

As per the report published by Food and Agriculture Organization (FAO) of the United Nations in June 2016, cereal exports in the 2016-17 marketing year (April - March) declined by 5.8% from 12.42 MT in 2015-16 to 11.70 MT, around 34.7% below the five year average. This is attributed to reduced exportable availabilities, owing to the considerably lower output in 2015. FAO expects the maize exports for 2017-18 marketing year (September - August) to increase by 34% to 8.50 lakh metric tonnes, which far below the average driven by low carryovers and increased domestic demand from the feed and starch industry. Rice exports for calendar year 2017 is forecasted at 10.8 million tonnes, 8% above 2016 levels in expectation of rising increased from African and South Asian destinations. Wheat exports for 2017-18 are forecasted at 2.5 million tonnes, half the high level of 2016-17 in expectation of sufficient local availabilities from large 2015 crop.



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India: Total cereal exports (000 tonnes)



Notes: Total cereals includes rice in milled terms. Split year refers to individual crop marketing years.

Source: FAO/AGRIWIS Country Balance Sheets

Foreign Investments

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2,369.92 million from April 2000 to March 2017.

SEASON-WISE REVIEW OF AGRICULTURE IN 2016-17

Kharif Season 2016

Favoured by good monsoons, the area under Kharif sowing was about 3.5% more in 2016-17 as compared to the previous year, with the sowing of pulses being about 29.1% more than last year. Overall, sowing of Kharif crops were 4.4% more than normal or the average over the past five years. (1st advance estimates) Aligned to greater area being brought under cultivation, the Kharif foodgrains production is estimated at 138.04 MT in 2016-17, almost 10% higher than the year before, when several states across India were reeling under severe drought. The bumper harvest is expected to set a new record, surpassing the previous high of 131.3 MTs in 2011-12 by 5.13%. (3rd advance estimates)

A significant boost to the Kharif foodgrain output has accrued due to a record crop of Kharif pulses, estimated at 9.12 MT, nearly 65% more than the production in 2015-16, and higher than the record 7.1 MT harvested in 2010-11. (3rd advance estimates)

This year, farmers in major pulse growing states increased planting area by 37% compared to normal, boosted by higher retail and wholesale prices over the past year. (1st advance estimates)

According to the estimates, production of rice, the main Kharif crop is likely to be at 96.09 MT, the highest ever in history, and

3.29 MT higher than the previous record of 92.8 MT harvested during 2011-12. (3rd advance estimates)

The only (non-foodgrain) Kharif crop that took a hit is sugarcane with an estimated production of 306 MT, a 12.17% drop in production compared to last year (2015-16). (3rd estimates)

Kharif Crop Production

Crop	2016-17 (in MT)*	2015-16 (in MT)†
Rice	96.09	91.41
Maize	19.17	16.05
Jowar	1.95	1.82
Coarse Cereals	32.84	28.15
Pulses	9.12	5.53
Sugarcane	306.03	348.45

*2nd advance estimate † final

Source: Ministry of Agriculture

Rabi Season 2016-17

Good four-month monsoon ending in September 2016 resulted in sufficient water in reservoirs and in the ground water level, which in turn improved the prospects of sowing Rabi or winter crops. Also, there has been little or no impact of demonetization on sowing operations of Rabi crops. Total sown area has in fact, been increased in most of the states including the bigger ones like Uttar Pradesh and Madhya Pradesh. The only dampener for the Rabi season was poor North East monsoon rains and a temporary disruption in the input supply caused by demonetization. The area under cultivation for wheat, pulses, oilseeds and rice has increased, owing to high support prices and various pro-farmer policy measures announced by the government, while that under coarse cereals decreased. As per official data, Rabi crop planting is estimated to be 6% higher in 2016-17 than last year. With higher planting, India is set to mirror the record or near-record performance of Kharif crops in 2016-17 for Rabi crops as well. The expected plentiful harvest would result in moderate foodgrain prices and lesser dependence on imports provided the weather remains favourable.

The estimated wheat production in the Rabi season, which is the main crop for the period, is 97.44 MT compared with the government's estimate of 96.6 MT assuming normal weather conditions through harvest.

Rabi Crop Production

Crop	2016-17 (in MT)*	2015-16 (in MT)†
Wheat	96.64	92.29
Maize	6.89	6.51
Pulses	13.41	10.82

*2nd advance estimate † final

Source: Ministry of Agriculture

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Low Yield: Currently, India has a rice yield rate of 2.4 tonnes per hectare (t/ha), placing it at 27th place out of 42 countries. China and Brazil have yield rates of 4.7 t/ha and 3.6 t/ha, respectively. On the 44 million hectares of land where rice is cultivated in India, yield can increase to 205.52 or 160.01 MT when the yield rates are similar to China or Brazil, respectively. Similarly for many other crops, India's productivity remains considerably lower than other countries in the world.

	(tonnes/ha)
At Egypt's yield (6.9 t/ha)	391,847,244.1
At China's yield (4.67 t/ha)	205,525,318.6
At Brazil's yield (3.64 t/ha)	160,010,300.1
At current yield (2.4 t/ha)	106,169,979.8
At SA's yield (2.0 t/ha)	88,044,000

Source: <http://www.livamint.com/Opinion/SA/POPO/CountriesPM/India-agricultural-yield-suffers-from-low-productivity.html>

Low farm output is a major challenge faced by small farmers across India. The chief reasons for the poor yield are fragmented land holdings, inadequate use of technology and modern methods of farming, poor soil health, and lack of access to irrigation facilities.

Hybrid seeds have been used the world over as an integral part of modern agriculture in its continuous effort to produce more food for the world. Offering greater resilience than traditional seeds, hybrid seeds can provide higher yield using the same amount of resources. As per the data published by the Ministry of Agriculture, usage of hybrid seeds has boosted the yield of foodgrains to 2,056 kg/hectare in 2015-16 from 1,756 kg/hectare in 2006-07.

Monsanto India Limited (MIL) has been at the fore-front of modernizing India's agriculture with its sustained efforts in providing improved maize seeds. These maize seeds have advanced traits that address India's unique agro-climatic conditions and farmers' requirements and are the ideal solution for enhancing crop yields sustainably.

Crop Losses: At a time when India needs to increase agriculture output for its growing population as well as to enhance food security, an estimated 15-25 % of potential crop production is

lost due to pests, weeds and diseases. The need of the hour is to empower the farming communities with quality crop protection solutions to prevent crop loss and make farming more sustainable and profitable. The use of pesticides helps to reduce crop losses, provide economic benefits to farmers, reduce soil erosion and ensure food safety and security.

Developed after extensive research, MIL's high quality glyphosate has proven effectiveness against pest infestation and weeds, thus enhancing yield and bringing greater economic prosperity to the farmers.

Illiteracy and Skilled labour: As per a government study, a third of India's rural population is still illiterate. With a significant proportion of the rural communities being farmers, this low literacy rate translates into low efficiency and low agriculture productivity. Further, many farmers have only traditional knowledge which is passed verbally from one generation to other and limited agricultural skills. This traditional knowledge and lack of proper training pose challenges in dealing with crop loss, enhancing farm productivity and using modern technology for getting accurate insights of weather, prices, soil conditions, etc.

MIL's farmer connectivity platform educates farmers with information specific to their crops using audio and visual tools. Capitalizing on the high mobile phone penetration in the rural areas, the Company also provides personalized, round-the-clock advisory services via mobile phone, updating farmers about agronomic issues such as soil, climate, rainfall, pest issues, and seed variety. This functional literacy helps to address the farmers' needs in a comprehensive and easy way.

With limited land availability, agricultural productivity is a critical driver for enhancing foodgrain production and for food security. Further, the rate of yield of Indian agriculture is much below global standards. This makes it imperative for the farmers to use agriculture inputs to improve productivity and yield. Agriculture inputs can be classified into two categories: Consumable inputs which include seeds, fertilizer, diesel/oil, agrochemicals, and Capital inputs which include tractors, tillers, thresher sets, pumps etc.

Among all the agriculture inputs, seed is the fundamental and most important input for sustainable agriculture. The quality of seeds used influence to a large extent the success and demand of other agricultural inputs. As per ICRA Research Report August 2015, the seed market, especially the hybrid seed market has been growing at CAGR of ~18-20% with increased seed replacement rate. The growing adoption of seeds with advanced traits is expected to propel the growth of the market. The outlook of the near-to-medium term appears healthy with the Indian hybrid and genetically modified seed market projected to reach around ₹ 160 billion by 2019.



Herbicides are an important product category under agrochemicals and are used for controlling weeds. In India the per capita consumption of herbicides is low in comparison to other developed nations. However, the market size is large with considerable area being utilized for agriculture. Given the thrust to increase farm output, the use of good quality herbicides remains fundamental. Further, with migration of agricultural labour to industrial areas leading to shortage of manpower for removing weeds manually, there is vast scope for increasing the use of herbicides.

OPERATIONAL REVIEW

DEKALB® hybrid maize seeds

DEKALB® is Monsanto's globally renowned brand of high yielding hybrid maize seeds. For its rich and diverse maize germplasm pool and breeding excellence, the brand enjoys the supreme trust and confidence of the farming community across the country.

Apart from providing hybrid seeds, the Company focuses on developing relationships and connecting with farmers through its Dr. DEKALB® Farm Care (DDFC) programme. DDFC is an IT and mobile based technological platform that focuses on improving farm yield and productivity, which in turn leads to sustainable farming. Leveraging technology, this innovative programme addresses all farmer concerns related to maize farming, equips them with better agronomic practices and resolves their queries on priority basis. As on date, the Company has close to 1.2 million members. 2016-17 was an exceptionally good year for the Company for the Company's DEKALB® business driven by good and even rainfall across the country. While the performance across all three seasons was good, it was the Spring corn business that has seen phenomenal growth in recent years enabling us to enhance market share from 40% in 2014-15 to 55% in 2016-17 in the North India market. The Company's new launches in the current as well as past four years have shown good traction and are significantly contributing towards the growth. Efforts to connect with farmers through campaigns, contests, and farm advisory services have resulted in strengthening relations and growing community of loyal consumers. Market shares across all major corn growing states have shown improvement. A very successful contest to reward highest corn yielding farmer carried out in Bihar saw a massive participation of 27,000 farmers. Besides, the Company's teams also connected with over four lakh farmers across key states like Karnataka, Maharashtra, Madhya Pradesh and Uttar Pradesh.

The Company has significantly scaled its field demonstration and Centre of Excellence programs whereby farmers and along with other stakeholders like government representatives, university scientists, channel partners, farmers and internal sales and marketing teams get first-hand experience of the potential of DEKALB® seeds. Besides, a new division of Technology and Agronomy was also formed to act as a Communication link between customers and R&D team that facilitates in undertaking

research projects as per the customer's requirement. In breeding, the Company has switched to an all new Breeding 3.0 methodology to speed-up new product development and work on advanced technologies.

The Company also developed a fresh positioning – Seed Your Success – whereby along with the superiority of the product the value added services (providing information related best agronomic practices, weather, sowing and harvest times) offered will be communicated. In addition to this, the Company has significantly worked towards optimising its supply chain through introducing automated technologies and new IT tools. This enabled it to significantly reduce lead times.

The Company has also worked on improving its IT capabilities by introducing the new satellite image-based analysis that shall facilitate in getting exact coordinates of area under cultivation and get precise information relating to operating conditions. This shall enable it to provide farmers relevant analytical advisory.

ROUNDUP®

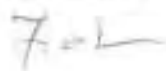
Roundup® is an environmentally sustainable 100% glyphosate herbicide that provides efficient post-emergent weed control. It offers powerful and consistent weed control resulting in significant cost and resources (labour, time, fertilizer and water) savings. It is primarily used in agriculture and places like roadsides, public spaces, alongside railway tracks and garden among others. It has shown proven effectiveness over 300 variants of weeds across 125+ countries.

In 2016-17, the Company's Roundup® business failed to pick-up the expected momentum. This was on account late monsoon in southern parts of the country and stiff competition from local players who were able to manufacture low-cost herbicides driven by decline in glyphosate prices from China. However, as the year progressed, the Company's robust promotional activities coupled ineffectiveness of low-quality herbicides prompted farmers to switch to the Company's high quality Roundup® which was more effective on weeds. As a result, though the Company's volumes were lower than expected the brand is rapidly gaining acceptance in the market, especially among tea growers in the eastern region.

During the year, the Company also launched a new variant – Roundup® speedup that has higher concentration (54%) of active ingredient glyphosate making it more effective with lower dosage. The Company is also strengthening its distribution channels to communicate the product's quality and effectively leverage the brand's rising equity.

FINANCIAL REVIEW

The net sales of the Company registered a growth of 18.53% from ₹ 536.4 crores in 2015-16 to ₹ 635.8 crores in 2016-17 driven by



robust corn sales in the kharif (driven by favourable monsoon) and spring season. In the seeds business, the total corn sales increased 23.57% from ₹ 354.96 crores in 2015-16 to ₹ 438.84 crores in 2016-17. This was led by a robust 50% growth in sales during spring season. In addition to rise in sales volumes, higher realisations from better hybrid portfolio facilitated in improved margins.

In the Roundup[®] business, the volumes and realisations were lower than expected driven by decline in glyphosate prices in China which led to availability of cheaper alternative. Roundup[®] sales in 2016-17, increased 8.66% from ₹ 181.45 crores in 2015-16 to ₹ 197.18 crores in 2016-17.

The operating expenses (including depreciation) for the year was lower than the budgeted estimate. In 2016-17, the operating expenses increased by 7.22% from ₹ 191.97 crores in 2015-16 to ₹ 205.83 crores in 2016-17 owing to increase in variable cost driven by higher sales. Profit after Tax increase by 45.75% from ₹ 101.3 crores in 2015-16 to ₹ 147.5 crores in 2016-17.

While India's economic activity in 2016-17 had slowed primarily because of massive negative shock for consumption demand as induced by demonetization and weak private sector investments, the slowdown is expected to be transient, with the worst expected to be over. Economic data released by leading organizations point to a pick-up in consumption demand with remineralization reaching comfortable levels and the implementation of the planned salary and pension hike for state employees. As per the IMF's biannual World Economic Outlook, supported by implementation of key reforms, easing of supply-side bottlenecks and appropriate fiscal and monetary policies, the Indian economy growth is expected to rise to about 8% over the medium term.

The India Meteorological Department's (IMD) forecast in April 2017 predicts normal to near-normal rains during the monsoon season. Quantitatively, the seasonal monsoon rainfall this year is likely to be 96% of the LTA with an error of +/- 5%. Another positive is that rains are expected to be evenly distributed across the country. If accurate, this second successive year of good monsoon will benefit the farm sector and the overall economy. Based on this monsoon outlook, India expects its farm output growth to remain stable at 4% in 2017-18 crop year.

Apart from the optimism of a high GDP growth and the forecast of favourable monsoons in 2017-18, a number of other factors augur well for the growth of the agriculture sector. These are discussed below.

Agriculture focused Budget: The Union Budget 2017-18 shows the government's intent and focus towards boosting the agriculture sector and reviving the rural economy, which had

suffered considerably after two consecutive years of poor rains in 2014 and 2015. The Budget aims for more reforms in agricultural marketing, increased funds for insurance and irrigation schemes and sets a higher target for farm credit combined with greater focus to provide flow of credit to underserved areas.

Key takeaways from the Budget for the agricultural sector:

- Funding for the rural and agriculture sector increased by 24% in 2017-18 to ₹ 1.87 trillion
- Farm credit target fixed at ₹ 10 trillion in 2017-18, up from ₹ 9 trillion targeted last year
- Dedicated micro-irrigation fund to be set up by NABARD with an initial corpus of ₹ 5,000 crores to achieve the goal of "Per Drop More Crop"
- Allocation for the crop insurance scheme, Pradhan Mantri Fasal Bima Yojana, increased to ₹ 1.8,340 crores in 2017-18 from ₹ 5,500 crores in the previous year
- Crop insurance to spread over 40% and 50% cropped area in 2017-18 and 2018-19 respectively, up from 30% in 2015-17
- Dairy processing infrastructure fund to be set up under NABARD, with fund of ₹ 5,000 crores
- A model law on contract farming will be circulated among States for consultation
- Assistance of upto ₹ 75 lakh for cleaning and packaging of farmer produce
- Areas under summer and winter crops to grow
- Issuance of soil health cards and setting up of mini labs in Krishi Vigyan Kendras
- NABARD to be supported to create 50,000 functional primary agricultural credit societies at an estimated cost of ₹ 1,900 crores
- Computerization of NABARD to help smaller marginal farmers to ensure seamless flow of credit
- Focus on small and marginal farmers, especially in underserved areas such as the Northeast and Kashmir

Growing population: India's population growth demands improved farm output to ensure food security. This provides a strong impetus to the agriculture sector. Further, with the area of arable land being limited, it is imperative to boost farm efficiency. This presents a big opportunity to agri-input segments like seeds, plant growth nutrients, herbicides, fertilizers, etc. As per the Ministry of Agriculture, commercial seed in India account for a very small percentage of 25%. The necessity of increasing yield rates will pave the way for quality branded seeds in the coming years.



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Rising income: Domestic demand for agricultural and allied products is also being fuelled by rising per capita income of India's population. Consumption expenditure in India is likely to reach US\$ 3.6 trillion by 2020.

Farm mechanization: India is driving towards greater farm mechanization to boost agriculture productivity. For promotion of farm mechanization the incumbent government released ₹ 340 crores from the period 2014-16 and ₹ 178 crores for the year 2016-17. Four regional farm machinery training and testing institutes have been established in the country, which cater to the needs of standard and quality farm machinery and equipment. Through the Sub-Mission on Agricultural Mechanization (SMAM), custom hiring centres have been established to enable marginal farmers borrow expensive farm machinery and also to increase the reach of farm mechanization.

Increase in usage of hybrid seeds and other inputs: The government has been playing a proactive role in promoting greater use of hybrid seeds due to their high yield and resistance. The usage of hybrid seeds has boosted the yield of food grains to 2,056 kg/ hectare in 2015-16 from 1,756 kg/ hectare in 2006-07. The use of inputs such as fertilizers, pesticides, farm technology is also on an uptrend which augurs well for boosting agricultural productivity.

Contract Farming: Bringing private corporate agribusiness entities in direct contact with the primary producers, contract farming is changing the dynamics of Indian agriculture. The government has been promoting contract farming at various levels through policy changes and fiscal incentives. The farmers benefit from access to world class mechanized agro technology and an assured up-front price and market for their produce, while companies gain from uninterrupted and steady flow of farm output and protection from fluctuation in market pricing.

Increased land under irrigation: Sustained investments on irrigation have reduced the dependence on monsoons for Indian agriculture. The government's scheme of 'Pradhan Mantri Krishi Sinchayee Yojana' (PMKSY) has been formulated with the vision of extending the coverage of irrigation, improving water use efficiency ('More Crop Per Drop') and harnessing rain water at micro - level. The Union Budget 2017-18 has earmarked a significant increase in the outlay for PMKSY from ₹ 5,189 crores to ₹ 7,377 crores in line with its stated objective of 'More Crop Per Drop'. With more and more land area being brought under the ambit of irrigation and improvements in water management, farm productivity is well-poised for growth.

OPPORTUNITIES SPECIFIC TO MAIZE

Low corn yield v/s high demand: In India, maize is the third most important cereal crop following rice and wheat. Maize production has shown a tremendous increase in the country. However, despite the production strength, Indian corn yields are

significantly below the yields in major corn producing countries. As per industry sources, India will need 65 MT of maize by 2050. This increase in production is expected to be driven by increase in productivity as the area under cultivation is not likely to change substantially. By adoption of high yielding hybrids, improved agronomic practices and bringing higher area of cultivation under hybrids, there is enormous potential for increasing India's corn production.

Growing applications: Besides being the staple food for many countries across the world, maize has several other uses, the list of which is growing. In fact, 70% of the total maize consumption in Asia is accounted by the animal feed industry. Growing population coupled with increasing preference for high protein food is driving the demand for poultry, which in turn is fuelling the demand for maize. Maize is also being used for making food additives and sweeteners in the food processing industry. With the processed food industry expected to grow at 10%+ in the next five years in most Asian countries, maize demand is expected to rise. Another fact which bolsters the growth potential of maize application in India is that currently the country manufactures only 40 products from maize and starch derivatives whereas over 800 products are produced in the international markets. Use of maize starch for alternate applications like biodegradable plastics, car parts and edible oil is slowly on the rise.

In the backdrop of key growth opportunities and a supporting ecosystem of services and friendly policies from the government, the outlook for agriculture is positive. This should translate into significant prospects for MII to enhance the volume and reach of its products. Moreover, the Company's committed endeavour to assist farmers with agronomic advice has enabled it to strengthen relationships and educate them on the advantages of the Company products. 18 new hybrids have been introduced and received very well in the past five years. With the government's strong focus on increasing maize productivity through the use of hybrids, the Company remains steadfast in leveraging its R&D to develop genetically modified high-yielding seeds and drive value for the farmers and growth for the business.

Risks, concerns and threats

Risk and opportunities is an inherent feature of any business. MII's dedicated risk management team has developed a set of systems and processes to create awareness of potential risks and consequently limit and manage them, while safeguarding business opportunities and strengthening profitability. It believes that risks that are well managed can create opportunities, whereas risks that are not managed or incorrectly managed can disrupt operations and impact growth prospects.

This section highlights the principal risks and uncertainties that affect the Company, together with the key mitigating activities in place to manage those risks.

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Weather risks

The agriculture business is vulnerable to weather conditions. Droughts, natural calamities or excess rainfall can have negative impact on crop production which in turn can impact the demand for MIL's products. In India this risk is compounded with only 45% of the net sown areas having access to irrigation.

While this risk can never be completely eliminated, its impact can be minimized through pro-active and prompt responses. MIL has invested substantial resources in R&D for developing a wide range of high-yielding hybrid portfolio for different seasons and conditions. This ensures that its products are in demand throughout the year. Also, through its Farm AgVisory® services, farmers obtain helpful insights on better and higher crop cultivation. Toll-free number and customized mobile messages are some of the other services extended by the Company to the farming community to enable them to tackle the vagaries of nature effectively.

Macroeconomic risks

Apart from being dependent on natural factors, agriculture is also controlled by macro-economic factors such as global demand and supply, credit policies, commodity prices, interest rates, inflation, wholesale prices etc. These in turn impact the demand and supply for agricultural produce and products.

With over four decades of industry leading experience and trusted relationships with the farming community, your Company is confident of meeting macroeconomic challenges effectively. Moreover, the outlook of increased maize production in the coming years to meet the rising requirements from feed industry and industrial applications mitigates the risk of lower demand for your Company's products considerably.

Production risk

Production risks are caused by adverse weather, pests, disease, higher raw material prices, human error, regulatory changes, market dynamics and misuse of new technologies. Sale of seeds and agrochemicals, both of which are your Company's products, are directly impacted by production risks.

Proactive measures by MIL, such as exploring new production locations, mechanized operations and improvement of seed process have helped to counter this risk to a considerable extent. In addition, through constant engagement with farmers, the Company educates them on better agronomic practices for harvesting higher yields.

Competition risk

Changes in the competitive landscape, availability of better quality seeds and increase in supply of product options at lower cost, may result in loss of market share for the Company.

In India, MIL has set up three state-of-the-art breeding stations to conduct research activities and develop best quality seeds

that are resistant to the challenges of adverse weather, difficult soil conditions and crop diseases. As a result of its focussed efforts, in the last five years the Company has been able to bring in the market 12 successful hybrids. This commitment to quality inputs at competitive prices has enabled it to manage this risk effectively. In addition, over the years, the Company has deepened its connection with the farmers by offering them complimentary valuable advice on enhancing productivity and profitability. This has gone a long way in strengthening brand loyalty and thwarting the risk of losing out to competition. Further, the favourable maize landscape in the coming years should protect your Company's business.

Institutional risk

Changes in laws, regulations, policies and other governmental actions relating to agriculture, such as price support, food quality regulations, subsidies, could affect the MIL's operations. With the Company's key business related to manufacture and marketing of hybrid seeds, any negative government policy and decision in this area is bound to impact the Company's performance.

Market data indicates that the hybrid seed market is well-poised for growth in the coming years. Moreover, recognising the imperative to increase agricultural productivity as cultivable land is limited vis-a-vis a growing population, the government is encouraging the use of hybrid seeds in crop cultivation and also providing special incentives to private companies for its research and development. Also, in the face of global climate change, hybrid seeds are emerging as the ideal solution to enhance productivity as they are considered the best quality seeds compatible with local environment.

Human and personal risk

Agriculture business can take a physical and emotional toll on the well-being of employees and farmers as they have to work outdoors under extreme weather conditions. Farmers often travel long distances on tough rural terrain to sell their produce, making them vulnerable to road accidents. Employees too have to make such difficult journeys to educate farmers and spread awareness on Company products.

To mitigate this risk, MIL equips the employees with modern amenities and better information to protect them from such risks. The farming community is extended access to healthcare and education facilities so as to improve their quality of life. Moreover, by embedding international safety practices in its operations, the Company ensures that the employees and farmers can deal with such risks effectively.

Realization risk

The basic raw material glyphosate used in the manufacture of herbicide is imported from China. Over the past few years, the import price of glyphosate has declined considerably. At the

same time, the industry has attracted many new entrants who are importing low cost glyphosate and selling the final product of herbicide at low prices in the domestic markets. This stiff competition is exerting a downward pressure on the margins of the Company for its Roundup® brand.

To offset this risk, MIL undertakes significant branding and marketing activities for Roundup® so as to ensure that the brand enjoys a premium positioning in the industry. This enables it to avoid the commodity trap and command a price and competitive advantage.

Foreign currency risk

The Company is exposed to foreign currency risk as the key raw material glyphosate used in the manufacture of the Roundup® is imported. Sharp depreciation in the Indian rupee against major currencies can impact margins.

This risk has been negated to a considerable extent as in recent times with strong economic fundamentals and overall optimism in the growth story of India, the rupee has been performing fairly well and the exchange rate well-maintained.

ADEQUACY OF INTERNAL CONTROL SYSTEMS

MIL follows best in the industry Internal Quality Control Systems which are governed by detailed SOP's covering all business aspects and ensuring that every single transaction is duly authorized, recorded and reported. The Company strictly adheres to all rules, policy, statutes and laws ensuring that all statutory compliances are thoroughly followed. The Company's Audit Committee reviews and takes suitable actions for any deviation, observation or recommendation suggested by the Internal Auditor, who is an independent auditor mandated to conduct internal audit. The Company also strictly adheres to environment protection laws. The employees of the Company rigorously follow the Code of Conduct devised for conducting the business of the Company.

HUMAN RESOURCES

The Company is driven by the belief that people are the most valuable asset and the driver of present and future growth.

With the Company's products being used in the agricultural sector, the employees need special skills to engage with farming communities located in the rural areas. These skills need to be upgraded on a regular basis to keep pace with evolving technology and, simultaneously, the employees also need to demonstrate commercial orientation. The HR Department ensures that the employees are given the best-in-class training to attain the business objectives.

The Company's culture is reflected in its larger purpose, which is to improve the lives of all the people connected with it – employees, farmers and the local communities. Aligned to this philosophy of empowering and enriching lives, it puts strong emphasis on personal skill development of its employees and the farmers.

Endorsing MIL's efforts in developing the capabilities of the people connected with it and providing an enabling work environment, the Company has been repeatedly recognized as one of the best companies to work for by the Great Places to Work Institute, India, in partnership with the Economic Times. It has also been consistently ranked amongst the top 50 employers in the past.

CAUTIONARY STATEMENT

This report contains statements that may be "forward looking" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company's future business developments and economic performance. While these "forward-looking" statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. The Company undertakes no obligation to publicly revise any "forward-looking" statements to reflect future/ likely events or circumstances.

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Business

Sr. No	Information	Response
1	Corporate Identity Number (CIN) of the Company	L74999MH1949PLC007912
2	Name of the company	MONSANTO INDIA LIMITED
3	Registered address	Ahura Centre, 5 th Floor, 98, Mahakali Caves Rd., Andheri (E), Mumbai MH-400093
4	Website	www.monsantoindia.com
5	Email id	investorcare.india@monsanto.com
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pesticides/Herbicides- 24219, Hybrid Seeds- 01119
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Agriculture Chemicals, Seeds
9	Total number of locations where business activity is undertaken by the Company	5
10	Number of International Locations (Provide details of major 3)	0
11	Number of National Locations	Herbicides: 1, 4 & 5, Madhuban Industrial Estate, Madhuban (Dam Road), Rakholi, Silvassa - 396 240, Union Territory of Dadra & Nagar Haveli. Seeds: - Moka Road, Srivara Village, Bellary - 583 103, Karnataka. - Survey No. 677-679, Village: Lalgudi Malakpet, Shamirpet, District: Ranga Reddy - 500 078, Andhra Pradesh. - Corn Breeding Station, Village- Batheda Ki Sarai, Post - Baroli, Tehsil - Vallabh Nagar, Dist - Udaipur - 313 001, Rajasthan - Mega Breeding Station, Kalinayakanahalli, Thondebavi H906, Gowribidnur Taluk, Chikahallapiura District, Karnataka - 567 313
12	Markets served by the Company - Local/State/ National/International	National & International

Sr. No	Information	Response
1	Paid up Capital (INR)	₹ 17.26 crore
2	Total Turnover (INR)	₹ 640.71 crore
3	Total profit after taxes (INR)	₹ 147.53 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 3.58 crore
5	List of activities in which expenditure in point 4 above has been incurred	Sustainable Agriculture: Monsanto is committed to aiding development of farmers and farm families by providing support for farm infrastructure, access to water and waste conservation and improving plant production and market linkages, thereby making the agricultural system sustainable.



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Sr. No	Information	Response
		• Health and Nutrition: Rural India has 6.4 lakh villages with significant challenges in access to quality health care, access to sanitation facilities, personal and community hygiene and drinking water solutions. There is an opportunity for holistic development and improving lives of the rural communities with our programs in the health and nutrition space. • Education: Monsanto believes in the power of education and the difference that it can make to the future generations of the country. DISHA is Monsanto's flagship program in education and is committed towards strengthening learning outcomes by enhancing school effectiveness, improving quality of teaching practices and infrastructure support. • Disaster Rehabilitation: Being an integral part of India's business ecosystem and being integrally linked to the communities, Monsanto is committed to helping the communities overcome the disruption in their livelihoods and return to their normal lives. The Monsanto disaster rehabilitation effort provides sustained support to the people and communities affected by natural calamities to help them rebuild their lives and recover.

SECTION C: OTHER DETAILS

Sr. No	Information	Response
1	Does the Company have any Subsidiary Company/ Companies?	No
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)	N.A.
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%]	No

SECTION D: BR INFORMATION

Sr. No	Information	Response
1	Details of the Director/Directors responsible for implementation of the BR policy/policies:	
a	DIN Number	01031445
b	Name	Mr. Sekhar Natarajan
c	Designation	Chairman
2	Details of BR Head:	
a	DIN Number (if applicable)	06619353
b	Name	Ms. Shilpa Shridhar Divekar
c	Designation	Managing Director
d	Telephone number	022-28246450
e	E-mail id	shilpa.divekar.nirula@monsanto.com

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Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for:	Yes								
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Majority of the Company policies are aligned with Monsanto's Global policies which incorporate global best practices. The Company is an ISO 9001 certified company and the manufacturing locations are ISO 14001 and OHSAS 18001 certified.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes. Monsanto Global Policies & Monsanto India Limited (MIL) Policies are approved by their respective Boards. Yes, all the policies as approved by the Board are signed by the appropriate Board Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6.	Indicate the link for the policy to be viewed online?	Policies can be viewed on http://www.monsanto.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/policies	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, the Business Conduct Office provides the redressal mechanism for all kinds of grievances.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	Y	N	Y	Y	Y	Y	Y	Y

* ESH Policy and PDSH Policy are displayed at our premises and on our intranet, but are not available on the website.

1. Monsanto Speak-Up Protocol for MILs

2. Policy Against Sexual Harassment at Workplace

Governance related to BR

Sr. No.	Information	Response
1.	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 (three) to 6 months. Annually. More than 1 year	The Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company at least once a year.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is updated?	No, the requirement was not applicable to the Company before FY 2016-17. This report serves as the first BR for MIL.



SECTION E: PRINCIPLE-WISE PERFORMANCE

Note: Relevant policies of the Company have been indicated under each Principle below. "I" refers to Monsanto India policies, while "G" refers to Monsanto Global policies, which are also applicable to MII.

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

Policies: Monsanto Code of Business Conduct (G), Insider Trading Policy (I), Monsanto Speak-Up Protocol for India (I)

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?

The policy extends to all other third parties dealing with the Company.

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

No stakeholder complaint was received by the Company during the past year.

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

Policies: Policies under Product Stewardship Commitment (G)

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - a. India corn operations has installed colour sorters in its packing line, the operation of which is expected to reduce good seed loss in the processing process by 1-2%. For a quantity of 7000 T that is expected to run through the colour sorter, the reduction in wastage will be approx. 70 – 140 T. Apart from reducing wastage, colour sorter usage will help in improving the physical appearance of seeds by eliminating discoloured/cut/broken seeds, thus helping to improve customer experience.
 - b. The operations team has taken up screen size reduction trials (7 mm to 6.4 mm) for selected hybrids in dryer operations which has resulted in an improved recovery ranging from 1 – 5% in different hybrids.
 - c. Provided ~1300 defusseling caps to the crew involved in the corn defusseling to overcome the risk of bruises and cuts during this process.
 - d. Roundup Packaging Changes:
 1. Removal of shrink sleeve over Roundup boxes has helped to reduce LDPE consumption of over 25 MT per annum.

2. Use of laser printer in place of inkjet printer for RUP 1 L bottles batch coding, which has helped us reduce ink consumption by over 350 L per annum.
3. Reduction of colours used for printing over RUP boxes from 5 to 2, which has helped reduce ink consumption.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

* Roundup:

1. Reduced specific water consumption in FY 2016-17 by 6% i.e. achieved 0.59 kL water/ kL of product from 0.63 kL water/kL of product.
2. Reduced specific electricity consumption in FY2016-17 by 8% i.e. achieved 26.40 kWh/kL of product from 28.84 KWH/KL of product.
3. Sourcing of surfactant for Roundup 41% SL in local tankers in place of HDPE drums. This has helped us reduce HDPE consumption by over 60 MT per annum.
4. Optimization initiative over packaging lines to reduce wastage of PET laminated labels by 2% in FY 2016-17.

- * Implemented Maintenance Management System software for effective work request, preventive maintenance tracking and for spare parts management. This implementation has helped to reduce breakdown hours from 75 hours to 21 hours in FY 17 even though production volume increased by 5% over previous year (15325 MT vs 14596 MT).
- * Implemented processes control network in dryer operations to improve the productivity and ease of operation (reduce manual intervention).
- * Installation of sewage treatment plant of 20 KLD capacity for treating domestic effluent. Achieved water savings of 5 KL per day in off season and 10 KL per day in season period. Estimated water savings for the entire year is 1600 KL.
- * In FY 17 ~1243 acres of corn production was under drip irrigation which potentially required at least 50% less water in comparison to open field irrigation.

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- ii. Reduction in usage (usage by consumers (energy, water) has been achieved since the previous year?

Our products are designed to increase the productivity of the farmers by helping them grow more with lesser resources. However, we currently do not track the same.

3. Does the company have procedure in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof in 50 words or so.

We have an unwavering commitment towards sourcing our raw materials in a responsible manner. Taking a step further in this direction, we have given CCP85000 training to more than 500 of our employees. As a part of our focus on supplier diversity, we have helped in the development of businesses owned by women entrepreneurs.

We have developed local suppliers for surfactant, which is a raw material used in our processes. The proximity of these suppliers to our plant has enabled us to move from drums to tankers for transportation of the surfactant. This has helped to reduce the environmental impact of long distance transportation of the surfactant drums, along with a significant reduction in waste generation.

4. 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?

As part of our effort to achieve supplier diversity, we have tied up with local vendors who help us place differently abled resources in back office jobs. We also engage with 'WeConnect' which is an organization which helps in connecting start-ups, especially the ones that are run by Women Entrepreneurs. Through this engagement these start-ups are given an opportunity to bid along with the existing suppliers in the market. Such organisations have supplied us goods like office stationery and corporate gifts, besides providing services like architectural consultancy and recruitment services. We have also been attending buyer-seller meets where we encourage local producers and provide suggestions for improvement.

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

Sr No	Information	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour, forced labour, involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.

Our processes are designed to minimise waste generation. We recycle empty containers (if non-hazardous). Also, our waste corn cobs are sent to biomass power plant as fuel for power generation.

Principle 3: Businesses should promote the wellbeing of all employees.

Policies: Monsanto Code of Business Conduct (G), Monsanto Human Rights Policy (G), Policy Against Sexual Harassment at Workplace (H), ESH Policy (I)

- Please indicate the Total number of employees.
We have a total of 262 employees.
- Please indicate the total number of employees hired on temporary/contractual/casual basis.
We do not have any employees hired on temporary/contractual/casual basis.
- Please indicate the Number of permanent women employees.
We have 27 permanent women employees.
- Please indicate the Number of permanent employees with disabilities.
We do not have any permanent employee with disabilities.
- Do you have an employee association that is recognized by management?
We do not have any employee association that is recognized by the management.
- What percentage of your permanent employees is members of this recognized employee association?
Not applicable.

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

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

100 % of our employees were given safety & skill up-gradation training in the last year.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Policies: CSR Policy (I)

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. Monsanto has identified the underprivileged rural population in key States/ geographies having low Human Development Index (HDI), as primary beneficiaries for our CSR efforts. This includes small & marginal farmers, women & children from rural communities. Other key external stakeholders are Community Based Organizations (CBOs) like Village Water & Sanitation Committees (VWSC), Women Self Help Groups (WSHGs) and Panchayats. They look at the maintenance & upkeep of the infrastructure/ facilities that have been created to ensure the sustainability of the project. Other stakeholders include the local authorities who enable the tapping of convergence opportunities for upscaling & replicability of the projects. The implementing agencies/ NGOs are other stakeholder driving efforts on the ground. Internal stakeholders include employees and CSR teams, who actively participate in the programs through employee volunteering efforts to add value to the projects & create positive impacts.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the rural beneficiaries directly benefitting from the project – small & marginal farmers, women & children- all constitute the disadvantaged & vulnerable stakeholders.

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

The focus of the CSR efforts has been on creating awareness in the communities on better hygiene practices; importance of nutritious diets, besides helping them identify other means of livelihood to supplement the household income. We have also focused on creation of infrastructure for the local communities. An empowered community, ensures sustainability of the project, even after the completion of

the project by the implementing agency. Keeping this in mind, we focus on establishing village level institutions like VWSC, WSHGs etc. to ensure project interventions can be upscaled to increase coverage, thereby maximising impact.

Principle 5: Businesses should respect and promote human rights

Policies: Monsanto Human Rights Policy (G), Monsanto Code of Business Conduct (G)

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?

The policy covers the Company and its business partners.

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

No stakeholder complaint has been received in the past financial year and none are pending as on March 31, 2017.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Policies: ESH Policy (II)

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

The policy also covers our business partners, vendors and external stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, please refer to the following links:
<http://www.monsanto.com/global/in/whoweare/pages/sustainable-agriculture.aspx>,

<http://www.monsanto.com/global/in/ourcommitments/pages/climate-change.aspx>

3. Does the company identify and assess potential environmental risks? Y/N

Yes, we do identify and assess potential environmental risks.

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?

No, the Company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on: -
clean technology, energy efficiency, renewable energy, etc.
Y/N. If yes, please give hyperlink for web page etc.

Monsanto has adopted the following goals at a global level:

We have made a commitment to make our footprint carbon neutral by 2021 through operational changes in combination with farmer programs and incentives.

We are working to reduce greenhouse gas emissions from our crop protection operations by 22 percent (per pound of active ingredient) by 2020 relative to our 2010 baseline.

We have installed a 70 kW rooftop solar power plant at our Hyderabad site to harness renewable solar energy and reduce our dependence on fossil fuels. It has helped to save 79000 units of electricity per annum in the last two years.

We have also installed a rainwater harvesting system at our Silvassa plant, which helps in recharging over 4000 KL of water per annum.

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

Yes. The air emissions were within the SPCB limits. The hazardous waste generated were slightly higher than the SPCB limits, which was duly notified to SPCB in last Annual Environment Statement submitted by company.

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 have not received any show causal legal notices received from CPCB/SPCB and none are pending as on March 31, 2017.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. Policies: Monsanto Code of Business Conduct (G), Compliance with U.S. Foreign Corrupt Practices Act and Other Anti-Corruption laws (G)

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.

Yes, we are a member of ASSOCHAM, Crop Life India and Bombay Chamber of Commerce.

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 have supported the chambers to advocate for Economic reforms, inclusive development policies, water and sustainable development policies.

Principle 8: Businesses should support inclusive growth and equitable development

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

Our CSR focus areas span sustainable agriculture, health & nutrition and education with a special focus on rural communities- farmers, women & children.

Monsanto's CSR commitment has two flagship programs:

1. SHARE – Programs under SHARE (Sustainable Harvests – Agriculture, Resources & Environment) focus on increasing agricultural yields sustainably. This is achieved by input-output capacity building of the farmers, imparting knowledge about best practices & facilitating market linkages for improving farmers' incomes.

2. DISHA – DISHA covers our efforts in the areas of Health, Nutrition and Education, aimed at providing impetus to primary education by supporting the government's mid-day meal program and also improving learning levels of children. Our community engagement programs focus on providing access to clean drinking water & sanitation facilities & improved livelihood opportunities for women through SHGs.

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

We partner with NGOs like Akshayapatra, AEPRO, Beshkal Society, and Jaldhara Foundation for having a positive impact on more than 1 Lac children & 2 lac rural communities across Orissa, Uttar Pradesh, Maharashtra, Telangana & Silvassa.

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

All our projects follow a systematic three step approach. The projects are initiated with baseline assessments covering the current statistics & challenges. These are used to come up with detailed village-level plans. Mid line impact assessment and designed to identify if any course correction is required. On completion of the projects, final impact assessments are planned with independent 3rd parties to assess the stakeholder perception and the value created through the CSR efforts.



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

Sr. No	CSR project or activity identified	Sector in which the Project is covered	Amount spent on the projects or programs
1	Program DISHA	Education and Nutrition School Nutrition project- Support mid-day meal for 7500 children from 147 schools across Lucknow and Bhubaneswar, for the entire year	1.35
2	Program DISHA	Swachh Bharat Abhiyan, Rural Development Integrated Community Development Providing access to drinking water and sanitation facilities for rural communities and empowering women by providing alternate livelihood opportunities, Promotion of agricultural livelihoods through creation of shared irrigation sources	0.63
3	Program DISHA	Education Improving learning levels of children from agricultural communities	0.70
4	Program DISHA	Rural Development Community Water Purification Project	0.33
5	Program DISHA	Swachh Bharat Abhiyan Bihar Sanitation project-Construction of 180 household toilets along with community awareness through hygiene trainings	0.50
6	Administrative Expenses		0.077
	TOTAL		3.587

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

We have created institutional bodies like VWSC, WSHGs to ensure sustainability of the projects even after withdrawal of company support. We have focussed on building awareness and empowering communities for maintenance & upkeep of the assets created. Communities have been involved right from the inception of the project to encourage ownership of the project by the local community.

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

Policy: Monsanto Code of Business Conduct (G), Policies under Product Stewardship Commitment (G)

- What percentage of customer complaints/ consumer cases are pending as on the end of financial year.
They were no customer complaints pending as on the financial year ending March 31, 2017.
- Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)
We display product information as mandated by the local laws.
- 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. If so, provide details thereof, in about 50 words or so.
No case was filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and none are pending as on March 31, 2017.
- Did your company carry out any consumer survey/ consumer satisfaction trends?
We carried out a NPS (Net Promoter Score) study through A.C. Nielson and significant improvement was observed in the overall NPS scores.

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Independent Auditor's

TO THE MEMBERS OF MONSANTO INDIA LIMITED

We have audited the accompanying financial statements of MONSANTO INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- i. As required by Section 143 (3) of the Act, based on our audit, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by



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the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, as estimated, of pending litigations on its financial position in its financial statements in accordance with generally accepted accounting principle;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.

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. 117366 W/W - 100018)

Place: Mumbai
Date: May 05, 2017

P. B. Pardiwalla
Partner
Membership No. 40005

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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 for the year ended 31st March 2017 of Monsanto India Limited)

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 Monsanto India Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 (the "Guidance Note"). 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 based on our audit. We conducted our audit in accordance with the Guidance Note 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 were 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 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 31st March 2017, 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 issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELL LLP
Chartered Accountants
(Firm's Registration No. 117366 W/W - 100018)

Place: Mumbai
Date: May 05, 2017

P. B. Pardiwalla
Partner
Membership No. 40005

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Annexure "B"

to the Independent Auditor's Report

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date on the accounts for the year ended 31st March, 2017 of Monsanto India Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, 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) With respect to immovable properties of freehold land and buildings, 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 / court orders approving schemes of arrangements/ amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, except stock lying with third parties for which confirmations have been obtained, and no material discrepancies were noticed on such physical verification or confirmations.
- (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 Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees referred to in sections 185 and 186

of the Act and hence reporting under clause (i) vi) of the Order is not applicable.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the company.
- (vi) The maintenance of cost records are not specified by the Central Government under section 148(1) of the Companies Act, 2013. 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 section (1) of Section 148 of the Companies Act, 2013, 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 and complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in discharging undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues (other than as stated in b. below) applicable to it to the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable, except as below:

Name of Statute	Nature of Dues	Amount (₹)	Period to which the Amount Relates	Due Date	Date of subsequent payment
MPPT Act, 1987	Professional Tax	10,000	Assessment Year: 2017-18	10 th September 2016	10 th March 2017

- c. Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in crores)
Income Tax Act, 1961	Income Tax demand	Income Tax Appellate Tribunal	Assessment Year: 2009-10	11.63 ^A
Income Tax Act, 1961	Income Tax demand	Commissioner of Income Tax (Appeals)	Assessment Year: 2010-11 to 2014-15	115.59 ^B
Various State Sales Tax Laws	Sales Tax / VAT	Various levels of State Sales Tax Authorities	Assessment Year: 2002 - 03, 2008 - 09 to 2012 - 13	1.26
Central Sales Tax Act, 1956	Sales Tax	Various levels of State Sales Tax Authorities	Assessment Year: 2003 - 04, 2010 - 11, 2013 - 14	0.21
Central Excise Act, 1944	Excise Duty Demand	Additional Commissioner of Central Excise	Assessment Year 2013-14 to 2014 - 15	0.36
Finance Act, 1994	Service Tax Demand	Commissioner of Service Tax	Assessment Year 2009 - 10 to 2013 - 14	4.68

^ANet of ₹ 22.75 crores paid under protest
^BNet of ₹ 23.97 crores paid under protest

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (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 reporting under clause 3 (ix) of the Order is not applicable.
- (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.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, 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 3 (xiv) of the 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 directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 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. 117386 W/W - 100018)

P. B. Pardiwalla
Partner
Membership No. 40005
Place: Mumbai
Date: May 05, 2017

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Balance

Particulars	Note No.	(₹ in crores)	
		As at	As at
		31 st March 2017	31 st March 2016
(1) Shareholders' Funds			
(a) Share capital	3	17.26	17.26
(b) Reserves and surplus	4	512.36	395.99
		529.62	413.25
(2) Non-Current Liabilities			
(a) Other long term liabilities	5	8.61	7.28
(b) Long term provisions	6	9.56	9.06
		17.57	16.35
(3) Current Liabilities			
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	35	0.26	0.44
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		102.34	60.57
(b) Other current liabilities	7	40.07	30.17
(c) Short term provisions	8	8.42	5.83
		150.89	97.01
TOTAL		698.08	526.61
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets - Property, Plant and Equipment	8	96.70	83.99
(ii) Intangible assets	8	0.51	0.06
(iii) Capital work in progress		9.30	11.00
		106.51	95.05
(b) Deferred tax assets (net)	10	0.20	1.59
(c) Long-term loans and advances	11	66.05	51.65
		172.76	148.29
(2) Current assets			
(a) Current investments	12	347.93	157.49
(b) Inventories	13	125.05	179.04
(c) Trade receivables	14	14.69	13.36
(d) Cash and cash equivalents	15	10.22	6.50
(e) Short-term loans and advances	16	73.08	17.02
(f) Other current assets	17	4.35	4.91
		525.32	378.32
TOTAL		698.08	526.61

See accompanying notes forming part of the financial statements.

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In terms of our report attached:

For and on behalf of the Board

Chartered Accountants

Chairman

Director

Director

Partner

Member

May 15, 2017

Director

Chief Financial Officer

Company Secretary



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Statement of Profit & Loss

for the year ended 31st March, 2017

				(₹ in Crores)
Particulars	Note No.	For the year ended 31 st March 2017	For the year ended 31 st March 2016	
I. Revenue from operations (Gross)	18	667.99	567.92	
Less : Excise duty		27.28	26.35	
Revenue from operations (Net)		640.71	541.57	
II. Other income	19	13.45	14.18	
III. Total Revenue (I + II)		654.16	555.75	
IV. Expenses:				
(a) Cost of materials consumed and other inputs	20	259.20	187.85	
(b) Changes in inventories of finished goods and work-in-progress	21	30.47	66.77	
(c) Employee benefits expense	22	43.74	50.96	
(d) Finance costs	23	1.10	0.68	
(e) Depreciation and amortisation expense	9	9.06	9.32	
(f) Other expenses	24	150.64	128.12	
Total Expenses		494.21	443.70	
V. Profit before exceptional items and tax (III- IV)		159.95	112.05	
VI. Exceptional items - Employee Severance Costs (Net)		1.29	2.89	
VII. Profit before tax (V- VI)		158.66	109.16	
VIII. Tax expense:				
(a) Current tax expense		10.37	5.19	
(b) Excess provision for tax relating to prior years		(0.61)	-	
(c) Deferred tax expense		1.37	2.72	
IX. Profit for the year (VII-VIII)		147.53	101.25	
X. Earnings per equity share of face value of ₹ 10/- each (in ₹)				
Basic	39	85.48	58.66	
Diluted - Refer Note 39				

See accompanying notes forming part of the financial statements

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In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sekhar Matarajan
Chairman

Piyush Nagar
Director

H C Asher
Director

P. B. Pardiwalla
Partner

Mumbai
May 05, 2017

Pradeep Poddar
Director

Saurabh Vaidya
Chief Financial Officer

Monika Gupta
Company Secretary

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Cash Flow

	[€ in crores]	
	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Profit Before Tax	152.66	109.16
Adjustments for:		
Depreciation and Amortization	9.06	9.32
Interest Expense	1.10	0.68
Provision for Doubtful Debts	3.89	0.31
Interest Income	(0.18)	(0.14)
Provision no longer required written back	(0.56)	(5.37)
Loss on sale/disposal of Fixed Assets (Net)	0.60	0.45
Dividend Income from Mutual funds	(11.45)	(8.92)
Net unrealised loss on foreign exchange transactions	0.08	0.39
	1.52	(1.48)
Operating profit before Working Capital changes	160.18	107.68
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in operating assets:		
Inventories	53.89	70.06
Trade Receivables	(4.19)	11.03
Short Term / Long term Loans and Advances	(1.56)	(5.02)
Adjustments for Increase / (Decrease) in operating liabilities:		
Trade payables	41.34	(57.96)
Other long term and current liabilities	10.93	(6.43)
Short term / Long term provisions	0.44	(2.31)
	98.55	9.33
Net cash generated from operations	258.73	117.05
Direct Taxes paid (Net)	(17.36)	(40.45)
Net cash generated from Operating Activities	241.37	76.60
Purchase of fixed assets (including capital work in progress)	(26.85)	(17.00)
Sale proceeds of Fixed Assets	0.02	0.11
Sale proceeds of Asset held for disposal	0.18	—
Interest Income received	0.16	0.15
Bank Balances not considered as cash and cash equivalents - Placed (Net)	(0.15)	(0.05)
Investment in units of Mutual Funds	(266.91)	(657.52)
Redemption in units of Mutual Funds	576.42	585.81
Dividend Income from Mutual funds	11.45	8.62
Net Cash used in Investing Activities	(205.63)	23.74



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Cash Flow Statement

for the year ended 31st March, 2017

	(₹ in crores)	
	For the year ended 31 st March 2017	For the year ended 31 st March 2016
C. Cash flow from Financing Activities		
Dividend paid	(25.80)	(82.98)
Tax on Dividend	(5.27)	(16.87)
Interest paid	(1.10)	(0.68)
Net cash used in Financing Activities	(32.17)	(100.53)
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	3.57	(0.19)
Cash and Cash Equivalents - Opening Balance	5.36	5.55
Cash and Cash Equivalents - Closing Balance	8.93	5.36
Notes to Cash Flow Statement:		
1 Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance sheet (Refer Note 15)	10.22	6.50
Less: Earmarked balances		
- Unpaid dividends accounts	0.63	0.54
- Balances held as margin money against guarantees	0.66	0.60
	1.29	1.14
	8.93	5.36
2 Cash and Cash Equivalents include:		
Balances with banks		
i) In current accounts	1.58	2.14
ii) In EEFC accounts	1.53	0.84
iii) In Deposits	5.82	2.38
	8.93	5.36

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sekhar Natarajan
Chairman

Piyush Nagar
Director

H C Asher
Director

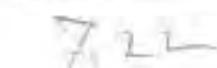
P. B. Pardiwalla
Partner

Mumbai
May 05, 2017

Pradseep Poddar
Director

Saurabh Vaidya
Chief Financial Officer

Monika Gupta
Company Secretary



Notes

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Monsanto India Limited (the 'Company') was incorporated on 8th December 1949. The Company is engaged in the business of production and sale of agricultural inputs, namely, chemicals and hybrid seeds. The Company's corporate office is located in Mumbai. It has a chemical production unit at Silvassa, hybrid seeds processing and drying units at Hyderabad and breeding stations at Bangalore and Hyderabad.

(A) Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act), and the relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

(B) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of income and expenditure during the year. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(C) Tangible Fixed Assets (Property, Plant and Equipment) and Depreciation:

Tangible Fixed Assets are carried at their historical cost of acquisition or construction less accumulated depreciation/amortisation and impairment losses, if any. Cost includes all costs incurred to bring the assets to their present location and condition.

Depreciation on tangible fixed assets has been provided, pro-rata for the period of use, by the Straight Line Method. Assets (other than Dryers) are depreciated over the useful lives specified in Schedule II to the Companies Act 2013. Dryers are depreciated

over 20 years in accordance with technical evaluation made by the Company.

(D) Intangible Fixed Assets and Amortisation:

Intangible Fixed Assets are valued at cost less accumulated amortisation. Cost includes all costs incurred to bring the assets to their present location and condition.

(E) Impairment:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

(F) Asset held for disposal:

Fixed assets that have been retired from active use and held for disposal are stated at the lower of their book value and net realisable value. The net realisable value is reckoned with reference to individual items of fixed assets or a disposal group, as relevant.

(G) Investments:

Current investments are stated at the lower of cost and fair value.

(H) Inventories:

Inventories are measured at the lower of cost and net realizable value, after providing for obsolescence.

Costs of inventories comprise all costs of purchase – net of CENVAT, costs of inputs for standing crops, cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost of raw materials, packing materials and finished goods (traded goods) are determined on weighted average cost basis. Cost of Work in Progress and Finished Goods (manufactured) are determined by the absorption costing method.

Notes

forming part of the financial statements for the year ended 31st March 2017

(I) Revenue Recognition:

- (i) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue on sale of products is recognised when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership have been transferred and no effective ownership control is retained.

Sales are stated inclusive of excise duty and net of sales tax and value added tax.

- (ii) Royalty is recognized in accordance with contractual obligations.
- (iii) Interest income is recognized on time proportion basis.

(J) Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of the balance sheet. Exchange differences arising on settlement or restatement are recognized in the Statement of Profit and Loss.

(K) Employee Benefits:

- (i) Contributions to provident fund, a defined contribution scheme are made as required by the statute and expensed in the Statement of Profit and Loss.
- (ii) Contributions to superannuation fund, a defined contribution scheme managed by a life insurance company are expensed to the Statement of Profit and Loss.
- (iii) The Company participates in a group gratuity cum life insurance scheme administered by a life insurance company. Being a defined benefit plan, annual contributions made to the scheme are as per the intimations received from the life insurance company. The Company accounts for liability for future gratuity benefits based

on an actuarial valuation by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the balance sheet date. Shortfall if any, between the balance in the fund with the life insurance company and the actuarial valuation is expensed to the Statement of Profit and Loss.

- (iv) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by an employee is recognized during the period when the employee renders the service.
- (v) The liability for compensated absences, a long term benefit is wholly unfunded. The liability for number of days of unutilized leave at each balance sheet date is provided for based on an independent actuarial valuation.
- (vi) Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

(L) Earnings per Share:

The Company reports Earnings per Share (EPS) in accordance with Accounting Standard- 20 on Earnings per Share. Basic EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year.

(M) Taxation:

Income tax is accounted for in accordance with Accounting Standard- 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax laws. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably

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Notes

or virtually certain, as relevant, that sufficient future taxable income will be available against which the deferred tax asset can be realized.

(N) Operating Lease:

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis.

(O) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent

liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

(P) Cash Flow Statement:

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard – 3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and balances in current accounts and demand deposits with banks.

Notes

forming part of the financial statements for the year ended 31st March 2017

(₹ in crores)

	As at 31 st March 2017	As at 31 st March 2016
3 Share Capital		
Authorised :		
20,000,000 Equity Shares of ₹ 10/- each	20.00	20.00
Issued and Subscribed :		
17,263,048 Equity Shares of ₹ 10/- each	17.26	17.26
Paid up :		
17,262,748 Equity Shares of ₹ 10/- each fully paid-up	17.26	17.26

1. Rights, preferences and restrictions attached to equity shares:

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- Every member of the company holding equity shares is eligible for one vote per share held.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013, as applicable.
- Monsanto Company USA, the ultimate holding company has certain rights enshrined in the Articles of Association pertaining to appointment of Directors.

2. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31 st March 2017		As at 31 st March 2016	
	Number of shares held	₹ in crores	Number of shares held	₹ in crores
Subscribed and Fully paid up				
Shares outstanding at the beginning and end of the year	17,262,748	17.26	17,262,748	17.26

3. Details of shares held by the holding company and the ultimate holding company and details of shares, held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 st March 2017		As at 31 st March 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Monsanto Company USA, the ultimate holding company	2,316,920	13.42	2,316,920	13.42
Monsanto Investments India Private Limited, the holding Company	10,137,124	58.72	10,137,124	58.72

4. Aggregate number and class of shares allotted as fully paid up bonus shares for a period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares					
	As at 31 st March 2013	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2012
Equity Shares of face value of ₹ 10/- each	-	-	-	-	300	8,631,174

5. Shares reserved for issue under commitment :

300 shares are the subject matter of disputes / court proceedings, the Company has not therefore been able to issue / allot rights and bonus share entitlements to holders.

I.L.L.

Notes

(₹ in crores)

	As at 31 st March 2017	As at 31 st March 2016
(a) Securities Premium Account	136.40	139.40
(b) General Reserve	128.05	128.05
(c) Surplus in the statement of Profit and Loss:		
Balance as per last Balance Sheet	128.54	89.62
Add: Profit for the year	147.53	101.25
Less: Appropriations		
Interim Dividend (See note below)	25.89	51.71
Tax on Interim Dividend	5.27	10.54
	244.91	128.54
	512.36	395.99

Note:

Details of interim dividend paid are as under:-

Dividend	Current Year	(per share in ₹) Previous Year
First	15.00	15.00
Second	-	15.00
TOTAL	15.00	30.00

Security deposit from customers

	8.01	7.29
	8.01	7.29

Provision for employee benefits:

i) Compensated absences (Refer Note 37 B)	8.63	0.87
ii) ESOP Scheme Provision (Refer Note 40)	0.93	1.19
	9.56	9.06
	9.56	9.06

(a) Unclaimed Dividend

(b) Other Payables

i) Statutory Remittances (Provident Fund, Withholding tax etc.)

ii) Security Deposits from Customers

iii) Advance from Customers

iv) Liabilities towards employees

	8.63	0.54
	7.19	7.07
	6.32	4.40
	22.55	14.68
	3.37	3.48
	40.07	30.17

(a) Provision for employee benefits

i) Compensated absences (Refer Note 37 B)

ii) ESOP Scheme Provision (Refer Note 40)

	0.26	0.25
	2.57	3.13
	2.83	3.38

(b) Others

i) Provision for Taxation (Net of Advance Tax of ₹ 32.44 crores
Previous Year ₹ 25.97 crores)

	5.59	3.45
	8.42	5.83

Notes

forming part of the financial statements for the year ended 31st March 2017

D Fixed Assets

₹ in crores)

Description	Gross Block (At Cost)		As at 1 st April 2016	As at 31 st March 2017	Depreciation		Net Block	
	Additions	Deductions			For the year 2016	On Disposals	As at 31 st March 2017	As at 31 st March 2016
A. Tangible Assets								
Land- Freehold*	-	-	12.95 (12.95)	12.95 (12.95)	-	-	12.95	12.95
Buildings	9.88 (1.13)	0.61 (0.55)	45.34 (44.76)	54.61 (45.34)	1.72 (1.60)	0.26 (0.14)	33.22	25.41
Plant and Equipment*	8.12 (3.87)	0.93 (0.93)	88.20 (85.26)	95.39 (88.20)	4.68 (4.42)	0.66 (0.85)	42.88	39.71
Furniture and Fixtures	0.79 (0.08)	0.12 (0.25)	6.82 (6.99)	7.49 (6.82)	0.54 (0.51)	0.11 (0.20)	1.92	1.68
Office Equipment	2.05 (0.31)	0.85 (0.21)	3.84 (3.74)	5.04 (3.84)	0.54 (0.55)	0.85 (0.19)	3.77	2.26
Vehicles	0.64 (0.21)	0.10 (0.21)	2.04 (1.83)	2.58 (2.04)	0.26 (0.23)	0.10 (0.72)	1.70	1.32
Leasehold Improvements	-	-	1.58 (1.58)	1.58 (1.58)	-	-	-	-
Computers & Equipment	0.88 (1.13)	1.62 (0.06)	10.27 (9.20)	9.53 (10.27)	1.28 (1.00)	1.62 (0.06)	0.26	0.66
TOTAL (A)	22.36 (6.73)	4.23 (2.00)	171.04 (166.31)	189.17 (171.04)	9.02 (9.31)	3.60 (1.44)	96.70	83.99
B. Intangible Assets								
(Acquired)								
Intellectual Property	-	2.18 (2.18)	2.18 (2.18)	- (2.18)	-	2.18 (2.18)	-	-
Software	0.09 (0.71)	0.49 (0.07)	0.09 (0.71)	0.58 (0.09)	0.04 (0.01)	- (0.69)	0.51	0.06
TOTAL (B)	0.49 (0.07)	2.18 (0.69)	2.27 (2.89)	0.58 (2.27)	0.04 (0.01)	2.18 (0.69)	0.51	0.06
GRAND TOTAL (A+B)	22.85 (6.80)	6.41 (2.69)	173.31 (169.20)	189.75 (173.31)	9.06 (9.32)	5.78 (2.13)	97.21	84.05

Figures in brackets are in respect of previous year

* Asset given in lease to a related party. Land Freehold costing ₹ 2.20 crore (Previous year ₹ 2.20 crore) and Plant and Equipment costing ₹ 4.34 crore (Previous year ₹ 4.34 crore)

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Notes

Particulars	(₹ in crores)	
	As at 31 st March 2017	As at 31 st March 2016
(a) Provision for doubtful debts/ advances	0.25	0.11
(b) Depreciation	0.23	0.31
(c) Allowances on payment basis	(0.28)	1.17
	0.20	1.59

(Unsecured, considered good)

(a) Capital Advances	5.70	
(b) Security Deposits	1.04	0.98
(c) Other loans and advances		
(i) Advance Tax (Net of Provisions of ₹ 104.82 crores, Previous Year ₹ 104.65 crores)	53.60	13.40
(ii) Advance to Employees	0.85	0.32
(iii) Prepaid Expenses	0.48	0.45
(iv) Advance payment towards Gratuity Fund (Refer note 37 A)	4.38	0.90
	66.05	51.65

(Non-trade, Unquoted and Fully paid)

(at lower of cost and fair value)

Investments in Mutual funds

	Face Value	As at 31 st March 2017 (No. of Units)	As at 31 st March, 2016 (No. of Units)	As at 31 st March 2017 (₹ in crores)	As at 31 st March 2016 (₹ in crores)
(i) ICICI Prudential Liquid Plan	100	11,800,566	5,521,254	118.12	65.25
(ii) Birla Sun Life Cash Plus Regular Plan	100	11,932,877	5,464,162	119.56	54.75
(iii) Reliance Liquid Fund - Treasury Plan	1000	721,176	310,651	110.25	47.49
				347.93	157.49

(At Lower of Cost and Net Realisable Value)

	(₹ in crores)	
	As at 31 st March 2017	As at 31 st March 2016
(a) Raw Materials (Refer note (i) below) Goods In-Transit	5.42	28.12
(b) Packing Materials	6.11	4.92
(c) Work in Progress (including inputs for Standing Crops) (Refer note (ii) below)	76.69	86.14
(d) Finished Goods (Refer note (iii) below)	36.88	59.80
	125.05	179.04



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Notes

forming part of the financial statements for the year ended 31st March 2017

(₹ in crores)

	As at 31 st March 2017	As at 31 st March 2016
Notes :		
i. Raw Material		
- Agricultural Chemicals	5.42	28.12
ii. Work in Progress		
- Seeds	76.69	86.14
iii. Finished Goods		
- Seeds	12.44	22.69
- Agricultural Chemicals	24.39	37.17
	36.83	59.86
14. Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	0.74	7.97
Considered doubtful	3.09	0.42
Less: Provision for doubtful debts	(3.09)	(0.42)
Other Trade Receivables		
Considered good	13.95	5.39
	14.69	13.36
15. Cash and Cash Equivalents		
Balances with banks		
i) In current accounts	1.58	2.14
ii) In EEFC accounts	1.53	0.84
iii) In deposit accounts	5.82	2.38
iv) In earmarked accounts		
- Unpaid Dividend Accounts	0.63	0.54
- Balances held as margin money against guarantees (refer note below)	0.66	0.60
	10.22	6.50
Balances held as margin money against guarantees includes amount of ₹ 0.01 crores (Previous Year ₹ 0.02 crores) having remaining maturity of more than 12 months from balance sheet date		
16. Short Term Loans and Advances		
(Unsecured, considered good)		
(a) Loans and advances to related parties (Refer Note 32)	2.61	5.32
(b) Others		
i) Advances to employees	0.28	0.24
ii) Advances to suppliers	16.68	8.04
iii) Prepaid Expenses	2.06	1.83
iv) Balance with Statutory Authorities (CENVAT Credit etc.)	1.45	1.59
	23.08	17.02
17. Other Current Assets		
(a) Interest accrued on deposits with banks and other advances	0.03	0.01
(b) Assets held for disposal	4.32	4.90
	4.35	4.91

Notes

(₹ in crores)

	For the year ended 31 st March 2017	For the year ended 31 st March 2016
(1) Sale of products (Refer note 1 below)	563.10	562.76
(2) Other Operating Revenue (Refer note 2 below)	4.89	5.16
TOTAL	567.99	567.92
Less : Excise Duty	27.28	26.35
	640.71	541.57
Note		
1 Sale of manufactured goods		
Agricultural Chemicals	224.46	207.80
Seeds	438.64	354.96
	663.10	562.76
2 Other Operating Revenue		
a. Royalty Income	4.17	4.40
b. Tolling Income (net)	0.72	0.76
	4.89	5.16
(a) Interest Income	0.18	0.14
(ii) Dividend from Current Investments	11.45	8.63
(i) Foreign Exchange gain (net)	-	0.50
(g) Provision no longer required written back	0.58	3.87
(e) Miscellaneous Income	1.24	1.05
	13.45	14.18
(a) Raw Materials Consumed (Refer Note i and ii below)		
Opening Stock	28.12	36.75
Add: Purchases	101.47	106.85
	129.59	143.60
Less : Closing Stock	5.42	28.12
	124.17	115.48
(b) Seed Grower Payments and other inputs	116.07	55.07
(c) Packing material consumed (Refer note ii below)	18.96	17.30
	259.20	187.85
Note		
i Particulars of Raw materials Consumed		
Glyphosate (PA Salt)	104.21	96.96
Surfactant	19.96	18.52
	124.17	115.48



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Notes

forming part of the financial statements for the year ended 31st March 2017

(₹ in crores)

		For the year ended 31 st March 2017		For the year ended 31 st March 2016			
(₹ in crores)							
ii. Details of consumption of imported and indigenous items							
a. Raw Materials		% of Consumption		% of Consumption			
Imported		85.12%	105.69	88.95%	102.72		
Indigenous		14.88%	18.48	11.05%	12.76		
		100.00%	124.17	100.00%	115.48		
b. Packing Materials							
Imported		0.00%	-	0.00%	-		
Indigenous		100.00%	18.96	100.00%	17.30		
		100.00%	18.96	100.00%	17.30		
iii. Cost of material consumed and other inputs above, includes research & development expenses of ₹ 4.02 crores (Previous Year ₹ 3.21 crores).							
21. Changes in Inventory of Finished Goods and Work in Progress							
i). (Increase) / decrease in Stocks							
(a). Opening Stock :							
i). Finished Goods						59.86	92.29
ii). Work in Progress						86.14	120.79
						146.00	213.08
(b). Closing Stock :							
i). Finished Goods						36.83	59.86
ii). Work in Progress						76.69	86.14
						113.52	146.00
						32.48	67.08
ii). (Increase) / decrease in excise duty on finished goods						(2.01)	(0.31)
						30.47	66.77
22. Employee Benefit Expenses (Refer note below)							
(a). Salaries and Wages						37.50	46.76
(b). Contribution to Provident and Other funds						5.78	3.51
(c). Staff Welfare Expenses						0.46	0.69
						43.74	50.96
Note :							
i. Employee benefit expenses above, includes expenses after reduction of reimbursements amounting to ₹ 5.56 crores (Previous year ₹ 4.29 crores) by Holding Company, Ultimate Holding Company and fellow Subsidiaries towards the value of costs apportioned in accordance with the agreements on allocation of expenses with the respective companies							
ii. Employee benefit expenses above, includes research & development expenses of ₹ 5.64 crores (Previous Year ₹ 7.08 crores)							
23. Finance Cost							
Interest on Security deposits						1.04	0.43
Interest on Income Tax						0.06	0.25
						1.10	0.68

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Notes

(` in crores)

	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Manpower and Labour Charges	17.13	19.11
Consumption of Stores and Spare parts	0.36	0.41
Power and fuel	5.43	5.19
Rent	10.83	8.15
Repairs and Maintenance		
Repairs to Buildings	0.26	0.34
Repairs to Machinery	3.55	3.25
Repairs to others	0.34	0.27
Insurance	4.05	3.87
Rates and Taxes	1.10	1.44
Freight forwarding charges	7.18	5.16
Travel and Entertainment	21.41	23.25
Vehicle Expenses and Hire Charges	2.89	5.57
Loss on sale/disposal of fixed assets (net)	6.51	7.30
Advertising and promotions	0.80	0.45
Advertising and promotions	9.01	10.66
Cash discount & remuneration claims	22.18	13.28
Royalty expense	7.84	5.56
Provision for Doubtful Debts	1.89	0.31
Consultancy Fees	8.64	5.01
Foreign exchange Loss (Net)	0.27	-
Contribution towards corporate social responsibility (Refer note 38)	3.58	7.18
Bad Debts written off	0.22	1.24
Less - Adjusted against provision	(0.22)	(1.24)
Miscellaneous Expenses	12.60	9.75
	150.64	128.12

Notes:

i. Consumption of Stores & Spare parts

	% of Consumption	% of Consumption
Imported	30.56% 0.11	6.00% 0.00
Indigenous	69.44% 0.25	100.00% 0.41
	100.00% 0.36	100.00% 0.41

- ii. Other expenses above, includes expenses after reduction of reimbursements amounting to ₹ 12.53 crores (Previous year ₹ 13.45 crores) by Ultimate Holding Company and fellow subsidiaries towards the value of costs as mentioned in accordance with the agreements on allocation of expenses with the respective companies.



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Notes

forming part of the financial statements for the year ended 31st March 2017

iii. Other expenses above also include research & development expenditure, the details are given below:

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Advertising and Promotion	0.01	-
Consultancy Fees	0.06	0.04
Consumption of Stores and Spare parts	0.08	0.14
Depreciation and amortisation expense	2.68	2.37
Freight, Forwarding Charges	0.67	0.36
Insurance	0.13	0.10
Manpower and labour Charges	4.09	3.94
Loss on sale/disposal of fixed assets (net)	0.10	0.01
Power and Fuel	1.20	0.68
Rates and Taxes	0.70	0.45
Rent	0.62	0.50
Repairs and Maintenance	1.90	1.64
Travel and Entertainment	1.68	1.20
Vehicle Expenses and Hire Charges	0.77	0.73
Miscellaneous Expenses	2.64	1.20
TOTAL	17.33	13.36

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Notes

	As at 31 st March 2017	(₹ in crores) As at 31 st March 2016
I. Estimated amount of contracts remaining to be executed on capital account and not provided	4.38	4.63
II. Other Commitments : —		
a) Dividend on shares held in abeyance (Refer Note 3)	0.07	0.05
b) Contractual arrangement for payment on default on corporate credit card facility to employees availed from a bank.		

I. Income Tax (also refer note 36)	172.24	113.10
II. Sales Tax, Excise Duty and Service Tax	6.50	5.97
III. Liabilities against the company not acknowledged as debts	1.08	1.13

Future cash outflows in respect of the above matters are determinable only on receipt of judgment / decisions pending before various authorities.

	For the year ended 31 st March 2017	(₹ in crores) For the year ended 31 st March 2016
I. Statutory Auditors		
Audit Fees	0.21	0.21
Other Services	0.05	0.05
Tax Audit	0.05	0.05
Service Tax on above	0.05	0.05
	0.36	0.36
II. Cost Auditor		
Audit Fees	0.03	0.03

Raw Materials	80.40	82.59
Components and spare parts	0.11	-
Capital goods	9.67	0.34

FOB Value of Exports	40.60	34.63
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Travel Expenses	0.11	0.07
Consultancy Fees	0.05	0.10
Communication Expenses	0.74	2.09
Royalty expense	7.84	5.56
Others (including reimbursement of expenses)	0.76	0.37



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Notes

forming part of the financial statements for the year ended 31st March 2017

31 Remittance in foreign exchange on account of dividends to non-resident shareholders

(₹ in crores)

Dividend in respect of years	No. of Shares	No. of Shareholders	For the year ended 31 st March 2017	For the year ended 31 st March 2016
2014-15 (Final)	26,01,920	1	-	4.68
2015-16 (1 st Interim)	23,16,920	1	-	3.48
2015-16 (2 nd Interim)	23,16,920	1	-	3.48
2016-17 (1 st Interim)	23,16,920	1	3.48	-

32 Related Party Transactions :

Names of related parties and description of relationship

A. Holding Company : Monsanto Investments India Private Limited

B. Ultimate Holding Company : Monsanto Company, USA

C. Fellow Subsidiaries :

Monsanto Holdings Private Limited, Monsanto Pakistan Agritech (Pvt) Ltd, Monsanto Singapore Co PTE Ltd, Beijing New Millenium Fen, Monsanto Europe SAS, Monsanto SAS France, Monsanto International S. A. R. L., Monsanto Ag Product LLC, Seminis Vegetable Seeds Inc., Monsanto Nigeria, Mahyco Monsanto Biotech (I) Pvt. Ltd., Monsanto South Africa Ltd.

D. Key Managerial Personnel :

Ms. Shilpa Shridhar Diwekar, Managing Director

E. Details of transactions with related parties :

(₹ in crores)

Nature of Transactions	Year Ended 31 st March 2017					Year Ended 31 st March 2016				
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Purchase of Goods	78.72	-	-	-	78.72	78.05	-	-	-	78.05
Monsanto Company, USA	78.72	-	-	-	78.72	78.05	-	-	-	78.05
Sale of Goods	-	-	6.64	-	6.64	-	-	8.69	-	8.69
Monsanto Nigeria	-	-	-	-	-	-	-	0.43	-	0.43
Monsanto Pakistan Agritech (Pvt) Ltd	-	-	6.64	-	6.64	-	-	4.26	-	4.26
Consultancy Fees	-	-	0.87	-	0.87	-	-	1.09	-	1.09
Monsanto Holdings Private Limited	-	-	0.87	-	0.87	-	-	1.09	-	1.09
Royalty Expense	7.84	-	-	-	7.84	5.56	-	-	-	5.56
Monsanto Company, USA	7.84	-	-	-	7.84	5.56	-	-	-	5.56
Rent	-	-	0.82	-	0.82	-	-	0.86	-	0.86
Monsanto Holdings Private Limited	-	-	0.82	-	0.82	-	-	0.86	-	0.86
Remuneration	-	-	-	1.51	1.51	-	-	-	1.62	1.62
Shilpa Shridhar Diwekar	-	-	-	1.51	1.51	-	-	-	1.62	1.62
Reimbursement of Expenses (Net)	(0.65)	-	18.73	-	18.08	1.45	-	22.29	-	23.84
Monsanto Company, USA	(0.65)	-	-	-	(0.65)	1.45	-	-	-	1.45
Monsanto Singapore Co Pte Ltd	-	-	-	-	-	-	-	0.14	-	0.14
Monsanto International S.A.R.L.	-	-	-	-	-	-	-	-	-	-

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Notes

(€ in millions)

Nature of Transactions	Year Ended 31 st March 2017					Year Ended 31 st March 2016				
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Monsanto Ag Product LLC	-	-	(0.73)	-	(0.73)	-	-	(1.82)	-	(1.82)
Mahyco Monsanto Biotech (P) Pvt Ltd	-	-	0.64	-	0.64	-	-	11.04	-	11.04
Seminis Vegetable Seeds Inc.	-	-	(0.01)	-	(0.01)	-	-	0.10	-	0.10
Monsanto South Africa Ltd	-	-	0.01	-	0.01	-	-	0.00	-	0.00
Monsanto Holdings Private Limited	-	-	(1.76)	-	(1.76)	-	-	11.93	-	11.93
Payment of Dividends	1.48	30.41	-	-	31.89	11.63	48.15	-	-	59.78
Monsanto Company S-24	1.48	-	-	-	1.48	11.63	-	-	-	11.63
Monsanto Investment India Private Limited	-	10.41	-	-	10.41	-	48.15	-	-	48.15
Balances outstanding at end of the year										
Sundry Debtors			0.42	-	0.42	-	-	0.43	-	0.43
Monsanto Nigeria			0.42	-	0.42			0.43	-	0.43
Loans and Advances			2.60	-	2.60	1.01		4.31	-	5.31
Monsanto Company, USA			-	-	-	1.01		-	-	1.01
Monsanto Pakistan Agri-seed (Pvt) Ltd			0.01	-	0.01	-		0.01	-	0.01
Monsanto Holdings Private Limited			1.53	-	1.53			4.28	-	4.28
Mahyco Monsanto Biotech (P) Pvt Ltd			0.53	-	0.53			0.02	-	0.55
Beijing New Midstream Inc.			0.01	-	0.01	-		0.01	-	0.01
Monsanto South Africa Ltd			0.13	-	0.13			0.00	-	0.13
Seminis Vegetable Seeds Inc.			-	-	-	-		0.11	-	0.11
Sundry Creditors	13.16	-	0.18	-	13.34	14.16	-	0.16	-	14.32
Seminis Seeds (Beijing Co. Ltd)			0.03	-	0.03			0.01	-	0.03
Monsanto SAS France			0.10	-	0.10			0.10	-	0.10
Monsanto International S.A.R.L.			0.01	-	0.01			0.01	-	0.01
Monsanto Ag Product LLC			0.04	-	0.04			0.01	-	0.01
Monsanto Euron SAS			-	-	-			-	-	-
Monsanto Company USA ©	12.76	-	-	-	12.76	14.16	-	-	-	14.16

© Amount less than absolute figures

© does not include provision created for ESOP scheme of Monsanto Company, USA for employees of the company



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Notes

forming part of the financial statements for the year ended 31st March 2017

- 33 The dominant source and nature of the risks and returns of the agricultural chemistry and seeds activities of the Company not being significantly different, the Company operates a single segment of activity, "Agricultural Inputs", within the same geography.
- 34 The Company has incurred the following expenses towards operating leases pertaining to vehicles, office equipments and warehouses. Lease agreements are executed for a period ranging from 11 to 48 months.

	₹ in crores	
	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Cancellable	11.13	9.54
Non-Cancellable	4.55	4.75
Charge for the year	15.68	14.29

The Company is obligated under non-cancellable leases pertaining to vehicles and office equipment to pay the following amounts in future as given below:

	₹ in crores	
	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Within 1 year	2.37	2.94
Later than 1 year and not later than 5 years	3.23	3.32

- 35 The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) have been made to the extent such parties have been identified on the basis of information collected by the management regarding their status under the said act.

		₹ in crores	
Sr No	Particulars	31 st March 2017	31 st March 2016
1.	Amount remaining unpaid to supplier as at end of accounting year.		
	- Principal Amount	0.22	0.37
	- Interest due thereon	0.04	0.07
2.	Amount of interest paid along with the amounts of payment made beyond the appointed day		-
3.	Amount of interest due and payable (where the principal has already been paid but interest has not been paid)		-
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.04	0.07
5.	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-

- 36 The Company has continually maintained a position that its income from agricultural activities (which involves growing seeds in various states through local growers), is not taxable. This contention has been upheld by the Honorable Bombay High Court for the Assessment Years 1993-94 to 2001-02 and Assessment years 2003-04 to 2005-06. The income tax authorities have filed special leave petitions with the Honourable Supreme Court against favorable orders received for the aforesaid assessment years and the same have been admitted by the Honourable Supreme Court. The final hearing of the matter is awaited.

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Notes

Disclosure as required under AS -15 in respect of employee benefits of the Company is as follows:

A. Defined benefit plan- Gratuity:

i. Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity:

	As at 31 st March 2017	As at 31 st March 2016
	(₹ in crores)	
Change in benefit obligations		
Present value of benefit obligations as at 1 st April	24.86	39.93
Service cost	2.48	3.04
Interest cost	1.80	2.13
Benefits paid (including settlement credit)	14.05	(6.88)
Actuarial (gain)/ loss on obligations	2.12	(3.82)
Present value of benefit obligations as at 31 st March	27.29	24.86

ii. Reconciliation of opening and closing balance of the fair value of plan assets:

	As at 31 st March 2017	As at 31 st March 2016
	(₹ in crores)	
Fair value of plan assets, as at 1 st April	31.76	21.06
Expected return on plan assets	2.66	2.19
Actuarial gain / (loss)	(0.11)	0.53
Employer Contribution	-	12.26
Benefits paid	(2.84)	(4.28)
Fair Value of plan assets as at 31 st March	31.67	31.66

iii. Actual return on Plan Assets:

	As at 31 st March 2017	As at 31 st March 2016
	(₹ in crores)	
Expected Return on Plan Assets	2.66	2.19
Actuarial gain / (loss)	(0.11)	0.53
Actual Return on Plan Assets	2.55	2.72

iv. Amount recognized in the Balance Sheet:

	As at 31 st March 2017	As at 31 st March 2016
	(₹ in crores)	
Fair value of Plan Assets	31.67	31.66
Present value of benefit obligation	27.29	24.86
Net assets	4.38	6.80



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Notes

forming part of the financial statements for the year ended 31st March 2017

V. Cost recognized in the Statement of Profit and Loss:

	(₹ in crores)	
	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Current service cost	2.48	3.04
Interest cost	1.88	2.17
Expected return on plan assets	(2.66)	(2.19)
Actuarial (gain)/loss (including settlement credit)	0.82	(6.53)
Net gratuity cost /(credit)	2.52	(3.51)

VI. Reconciliation of the Liability recognized in the Balance Sheet:

	(₹ in crores)	
	As at 31 st March 2017	As at 31 st March 2016
Opening Net Liability	(6.90)	8.87
Expense recognized	2.52	(3.51)
Employer Contribution	-	(12.26)
Amount recognized in the Balance Sheet	(4.38)	(6.90)

VII. Experience Adjustments:

	(₹ in crores)				
	As at 31 st March 2017	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013
Liability as at the end of the Period	27.29	24.86	29.93	21.56	18.72
Fair value of plan assets as at the end of the period	31.67	31.76	21.06	18.88	16.80
Deficit / (Surplus)	(4.38)	(6.90)	8.87	2.68	1.92
Experience adjustments on plan liabilities (Gain)/Loss	0.31	2.93	0.94	1.05	0.67
Experience adjustments on plan Assets Gain/(Loss)	(0.11)	0.53	0.17	(0.52)	(0.15)

VIII. Actuarial assumptions used:

	(₹ in crores)	
	As at 31 st March 2017	As at 31 st March 2016
Discount rate	7.30%	5.00% p.a.
Salary escalation rate	10%	10%
Expected return on plan assets	8.75% p.a.	8.75% p.a.
Mortality Rate	India Assured Life Mortality (2006-08) Ultimate	India Assured Life Mortality (2006-08) Ultimate

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

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Notes

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after March 31, 2017 is ₹ 0.23 crore (Previous Year ₹ NIL).

The major categories of plan assets as plan % of total plan	(₹ in crores)	
	31 st March 2017	31 st March 2016
	Gratuity Funded	Gratuity Funded
Insurer/Managed Funds	100%	100%
Government Bonds	36%	52%
Corporate Bonds	40%	33%
Fixed Deposit and others	4%	5%
Mutual Funds	20%	10%

The above information is certified by the actuary and relied upon by the auditors.

5. Long term benefit plan – Compensated absences :-

The Company has accrued liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary and provided for the actuarial liability as follows:

Particulars	(₹ in crores)	
	As at 31 st March 2017	As at 31 st March 2016
Provision made for liability for compensated absences	8.09	8.12
Actuarial assumptions used		
	As at 31 st March 2017	As at 31 st March 2016
Discount rate	7.30% p.a.	8% p.a.
Salary escalation rate	10%	10%

6. Gross amount required to be spent by the Company towards Corporate Social Responsibility is ₹ 2.52 crores (previous year ₹ 2.29 crores)

a. Details of amount spent are as under :-

Sr. No.	Particulars	(₹ in crores)		
		In cash	Yet to be paid in cash	Total
1.	Construction / acquisition of any asset	-	-	-
2.	On purposes other than (1) above	3.58	-	3.58

c. No expenditure has been paid to a related party, in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures

d. Movement of provisions during the year :-

Particulars	31 st March 2017	31 st March 2016
Opening Provision	0.38	-
Add: During the year	-	0.28
Less: Adjusted / used during the year	0.25	-
Closing Provision	-	0.28



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Notes

forming part of the financial statements for the year ended 31st March 2017

39 Earnings per Share (EPS)

	Ref	Year ended 31 st March 2017	Year ended 31 st March 2016
Profit Attributable to Equity Shareholders (₹ in crores)	A.	147.53	101.25
Weighted Average Number of Equity Shares outstanding during the year	B.	17,262,748	17,262,748
Basic Earnings Per Share- (₹)	C=A/B	85.48	58.66

There was no dilution to basic EPS as there are no outstanding potential dilutive shares.

- 40 Monsanto Company, USA (MC), the ultimate holding company, has established the Monsanto Company Long Term Incentive Plan in which eligible employees of the Company participate. Eligible employees are granted options and awards, which vest over a period of 3 years from the date of the grant. The compensation cost is measured by reference to the fair value of the options outstanding on the reporting date, using the lattice binomial model.

Details of the above options are as follows:

Particulars	31 st March 2017	31 st March 2016
Outstanding at the beginning of the year	32,552	23,054
Granted during the year	4,718	12,721
Forfeited during the year (on resignations)	-	(5,168)
Transfers in/out	(4,652)	-
Exercised during the year	(12,402)	(2,055)
Outstanding at the end of the year	20,216	32,552

- 41 The Year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:
(₹ in crores)

	31 st March 2017					31 st March 2016				
	₹	BDT	EUR	NPR	USD	₹	BDT	EUR	NPR	USD
a. Amounts receivable in Foreign Currency on account of:										
- Export of goods and services	0.28	-	-	-	- ^a	0.68	-	-	-	0.01
- Advance to Suppliers	4.93	-	-	-	0.07	0.18	-	-	-	- ^a
b. Amounts payable in Foreign currency on account of:										
- Imports of goods and services	7.68	0.63	- ^a	0.06	0.11	11.07	0.67	- ^a	0.06	0.16
- Advance from Customers	0.90	-	-	-	0.01					

^a Amount less than one (₹/US\$ / Euro)

- 42 The Company does not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
- 43 Comparative financial information:
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes

Monsanto India Limited

(CIN L74999MH1949PLC007912)

Registered Office: Ahura Centre, 5th Floor, 96 Mahakali Caves Road, Andheri (East), Mumbai - 400 093

Tel No. 022 2824 6450; Fax No. 022 2824 4707

Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

Form No. SH-13-Nomination Form

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014)

To,

(Name of the Company)

(Address of the Company)

Pin code

I/We

residing at

the holder(s) of the

securities, particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) Particulars of Nominee

Name:	Date of Birth: ____/____/____		Please affix (stencil) passport size photograph of the Nominee signed correctly.	
Father's/Mother's/ Spouse's name:	Occupation:	Nationality:		
E-mail id:	Relationship with the security holder:			
Phone No.:				
Address:				
Pincode	Signature of the Nominee			

3) In case Nominee is a Minor

Date of birth: ____/____/____	Date of attaining Majority: ____/____/____	Name of guardian:
Address of guardian:		
Pincode:		
Name of the Security Holder(s)	Signature	
1.		
2.		
3.		
Name of witness	Signature of Witness with date	
Address of witness:		
Pin code		
Place:	Date: ____/____/____	

Please fill this Nomination Form in Duplicate after carefully reading the instruction given below:

1. The nomination can be made by individual's only holding shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder(s) can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per Section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in 'duplicate' should be lodged with the Registrar and Share Transfer Agent of the Company i.e. C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder(s) can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder(s) of the shares is registered with the company before the death of the registered holder(s) of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. Affixing photograph of the Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

Monsanto India Limited

(CIN: L74999MH1949PLC007912)

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Tel No. 022 2824 6450; Fax No. 022 2824 4707

Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*

Master Folio No

Client ID*

I hereby record my presence at the 67th Annual General Meeting held at the Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai – 400 021 on Thursday, August 10, 2017 at 11:00 a.m.

Name of the Proxy / Representative (in BLOCK Letter)
(To be filled in if the Proxy attends instead of the Member)

Signature of the member or proxy / representative

* Applicable for investors holding shares in electronic form

Monsanto India Limited

(CIN: L74999MH1949PLC007912)

Registered Office: Ahura Centre, 5th Floor, 96 Mahakali Caves Road, Andheri (East), Mumbai – 400 093

Tel No. 022 2824 6450; Fax No. 022 2824 4707

Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

PROXY FORM

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

Name of the member(s):	E-mail ID :
Registered address	Folio No/ DP ID-Client ID :

I/We, being the member (s) of _____ shares of the above named company, hereby appoint
(1) Name: _____ of _____ having e-mail ID: _____
(2) Name: _____ of _____ having e-mail ID: _____
(3) Name: _____ of _____ having e-mail ID: _____

As my/ our proxy to attend and vote (on poll) for me/us and on my/ our behalf at the 67th Annual General Meeting held at the Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai – 400 021 on Thursday, August 10, 2017 at 11:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional	
		For	Against
1	Adoption of Financial Statements for the year ended March 31, 2017		
2	Declaration of final dividend on equity shares		
3	Reappointment of Mr. Piyush Nagar who retires by rotation		
4	Appointment of M/s. MZSK & Associates, Chartered Accountants as Statutory Auditors and fixing their remuneration		

Sl. No.	Resolutions	Optional	
		For	Against
5	Reappointment of Ms. Shilpa Shridhar Divekar as a Managing Director		
6	Ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2017		
7	Approval of Related Party Transactions with ultimate holding company, Monsanto Company, USA		

Signed this _____ day of _____ 2017

Signature of shareholder

Affix Revenue
Stamp not less
than ₹ 15

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy for any other person or shareholder.
4. This is only optional. Please put an 'X' in the appropriate column against the resolutions, indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be written.

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING



Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhonsale Marg, Nariman Point,
Near Sachivalay Gynkhana, Mumbai – 400 021

Source: Google Maps

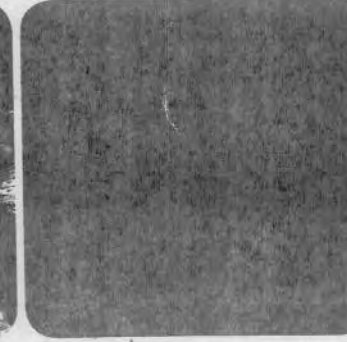
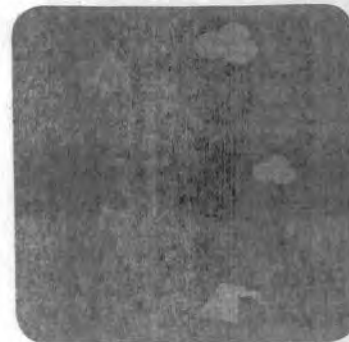
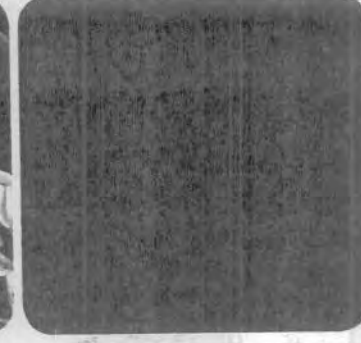
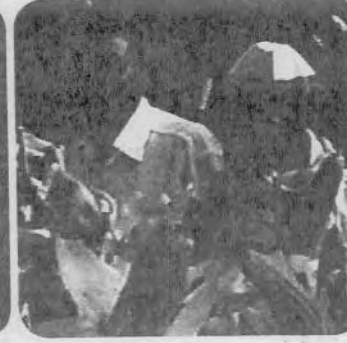
Arun Kumar
Bhawanpur Village, Karnal District, Uttar Pradesh
A proud farmer with his super corn harvest

MONSANTO



www.monsanto.com

2015-16
Annual Report



Enriching Lives,
Empowering Communities.

Certified True Copy

For MONSANTO INDIA LIMITED

MONSANTO India Limited

Monika Gupta

MONIKA GUPTA

Company Secretary & Compliance Lead

MONSANTO



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Forward-Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

INDIA HAS BECOME ONE OF THE FASTEST GROWING ECONOMIES GLOBALLY DUE TO YEARS OF PERSISTENT PLANNING AND FOCUSED APPROACH.

WITH ITS PER CAPITA INCOME GROWING AT AN AVERAGE OF 6% ANNUALLY, THE NATION'S FOCUS IS TO DRIVE INCLUSIVE GROWTH THEREBY HELPING IMPROVE THE COUNTRY'S HUMAN DEVELOPMENT INDEX. THIS CAN BE DONE BY PROVIDING ACCESS TO BASIC AMENITIES (CLEAN WATER, HYGIENE AND SANITATION) FOR PEOPLE IN RURAL INDIA, ENHANCING EDUCATION LEVELS AND PROMOTING FEMALE LABOUR PARTICIPATION ETC. THESE STEPS WOULD IMMENSELY HELP IN ADVANCING THE STANDARDS OF LIVING OF INDIVIDUALS IN INDIA'S RURAL INDIA AND THEREBY ALSO CONTRIBUTING TO THE COUNTRY'S GROWTH.



The agriculture sector has phenomenal opportunities for development – right from enhancing farm output to covering more area under irrigation to educating farmers with modern agricultural practices to increasing use of mechanisation in farms and most importantly, enhancing farmers' profitability.

The Government of India is concerted working towards these objectives by rolling out favourable policies to generate jobs in rural India, boosting agricultural growth and improving farmers' condition. Sharing the joy and aspirations of rural India, we, at Monsanto, are also pro-actively addressing the challenges by –

- Providing high-yielding seeds and crop protection solutions that economically benefits over 1.5 million farmers across India,
- Providing farm advisory services that provides customised services and timely agriculture, crops and climate related information to over 4 million registered farmers,
- Associating with NGOs for supporting nutritional and educational programmes benefiting 1.1 lakh students and undertaking infrastructure and community development activities benefiting 61,000 villagers.

We believe in inclusive growth – where on one hand we grow as Company and on the other we help the community grow. We shall continue these initiatives with a focus on

Enriching Lives and Empowering Communities.

FORTUNE 500 COMPANY

St. Louis, Missouri,
United States

- Biotechnology
- Plant Breeding
- Precision Agriculture
- Crop Protection (Chemistry, BioDirect, Microbials)

- 21,183 + employees
- 404+ facilities
- Operations in over 66 countries

Monsanto is a sustainable agriculture company. We deliver agricultural products that support farmers all around the world.

We are focussed on empowering farmers—large and small to produce more from their land while conserving more of our world's natural resources such as water and energy. We do this with our leading seed brands in crops like corn, cotton, oilseeds, fruits and vegetables. We also produce leading in-the-seed trait technologies for farmers, which are aimed at protecting their yields, supporting their on-farm efficiencies and reducing their on-farm costs.

We strive to make our products available to farmers throughout the world by broadly licensing our seed and trait technologies to other companies. In addition to our seeds and traits business, we also manufacture Roundup® and other herbicides used by farmers, consumers and lawn-and-garden professionals.

Monsanto could not exist without farmers. They are our customers, the lifeblood of our Company. More important, they are the support system of the world's economy, working day in and day out to feed, clothe and provide energy for our world.

Monsanto specialises in research and development activities that focus on developing innovative and sustainable products for helping farmers improve yields while using minimum resources. We continuously adapt to the evolving needs of farmers to help them deliver relevant and improved products. Globally, Monsanto has invested more than USD 1.5 billion in the last fiscal towards R&D researching new tools for the farmers.

Our R&D activities are mostly concentrated on new biotech traits, elite germplasm, breeding and genomics research. We also focus on further developing the Company's current product portfolio and improving formulation of Roundup® herbicide.



Corporate Governance

1. **Board of Directors**
From: Worldwide
US: 10/1/2015

2. **CEO** **Michael J. Healy**
with: 10/1/2015

3. **Chairman of the Board**
2015: 10/1/2015

4. **Chairman of the Board**

5. **Chairman of the Board**

6. **Chairman of the Board**

7. **Chairman of the Board**

8. **Chairman of the Board**

9. **Chairman of the Board**

10. **Chairman of the Board**

11. **Chairman of the Board**

12. **Chairman of the Board**

13. **Chairman of the Board**

14. **Chairman of the Board**

15. **Chairman of the Board**

16. **Chairman of the Board**

17. **Chairman of the Board**

18. **Chairman of the Board**

19. **Chairman of the Board**

20. **Chairman of the Board**

MONSANTO INDIA LIMITED

MONSANTO INDIA LIMITED (MIL) - A SUBSIDIARY OF THE MONSANTO COMPANY, USA - IS THE ONLY PUBLICLY LISTED MONSANTO ENTITY OUTSIDE USA. WE HAVE BEEN IN INDIA SINCE 1949 AND HAVE DEVELOPED A LASTING PARTNERSHIP WITH INDIA'S FARMERS BASED ON DEEP-ROOTED TRUST.

MIL is committed to help the Indian farmers produce more sustainably and to be successful. MIL focusses on maize (Dekalb®, India's largest selling hybrid maize seed brand) and agricultural productivity (Roundup®, the world, as well as India's largest selling glyphosate herbicide).

Monsanto started operations in India in 1975 through Monsanto India Limited (MIL) and is headquartered in Mumbai, Maharashtra, India. The Company also provides advisory services to farmers on better agronomic practices to help improve their crop yields and quality through its Monsanto Farm AgVisory Services (MFAS®).

MIL is focussed on improving the agriculture scenario in India and enriching the lives of the farmers through its advanced research and development, breeding technology and techniques, extensive agronomic activities and on-farm technology development.

The Company, over the years, has partnered with various state governments, agricultural universities and NGOs to provide the farmers necessary support for a successful harvest to enrich their lives and gain their trust.

Key Numbers

541.57

Net sales (₹ cr)

101.25

PAT (₹ cr)

2,863.43

Market capitalisation (₹ cr)

122.05

EBITDA (₹ cr)

290

Team size

413.25

Net Worth (₹ cr)

Presence

- Offices in Mumbai, Kolkata, Coimbatore, Chandigarh, Hyderabad, Hubli, Siliguri
- Maize breeding stations at Udaipur, Bengaluru and a satellite breeding station at Jalandhar
- Manufacturing facilities in Silvassa (herbicide plant), Shamirpet (maize conditioning plant) and Eluru (seed processing plant)
- Quality assurance laboratory at Hyderabad

Accreditations

- ISO 14001 for environment safety
- OHSAS 18001 for ESH (environment, safety and health) management system

Products portfolio and services

- 27 variants of hybrid maize seeds sold under Dekalb® brand
- Weed control glyphosate sold under Roundup® brand
- Monsanto Farm AgVisory Services (MFAS®) an IT-based mobile platform as an after sales service aimed at providing farmers with advisory offerings on better agronomic practices to help improve their crop yields and quality



Stock ticker

- BSE code: 524084
- NSE symbol: Monsanto



Monsanto works with farmers from around the world to make agriculture more productive and sustainable. Our technologies enable farmers to get more from every acre of farmland. These yield gains come from a combination of advanced plant breeding, biotechnology, and improved farm-management practices.

We've strengthened our goal to double crop yields by committing to doing it with one-third fewer resources such as land, water, and energy per unit produced. We continue to develop better seeds and improved on-farm practices that enable farmers to better manage weeds, pests, and environmental stresses. We work with partners to develop conservation systems that are better for the plant. We make these tools of innovation available to the people who have the most direct relationship with the land - the millions of farmers around the world.

At Monsanto, our commitment goes beyond fields and farms. Our focus is to make agriculture sustainable. By helping farmers in producing more and conserving more, we sustain both farms and farmers. By harvesting more success, we make agriculture more viable and rewarding. People around the world depend on agriculture and the hard work of farmers for their most basic needs. With global population expected to grow by 40 percent in the next few decades, agriculture will

need to become more productive and sustainable in order to keep pace with rapidly increasing demands.

We are committed to developing technologies that enable farmers to produce more crops while conserving more of the natural resources that are essential to their success. Producing more. Conserving more. Improving lives. That's sustainable agriculture. And that's what Monsanto is all about.

The technology we use to develop better seeds and the partnerships we nurture to develop new agronomic practices, can drive big increases in yield and productivity. For all the world's farmers who raise themselves from poverty to prosperity, many more people will also prosper, through healthier diets, greater educational opportunities, and brighter futures fuelled by more robust local economies.



OUR PLEDGE

THE MONSANTO PLEDGE IS OUR COMMITMENT TO HOW WE DO BUSINESS. IT IS A DECLARATION THAT COMPELS US TO LISTEN MORE, TO CONSIDER OUR ACTIONS AND THEIR IMPACT BROADLY, AND TO LEAD RESPONSIBLY. IT HELPS US CONVERT OUR VALUES INTO ACTIONS, AND TO MAKE CLEAR WHO WE ARE AND WHAT WE CHAMPION.

Integrity

Integrity is the foundation of all that we do. It includes honesty, decency, consistency and courage. Building on these values, we are committed to:



Benefits

We will use innovative science and thoughtful and effective stewardship to deliver high quality products that will be beneficial to our customers and to the environment.



Dialogue

We will listen carefully to diverse points of view and engage in thoughtful dialogue. We will broaden our understanding of issues to better address the needs and concerns of society and of each other.



Respect

We will respect the religious, cultural, and ethical concerns of people throughout the world. The safety of our employees, the communities where we operate, our customers, consumers, and the environment will be our highest priority.



Transparency

We will ensure that information is available, accessible and understandable.



Act as owners to achieve results



We will create clarity of direction, roles, and accountability; build strong relationships with our customers and external partners; make wise decisions; steward our Company resources; and take responsibility for achieving agreed upon results.

Sharing

We will share our knowledge and technology to advance scientific understanding, improve agriculture and the environment, improve crops and help farmers in the developing countries.



Create a great place to work

We will ensure diversity of people and thought; foster innovation, creativity and learning; practice inclusive teamwork; and reward and recognise our people.



CHAIRMAN'S STATEMENT



Sekhar Natarajan
Chairman

“

We constantly strive to enhance the quality of our maize hybrid seeds and weed management herbicide products along with offering farmers the much-needed agronomic information.

The Indian agricultural sector has grown impressively in the past few decades to keep up pace with the rising food demand. Most of the growth in agricultural production has come from improving productivity as land area under agriculture has been declining over the years. As we are aware, the major problems with agriculture in India are the highly fragmented farming lands, high dependency on monsoon, lack of skilled labours and crop losses. The good news is that our country still has a lot of potential to enhance its farm output if the farmers are provided with the necessary knowledge and support. The current need of the hour is efficient utilisation of inputs and better exploitation of potential in rain-fed areas. The past two years have been quite difficult for our farmers as low rainfall, drought-like scenarios in many areas and warm winters led to lower than expected crop yields. Despite this, the strong determination and persistent efforts of the farmers led to the growth of the sector in the last fiscal.

The Union Budget 2016-17 has laid significant importance on improving agriculture and farmer scenario of the country. Implementation of these strategies would provide the much-needed boost to the sector and enhance farmer motivation.

Most of the agricultural challenges have researched solutions. We, however, need to provide our farmers the correct know-how on better resource management, production improvement, yield increase and augment the marketability of the produce. These steps can help all farmers, including smallholder farmers, enhance their incomes.

At Monsanto India, we undertake the responsibility of helping out farmers and work towards the goal of sustainable agricultural growth. We constantly strive to enhance the quality of our maize hybrid seeds and weed management herbicide products along with offering farmers the much-needed agronomic information. Engaging with farmers, providing them necessary farm information and demonstrating better farming practices is one of the key components of our business. Our products empower farmers to produce more from their land while conserving more of the world's natural resources such as water and energy.

Apart from our direct involvement with farmers, we have also undertaken a lot of community development, education enhancement and employment generation activities across several villages in India. We also adhere to strict human rights policies and employee safety initiatives.

We believe in inclusive growth where all our stakeholders (i.e. the farmers, community, employees and supply chain partners) grow and prosper.

We are proud of our association with the farming community in India. We are happy of being with them in their quest for prosperity. We shall continue our work of developing products and services that can revolutionise the agricultural sector and make our farmers successful.

Yours sincerely,

Sekhar Natarajan
Chairman



Shilpa Shridhar Divekar
Managing Director

Dear shareholders,

Our country has now witnessed two consecutive years of over 7 percent GDP growth. As citizens, all of us eagerly hope that a double-digit growth trajectory for India becomes a reality in the near future. This will entail bold reforms to attract investments and drive momentum across sectors. With the second largest arable area in the world, 15.3 per cent share of the Gross Value Added in 2015-16 and over 50 per cent of the population dependent for their livelihood and 100 per cent for food needs... agriculture has a unique and pivotal role to play in making this reality possible. Your company has always believed that our farmers make invaluable contributions to our nation... and that their prosperity will guide our country's economic momentum. And therein lies our purpose – 'Partner the Indian farmer and nation's quest for prosperity and progress'. For your company, the best reward is a bountiful

harvest for our farmers which meets the dreams and aspirations of their families.

The year at a glance...

The financial year 2015-16 witnessed a second consecutive drought with a 14 per cent rainfall deficit, among the worst in three decades. This had a wide ranging impact on agriculture and farm livelihoods. Our steadfast commitment to make a difference to farmers continued through our products, services and handholding them during and beyond the difficult crop season. We also focused on farming communities with focus on health, nutrition and education initiatives. We focused on Enriching Lives and Empowering Communities and drew strength from our farmers, trade partners and team of talented people who reposed their trust in us. This gave us the strength to deliver the best results we could in an extremely challenging year.

Your company achieved ₹ 541.57 crores of sales and ₹ 101.25 crores of PAT in 2015-16. With the difficulties faced during the year and two of our key states, Maharashtra and Karnataka being the most affected by the drought, our results make for a strong performance even with marginal decline of 2.67 per cent and 9.39 percent in Sales and PAT respectively. The DEKALB® business, with a slow start in kharif, gained significant momentum in the rabi and spring seasons with success across key corn growing states. Wide acceptance by farmers of the new hybrids launched by your Company had an unparalleled contribution to this performance. It was a very tough year for the Roundup® business and sales were adversely impacted owing to the drought

and pressure from declining global glyphosate prices. However, we continue to remain one of the leading and most trusted herbicide players in India.

Continuing to build on a robust foundation...

- Launched six new hybrids to provide farmers better products with stress tolerance and yield potential.
- Increased research and development activities focus to reduce lead times in hybrid development and enhance consistency in product performance from specific attributes.
- Refreshed the brand communication with contemporary design and leveraged product packaging, marketing campaigns, audio-visuals and point of sales communication to create a distinct brand identity and association.
- Sharpened focus in key corn growing markets through integrated marketing campaigns in target villages.
- Enhanced direct relationship building efforts with farmers, retailers and distributors through a combination of in-person and digital connect initiatives.
- Increased demonstration of products and better agronomic practices through our Centres of Excellence.
- Developed new IT tools with capabilities to provide timely information to farmers and enhance operational efficiency.

- Focused on identifying opportunities and implementing efforts to manage costs better.

Scaling research and development

- Successfully established a modern breeding station in Udaipur, Rajasthan. This is a landmark investment aimed at developing hybrids for farmers undertaking corn cultivation in extreme rainfed conditions of Central India. This is the first such station for the global company aimed at serving farmers in rainfed geographies. The strategic location of this station will enable your Company to understand and meet the needs of upto ~3.7 million maize farmers for whom current corn yields are very low.
- Adopted new breeding techniques and tools to enable more precise hybrid development with a shortened development cycle. This included significant advancements in use of double haploid and molecular marker technologies, implementation of Genome Wide Selection, use of predictive algorithm tools, native traits analysis through Quantitative Trait Locus and creation of an integrated field testing team.

Enriching lives and empowering communities

Your company is committed towards making prosperity scalable and sustainable for our farmers and farming communities. Towards this end, we have focused our social efforts on sustainable agriculture, community development and health, nutrition and education:

- Our sustainable agriculture initiative focuses on building irrigation infrastructure, providing advisory (such as advantages of drip irrigation technologies to conserve water) and facilitating market linkages.
- Our health initiative draws from the objectives of the Swachh Bharat initiative and focuses on improving / building sanitation and clean drinking water facilities for rural communities.
- Our nutrition and education initiatives focus on providing nutritious food to children during school hours. While this aims at providing a balanced diet, it also seeks to promote education by enhancing the keenness of parents to send their children to school. We also provide skill training to teachers and accessories to children.
- We also extend relief or rehabilitation support from time to time to communities impacted by natural disasters.

Nurturing people and talent

Your Company's success is driven by a team of passionate, talented and committed people who wake up each day – to make a real difference by serving farmers. Our efforts at acquiring and retaining talent include robust development, performance and reward processes, platforms for two-way communication, ongoing tracking of organization-wide engagement levels and appropriate interventions. We also strive to ensure the highest levels of safety for all our employees. It is through these efforts regularly ranked amongst the Great Places to Work in India.

“

Your company has always believed that our farmers make invaluable contributions to our nation... and that their prosperity will guide our country's economic momentum.

Looking ahead

With forecasts of a normal monsoon in 2016-17, we will continue to serve our farmers with the most relevant and latest products while building our efforts in 2015-16 towards community development. We believe by consistently following through on wide-ranging efforts initiated this year, your Company will be well set on the path to growth. I am excited with the renewed national focus on the agriculture sector. Your Company is in a unique place to make a lasting difference and I am committed to making it happen.

I assure you that you are associated with a Company which will continue to make a 'real difference' to our farmers and communities. Your continued support and confidence makes it possible. I thank you very much.

Regards,

Shilpa Shridhar Divekar
Managing Director

MIL markets its high-yielding maize seeds under Monsanto's globally recognised DEKALB® brand. The Company through its state-of-the-art breeding stations conducts extensive research and development activities to develop new hybrid seeds catering to diverse soil and agro climatic conditions. It currently has 27 high-yielding hybrids that have matched customer expectations and are performing well.

In 2015-16, the Company successfully launched six new hybrids that were well appreciated by farmers for their superb performance. Efforts were also taken to enhance farmers' experience for brand DEKALB® through various activities focussed at our trade partners and farmers. We invested further in our R&D efforts to deliver best-in-class products that can meet farmers' expectations.

Over the last eight years, the Company has launched a total of 19 new hybrids which are expected to contribute more than half of the portfolio by next year. These hybrids are tried and tested to perform in specific regional soil and agro climatic conditions providing higher yields and better resistance.



The overall performance during 2015-16 has been commendable given the tough weather conditions. The kharif season was the most challenging for the Company owing to prolonged dry spell and insufficient irrigation facilities resulting in low acreage of maize plantation, especially in the key maize growing areas of Karnataka and Maharashtra. Despite this, DEKALB® hybrids' performance has been exemplary.

In the Rabi season, the Company undertook micro-level planning and

increased promotions and campaigning resulting in significant recovery of sales and the Company regaining market share in Bihar.

The Company continued to outperform in the North Indian market with highest ever spring corn sales and also managed to enhance its leadership position in the market. The spring corn business is a low-volume and high-margin business for the Company. During the year, the Company further improved operational excellence in the region.

2008-09 to 2011-12

6

2012-13 to 2015-16

13

*DEKALB® 9133	*DEKALB® 9081	*Pinnacle	*DEKALB® 9072
*DEKALB® 9135	*DEKALB® 8101	*900M GOLD	*DEKALB® 9141
*DEKALB® 9142	*DEKALB® 9108	*Hishell	*DEKALB® 9144
*DEKALB® 9126	*DEKALB® 7074	*Double	*DEKALB® 8144
*DEKALB® 9125	*DEKALB® 9117	*Super 900M	*DEKALB® 9149
*DEKALB® 9120	*DEKALB® 9106	*Allrounder	*DEKALB® 9155
		*Prabal	



759

Product name	Key markets	Season to which it caters	Trait
DEKALB® 9150	Andhra Pradesh and Telangana	Kharif	- Full maturity hybrid - Can be planted under high plant population - High and stable yield - Good standability
DEKALB® 9155	Bihar	Rabi	- Full maturity hybrid - High and stable yield - Excellent cob type and kernel colour
DEKALB® 9164	Rajasthan and Uttar Pradesh	Kharif	- Full maturity hybrid - Stable and high yield - Good standability - Wider sowing window
DEKALB® 8164	Rajasthan and Uttar Pradesh	Kharif	- Medium maturity hybrid - Stable yield with good field tolerance on banded leaf sheath blight - Attractive long cobs
DEKALB® 8161	South India	Kharif	- Medium maturity hybrid - Stable and consistent high-yield 'Excellent field tolerance over Rust' - Offers wide adaptability
DEKALB® 9165	Bihar	Rabi	- Full maturity hybrid - Excellent yield - Robust cobs - Shorter plant type



Reinvigorating brand DEKALB®

To drive scale-up of new launch hybrids establishing brand DEKALB® was critical. Concerted efforts by using properties like DEKALB® Margdarshak, FarmRise and DEKALB® Directors' Club were taken to strengthen brand DEKALB®.

In FY 2015, the Company's new package roll-out was limited to newly launched products. However, in 2015-16, the Company launched all products in new packs (superior in quality and aesthetics) as it resonated well with farmers, distributors and retailers.

The Company also undertook a brand visual standardisation initiative that focussed on bringing uniformity and simplicity across all the Company's communication mediums (audio, video & print) and point of sales. This enabled the customer to connect with the brand. Our focus remained on delivering consistent communication and we have already seen the results of this in terms of growth in brand recall across markets.

The Company invested a sum of ₹ 15 cr in setting up a state-of-the-art Mega Breeding Station at Vallabh Nagar in Udaipur district of Rajasthan which shall commence operations in the first quarter of 2016-17. The station's strategic location would enable it to cater to the needs of farmers in the rainfed Central and North region having highest maize acreage with low yield levels.

This station has the potential to offer beneficial solutions to around 3.7 million farmers in the region and will develop maize hybrids that will help enhance their yields and incomes.

Additionally, the breeding station which will be an integrated lab-to-land facility for researching hybrid seeds, is also expected to provide employment to several scientists and about 150 farm workers during the peak season.



Customer-centric approach

The Company took another major decision of sharpening its customer-centric approach to focus more on farmers thereby assisting them generate higher revenues by improving their farm productivity. This approach will ensure growth in the long term as farmers, being the primary customers would be satisfied with our products and services.

The Company would attain specific farmer data like their soil condition, sowing time and harvest time to offer them specific hybrids and customised agronomy information. Widespread plot demonstration and promoting the use of mechanical planters would be provided to enable the farmers to attain optimum levels of farm yield.

Connecting with trade partners

DEKALB® Directors Club continues to be our leading relationship programme with trade partners. During this year, we have connected with our business partners and felicitated them for their critical contributions.

Connecting with retailers

Shubharambh campaign: This campaign was one of its kind whereby a cross-functional team travelled for 10 days across key villages in state of Bihar right before the season. Through the campaign, the Company wished farmers and retailers the very best for the upcoming season and promoted the benefits of its new DEKALB® 9120 hybrid corn seeds. As a result of this campaign, the Company witnessed a strong rebound in demand for its product across the region.



Ajit Kumar
Category Lead - Corn



Connecting with farmers through campaigns

The Company has always connected with the farmers to gain their trust, educate them on the benefits of the Company's products and encourage them on using appropriate agronomic practices for higher yields.

The DEKALB® Margdarshak programme is one such strategic initiative that aims at enhancing relationships and providing value-added benefits to our registered DEKALB® farmers. The margdarshaks

are provided regular agronomic training, weather and market information, access to agriculture innovations and most importantly access to MFAS - an IT - based mobile platform in seven languages that provides technical advisory to farmers.

The Company has over 14,000 Margdarshaks spread across more than 10,000 villages in 21 states who learn better farming techniques and assist in spreading knowledge to fellow farmers. Through this, the Company aims to educate farmers across India to create a sustainable agricultural environment.

In 2015-16, the Company launched an audio-visual campaign 'Makka ka Champion' across villages in India to enhance visibility of the DEKALB® brand.



Partnering with government

The Company undertook Public Private Partnership (PPP) projects in the states of Punjab and Jammu and Kashmir to extend its DEKALB® footprints by marketing high-yielding hybrids. The Company also partners various state governments to educate farmers about the benefits of high-yielding seeds, use of better agronomic practices, crop management to enable them gain maximum benefits from maize farming.

66

At Monsanto, we develop best-in-class products by driving new improvements through innovation and passionate execution. We undertake extensive product placements across agronomic segments with a focus on improving farmer experiences which further enhance product knowledge and system recommendations.



HB Hemareddy
Breeding Lead

PRODUCT SOWING AND TESTING CAPABILITIES

The various R&D initiatives undertaken by the Company to enhance quality of hybrids, production efficiency and data collection competence include:

- Use of predictive algorithm tools for better decision-making of products at early stage of development
- Appreciable advances made in double haploid and molecular marker technology
- Analysis of native traits through Quantitative Trait Locus (QTL)
- Creation of an Integrated Field Testing team to generate phenotypic data and characterise products for efficient, effective and superior data quality
- Implementation of Genome Wide Selection (GWS) for reducing time for new line development thereby enhancing genetic gain

The various initiatives undertaken by the Company for enhancing testing capabilities include:

- Increased large scale trials in key markets to ensure better connect with farmers by providing a focussed one-

stop showcasing of new hybrids to demonstrate its capabilities

- Increased linkages with progressive farmers through effective engagements using Farmer Advocacy Programmes
- Helping farmers in the remote areas on adoption of hybrids in collaboration with local partners
- Enhanced partnership with State Agricultural Universities (SAUs) to demonstrate product performance
- Extended partnership with Agri Equipment companies for displaying crop sowing efficiency and precision planting by using pneumatic planters which result in even germination resulting in time and labour savings

The Company adopted a very focussed and targeted approach to enhance effectiveness of product and technology demonstration platforms. In 2015-16, the Company established 46 Centre of Excellence (COEs) across all maize growing areas in India providing training



to around 65,000 farmers on best crop management practices on maize. These COEs were also showcased to over 200 agriculture department officers, scientists and media stakeholders in different states. This is in addition to over 5,00,000 farmers who are provided with agronomic advisories through Dr. Dekalb Farm Care service.

The Company is continuously undertaking various initiatives towards transforming and optimising its supply chain for distributing products across India at the lowest possible cost and delivering a great experience to our customers. The overall approach is focussed under three broad categories:

Supply reliability	Efficiency	Quality
Significant production planning across multiple production locations to ensure fulfilment of demand to the commercial organisations	- Multiple contact points with growers to provide agronomic advisory to increase productivity - Use of digital platform to enhance efficiency: - Sending across weather information messages to farmers on time - Wet Year Movement Advice (WEMA) tool to digitally capture all the harvest - FIDO tool for digital mapping of the Company's grower base in terms of which hybrid they are using, their production area and sowing time amongst others - Higher usage of drip irrigation to achieve water efficiency and increase yields - Implementation of online payment system	- Develop strong process controls across all parts of the supply chain and monitor key quality data - Cross-functional Quality Improvement team to recommend and implement actions for improving quality

Objective: Working together to supply the best customer experience with every product and service we deliver

The Company continued to focus on improving Productivity, Quality and Connectivity (PQC), implementation of Product Demand and Positioning (PDP) and integration of output with material planning and distribution to enhance its supply chain efficiency. The Company's Optimised Monsanto Planning (OMP) tool delivers accuracy and enhances efficiency of production and sourcing planning through automation. The tool reflects necessary data enabling better decision-making and supply planning. This focussed approach facilitates crop plantation being done within the required timeframe leading to productivity improvement.

The Company undertook implementation of Ariba (an e-procurement tool), that offers advantage of reverse auction and Order to Cash (OTC) SMS Integration for better customer experience. The tool facilitates online ordering and sends text notifications with dispatch details to distributors thus, enabling better supply chain visibility and minimising follow-ups. The Company effectively follows a Collaborative Logistics model to optimise operations, improve time management, reduce costs and enhance serviceability.

“

The Supply Chain organization is undertaking multiple projects geared towards improving customer centricity while optimizing operations and substantially reducing costs. We aim to make our processes the global benchmark in agriculture.”



Piyush Nagar
Supply Chain Lead

BEST-IN-CLASS WEED CONTROL WITH ROUNDUP®

OVERVIEW

ROUNDUP® IS A FLAGSHIP PRODUCT BRAND OF THE COMPANY'S AGRICULTURAL PRODUCTIVITY BUSINESS THAT MANUFACTURES BROAD SPECTRUM, GLYPHOSATE-BASED, POST-EMERGENT SYSTEMIC HERBICIDE FOR WEED MANAGEMENT. WEEDS ARE A PERENNIAL CHALLENGE FOR FARMERS AS IT COMPETES WITH CROPS FOR SPACE, WATER AND NUTRIENTS RESULTING IN LOSS OF PRODUCTIVITY AND THEREFORE INCOME. ROUNDUP® HELPS EFFECTIVELY IN WEED CONTROL RESULTING IN COST AND TIME SAVINGS.



Highlights 2015-16

Performance

The year 2015-16 continues to be a challenging one for the second year in succession owing to low rainfall which impacted the demand. Despite, significant price pressure, the Company managed to maintain its leadership position.

In Tamil Nadu market, the Company recorded a commendable performance by achieving highest ever sales volume.

Strengthening relations with channel partners

The Company organised Roundup® Tiger Club Program with the objective of celebrating the success and unique contribution of distributors at pan-India level. In 2016, the Company revamped this programme and re-launched it as "The Tiger Returns".

This programme aims to incentivise trade partners by rewarding them for their loyalty and performance in the 2016 business.

Creating awareness through campaigns

The Company launched "Weed free Maharashtra" and "Weed free Gujarat" campaigns in the respective states in early 2015 which later gained momentum in second half of the year. The objective was to build brand Roundup® as the preferred choice of herbicide to fight weeds. In 2016, the Company merged all these regional campaigns to a common nationalised campaign under the flagship name "Weed free India". The campaign embodied farmers from different parts of India pledging to make India weed-free.

This campaign also reiterated "Hamara Haq...Sirf Roundup®" with the objective to create awareness on quality and reliability of Roundup®.

In north India, a promotional campaign by the name of "sadda haq" was launched to create awareness of the quality and reliability of Roundup®.

Focussed on quality and operational excellence

The Company's world-class dedicated Roundup® manufacturing facility at Silvassa implemented various optimisation initiatives to reduce costs through operational efficiency. The site invested in increasing storage capacity for inputs and finished products to better manage surge in demand and ensure timely delivery to customers. The facility received the prestigious CII WR ESH Excellence Award during the year for sustained excellent ESH performance over the years.

The Company's Glyphosate-based herbicide regardless of severe competition from low-cost generics continues to maintain leadership position in the Indian weed market. Despite rising competition, the Company continues to position brand Roundup® on the basis of its superior product quality. The Company continues to spend a significant amount on research and development for developing better formulations with greater efficacy and being safe for humans and environment.



5.1
million litres

of water saved by the Company through installation of rainwater harvesting system at its Silvassa plant. The plant aims to be a water positive unit by using rain water for its entire production and use the excess to replenish ground water



4 million +
man-hours

of operations without any recordable incidents at Silvassa Roundup® manufacturing site

“

We continue to build on the Roundup® brand through various marketing campaigns and remain confident of enhancing our reach through various initiatives at the channel level.



Gaurav Katyal
Sales Lead



TECHNOLOGY TO SUPPORT FARMERS AND OPTIMISE OPERATIONS



IT initiatives for farmers

Monsanto India recognised the challenges faced by smallholder farmers in India & developed various IT-based platforms that farmers can leverage to enhance productivity & profitability.

MONSANTO FARM AGVISORY SERVICE (MFAS)

Monsanto Farm AgVisory Service (MFAS) offers full-fledged mobile-based value added services to assist farmers with crop management and agronomic practices. Available 365 days a year, MFAS is a customized approach to providing farmers with useful information on a variety of issues to help them manage crops better.

INCREASING USE OF TECHNOLOGY WITHIN THE COMPANY AND ITS GROWING IMPORTANCE IN THE PRODUCT DEVELOPMENT STAGE IS GOING TO BE A KEY GAME CHANGER IN THE COMING YEARS. TECHNOLOGY WILL HELP STREAMLINE THE COMPANY'S OPERATIONS AND AT THE SAME TIME PROVIDE EFFECTIVENESS IN CUSTOMER SERVICE.

Today, MFAS is available in 17 states and in seven Indian languages. The platform provides farmers with timely and customized, round-the-season advisory during different crop stages including pre-sowing, crop management and harvesting. MFAS experts, generally agriculture graduates, undergo rigorous training accompanied with field visits and are proficient in multiple languages.

“

IT infrastructure is a key differentiating element of Monsanto that keeps us ahead of competition. IT facilitates us to manage our business and customers more efficiently. Moreover, it has enabled us to provide a powerful tool in the hands of farmers to assist them in reaching out to us for agronomic advice with ease.



Unnikrishnan Nair
IT Lead





Protecting farmers

The Farmers' First platform of MIL sent out 4,00,000+ messages to farmers across northern and eastern India about weather warning (strong winds and hailstorms) issued by IMD. These messages also stated the steps to be taken for reducing its impact on the crops.

Sent out precautionary measures to farmers for crop protection during the long dry spell in the Kharif season when the crops were around 50-60 days old in parts of Maharashtra and Karnataka.



IT initiatives for enhancing Monsanto operations

Large farmer base, growing business and tonnes of advisory information requires significant digitisation to achieve highest level of operational excellence. Some of the major IT tools introduced by the Company include:

SAP Fiori

A web-based IT productivity tool for better financial management, enabling streamlined transactions and allows users to access their queue of requests. It is an easy-to-use tool that can be accessed through multiple devices (PCs, laptop and smartphones) providing detailed information about each approval requests like sales, order placement and request for seed purchase among others.



Information-based Decision and Execution Assistance (IDEA)

A mobile-based application for precise field-data collection, reporting activities and providing analytics to enhance market development activities of sales team. It helps in enhancing maize business operations and is being used by market development team members and Territory Managers across 15 regions in India.

myMONSANTO

My Monsanto

It is a comprehensive channel management platform that supports real-time data transfer between the distributors and sales teams to enhance business efficiency. The tool offers online ordering and accounts statements checking facility for better account management resulting in a comprehensive analytics-based customer relationship experience. The tool has

enabled higher operational efficiency for over 100 distributors and 20 Territory Managers across seven regions in India.

OCTCMS automation

An IT tool for streamlining the Order Tracking Communication (OCTCMS) between the channel partners and our teams. It ensures customer satisfaction by providing them real-time shipment and predictive stock availability information. It saves time for sales and customer care team by avoiding follow-ups, thereby allowing them to focus on market development activities.



ENGAGING IN RESPONSIBLE GROWTH

AT MIL, GROWTH HAS ALWAYS BEEN AN OUTCOME OF CREATING A SUSTAINABLE BUSINESS MODEL ALONG WITH SHARING THE VALUE CREATED WITH SOCIETY. THIS PERSPECTIVE OF GROWTH IS REFLECTED NOT ONLY THROUGH QUALITY PRODUCTS THAT WE PRODUCED AND ARE PREFERRED BY THE FARMERS BUT ALSO THROUGH OUR EFFORTS TOWARDS ENRICHING FARMERS' LIVES AND EFFECTIVELY COLLABORATING WITH THE COMMUNITIES IN DEVELOPMENT EFFORTS.

Our corporate social responsibility efforts reflect Monsanto's commitment to improving lives by collaborating with the communities to deliver sustainable and innovative solutions. There are three key effort areas - sustainable agriculture, health and nutrition and education. The Company partners with various reputed NGOs like Akshaya Patra Foundation, Deshkal Society, Action for Food Production (AFPRO) and Jaldhaara Foundation in working with the communities and deliver solutions that help bring in a step change in their lives and livelihood.

Key CSR focus areas:



Sustainable agriculture

Providing farm infrastructure, access to water, water conservation and building market linkages



Health and nutrition

Strengthening nutritional status for school-going children, women, sanitation facilities, personal and community hygiene, drinking water solutions



Education

Additional fund support for improving quality of education



The Company undertakes these activities through two major programmes: SHARE (Sustainable Harvests - Agriculture, Resources & Environment) and DISHA.

SHARE (Sustainable Harvests - Agriculture, Resources & Environment)

The SHARE programme focuses on sustainable agriculture by providing access to rich agricultural information and techniques to small and marginal farmers. These inputs enable the farmers to increase yields sustainably through input-output capacity building, imparting better agronomy practices through demonstrations, building irrigation infrastructure, facilitating market linkages for improving their household income, providing alternative livelihood opportunities and conserving natural resources.

DISHA

DISHA works towards improving health, nutrition and education scenario in the rural areas especially focussed on women and children. It primarily aims towards reducing rural hunger and enhancing learning levels. It also focusses on providing access to clean drinking water, sanitation facilities for rural communities and promoting women empowerment by providing them additional livelihood opportunities.



Enriching minds through promoting education

The Company associated with Akshaya Patra Foundation for serving mid-day meals to 15,000 school children (7,500 in the first year) in Uttar Pradesh and Odisha for two years. The programme also aims at providing knowledge and exposure to children on hygiene practices through imparting necessary information and distribution of hygiene kits.

In another pilot project, the Company in association with Akshaya Patra supports maintenance of a kitchen garden spread over 24 acres of farmland for cultivating nutritious vegetables that cater partially to the overall supplies required in the Akshaya Patra centralised kitchen for preparing meals for 1,50,000 children across 1,400 Government schools. The farm has greenhouse facility for faster production of seeds and solar dehydration units for drying and storage of vegetables thereby ensuring steady supply during off-season. The output from the farms

meets nearly 30-35% requirement of vegetables for meal preparation, reduces cost of meals and enables feeding of more children.



Inspiring better learning capabilities

The Company partnered with Deshkal Society in Bihar to facilitate better learning experience for 48,000 children, across 165 Government schools spread across the Kirtiyand Block in Purnia (Bihar) over a period of two years. The project focusses on training teachers with inclusive teaching methods that would enable the students to learn easily, increase their classroom participation and enhance retention ability. The Company also distributed attractive picture charts and maps to make learning fun and participatory. Focus was also laid on strengthening the School Education Committees (SECs), ensuring participation of parents and teachers in tracking the academic progress of the children and having an effective school organisation



1,00,000+

Students in Odisha, Uttar Pradesh, Rajasthan and Bihar benefited from nutritional and educational support

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Rural India is painfully short of water, electricity and basic amenities for life. We as responsible citizens do our best to address their problems by providing them necessary infrastructure and avenues for promising ventures.



H. C. Asher
Independent Director

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Monsanto is a socially responsible organisation focussed on collaborating with communities and helping them embrace change. Empowering communities, inspiring learning and enabling a transformation is what we love to do and is our way of showing that we care deeply.



Arnab Das
Corporate Marketing,
Sustainability and
CSR Lead



Empowering communities

The Company partnered with AFPRO (Action for food production) for improving access to clean drinking water and sanitation facilities for rural communities to reduce health hazards from water borne diseases. The project also focusses on women empowerment by providing them necessary skill training and support for alternate livelihood opportunities for rural women. The Company's efforts are spread over Maharashtra and Silvassa (Dadra and Nagar Haveli) focussing on rejuvenation of water supply schemes, installation of community RO units, creating water harvesting structures, construction of individual household toilets and school sanitation units and skill training for women self-help groups to take up activities like sewing, paper-plate making, backyard poultry activities to enhance rural household incomes.

The severe drought situation in Maharashtra, has made many rural communities face water shortages, the 6 drinking water facilities & the 5 water harvesting structures created as part of this project in the water scarce districts of Jalna, Buldana & Yavatmal, have provided solace to 1700+ households during these testing times. Efforts continue to identify opportunities for engagement & create additional structures to help communities tackle the worst drought being faced by Maharashtra, in over half a century.

Complementing the Prime Minister's Mission of Swachh Bharat, with an aim to achieve an Open-Defecation Free (ODF) India by 2019, the projects with AFPRO have helped construct over 241 individual household toilets across 15 villages. Extensive sensitisation and hygiene awareness trainings have been undertaken with a focus on influencing behavioural change & attitudinal shifts in the communities and help transition from years of open defecation practices to adopting better hygiene practices through use of toilets.

In Telangana, the Company associated with the Jaldhaara Foundation for providing safe drinking water solutions for rural communities by supporting establishment of 5 community RO units across key water stressed areas. 3 plants have been completed and are operational, while 2 sites are being evaluated for feasibility. The plants, christened Water Health centres are designed on the principles of sustainability of resources and provide high quality drinking water while substantially reducing wastages enabling long-term operation of the plant.

These RO units complement the State Government's efforts to provide access to safe and hygienic drinking water to all citizens. They have proved effective during the on-going drought-led water crisis in the state by providing safe drinking water solutions for the communities.





“

Gandhiji rightly pointed out that India lives in its villages. But people in the villages are the most ignored – with minimal support and poor standards of living. Through our CSR programmes, we try to reach and rejuvenate the heartland of India by providing opportunities for promising ventures. Our efforts revolve around revitalising the farms and farmers.



Pradeep Poddar
Independent Director



Board of Directors' visit to Silvassa community development site

MIL Directors Mr. Sekhar Natarajan, Mr. H C Asher and Mr. Pradeep Poddar visited the Silvassa CSR site, where the Company is partnering with NGO AFPRO for providing access to safe drinking water and better sanitation facilities, promoting water conservation efforts through shared irrigation and provide livelihood opportunities for women by setting up local enterprises. All the components of the project were showcased to the Directors and very useful insights received on further execution.



Inauguration of the paper plate making machine

Inauguration of the paper plate making machine for the women SHG – Jyoti Mahila Mandal, at village Karad, Rakholi, encouraging the women members to be true to their names and go up like a "jyoti", in this business by maintaining their quality and establishing linkages.



2,50,000+

No. of villagers benefited from improved access to clean water and better sanitation facilities



241+

No. of household toilets constructed by the Company across 15 villages and six schools



180

Women received means of livelihood through 18 Self-Help Groups



5

Water harvesting structures created in Maharashtra and another one in progress in Jalna, Maharashtra & Silvassa



10

No. of villages helped with drinking water facilities including installation of 4 hand pumps, revival of 1 drinking water scheme, 2 overhead water storage facilities, 1 open well and setting up of 2 drinking water pipelines in beneficiary villages



4

No. of Community RO plant installed of which two plants inaugurated

HARNESSING PEOPLE POWER

FOR A BIOTECH COMPANY WITH A VISION TO PROVIDE INTEGRATED SOLUTIONS TO OUR CUSTOMERS SUSTAINABLY, IT IS ESSENTIAL TO HAVE THE RIGHT FUNCTIONAL EXPERTISE. MONSANTO HAS A STRONG TEAM OF COMMITTED EMPLOYEES HAVING YEARS OF EXPERIENCE AND KNOWLEDGE IN AGRICULTURAL CHEMISTRY. THE TEAM IS CONTINUOUSLY MOTIVATED TO WORK TOWARDS PRODUCTS, PROCESSES AND TECHNOLOGICAL INNOVATION.



Recognition

MIL focusses on creating a positive work environment by providing employees the necessary career value propositions and support resulting in it being consistently ranked amongst the best companies to work for globally. In 2015, Monsanto was recognised by Great Places to Work® as the 49th Best Companies to Work for in India and 3rd Best Companies to Work for in the "Biotech & Pharma" Industry.

Focus on employee engagement

The Company organises various events with the objective of enhancing employee engagement whilst focussing on individual development. The results of various internal and external surveys conducted by the Company indicate that we have a highly engaged workforce with willingness to stretch and contribute more towards the growth of the organisation. The survey also reinforces the passion and pride our employees have in working for the Company. Major initiatives undertaken by the Company to reinforce our commitment to employee engagement are:

TCM and Career Day

MIL's annual "Technical Community of Monsanto (TCM)" event intends to reinforce our commitment to Science and Technology. Research personnel from the organisation across the globe meet and share their innovation to form collaborations that would further help us develop robust solutions for customers.

MIL's "Career Day" event aims at encouraging employees to take control over their career and develop a long-term plan around it. The teams are provided necessary guidance and training for career opportunities across various functions with speed mentoring sessions.

In 2016, both these events were organised in Bengaluru (India) providing opportunities for learning, sharing and ultimately creating value for our people, customers and the organisation.

Leadership Connect

The India leadership team regularly reaches out and communicates with the field staff regarding various strategies and organisational focus areas. This enables a lucid communication of objectives and enhances relationships among the employees.



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Work culture and people competencies

MIL is recognised for its diverse and inclusive work culture where people from diverse backgrounds are encouraged to work together as a team. The Company's women support group provides necessary assistance and support to female colleagues throughout their career. The Company is also recognised as one of the Best Employers for Women. Employees have easy access to leaders and are encouraged to share their views.

The Company's comprehensive Rewards and Recognition (R&R) programme provides performance-linked incentives and various other welfare schemes to ensure employee satisfaction and motivation. Personal and work skill development training are regularly conducted to develop functional competencies and promote leadership skills. Sales and leadership training are the key focus areas for contributing towards the growth of the Company.

University connect programmes

Monsanto's university connect programmes provide opportunities to freshers to join the organisation as trainees and harness their skills. These programmes include:

- **Monsanto Umang:** The programme selects candidates for internship from premier business schools to harness their skills and provide pre-placement offers to best candidates. These candidates are hired for various roles in the organisation.
- **Monsanto ACE (Agriculture Campus Engagement):** The ACE Programme hires agriculture graduates as trainees and provides them opportunity to learn and enhance work skills by deploying them across various functions in the organisation.

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Over the years, we have built a brand that the employees feel proud to associate with and a work culture that generates passion among the employees to stretch and contribute more. We shall continue to focus on attaining highest levels of employee engagement and empowerment to sustain our position amongst the best companies to work for.



Jaideep Iyengar
Human Resources
Lead

FOCUSSED ON ESH AND HUMAN RIGHTS

A DECADE OF IMPROVING SAFETY STANDARDS AND CARING FOR EMPLOYEES BOTH ON AND OFF THE JOB. A DECADE OF CHILD CARE. A DECADE OF PROMOTING SAFE WORK CULTURE AND HUMAN RIGHTS NOT JUST AT MONSANTO LOCATIONS BUT THIRD PARTIES THAT THE COMPANY DOES BUSINESS WITH. A DECADE OF IMPROVING LIVELIHOOD, CONSERVING NATURAL RESOURCES AND BECOMING ONE OF THE WORLD'S BEST PLACE TO WORK FOR. A DECADE OF BEING PROACTIVE RATHER THAN BEING REACTIVE.



The Company completed 10 years of its All India Vehicle Safety and Human Rights programmes during which it adopted best industry practices for ESH (Employee Safety and Health) and Human Rights. The key ESH-Human Rights highlights for 2015-16 are:

- Enhanced performance of our world-class vehicle safety programme by

increasing vigour of tracking road violations using vehicle data recorders (VDR) for minimising deviations in speeding, excessive driving and night driving and instilling discipline amongst the employees by appropriate management intervention. This best practice of adopting leading indicators has improved our key vehicle safety collision statistics (lagging



indicator). This resulted in our best ever performance of vehicle safety programme with collision per million miles (CPMM) decreasing from 4.4 in 2014-15 to 3.7 in 2015-16.

- Renewed vigour to promote two-wheeler safety on Indian roads by enhanced training, route risk assessment, promoting use of helmet and other safety gear and inspiring defensive driving behaviours.
- Leveraged social media platforms for promoting home and travel safety culture beyond work space. Over two dozen ESH and human rights messages were posted on the Monsanto India Facebook page and actively shared by the employees and their relatives.
- Replaced select hazardous pesticides with safer eco-toxicological options at our corn breeding sites.
- Trained and inspired business partners including supply chain growers to implement programmes to comply with the human rights policies having the elements of no child labour, fair wages and implementing field safety measures amongst others.
- Actively implemented human rights best practices and shared with several seed companies in multiple consultation forums and industry meetings.



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Child labour at grower farms in corn seed production in 2015-16

24

Individuals' life saved through the Company's anti-venom programme for the community

3.7

Collision per million miles in 2015-16. 82% improvement over last decade

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The Company believes in reaching out and connecting with industry to share ESH and Human Rights best practices.



Mahesh Chandak
Human Rights Lead

Awards and recognition

- MIL Silvassa site won third prize in the prestigious Confederation of Indian Industry (CII) Western Region - Safety, Health and Environment (SHE) Excellence Award for 2015-16.
- MIL Silvassa site won a Certificate of Appreciation from the National Safety Council of India (NSCI) as part of their Safety Awards, 2015 (manufacturing sector) based on exemplary ESH performance during the past 3 years.
- MIL Hyderabad corn seed drying site and Silvassa crop protection sites won FY2015 Global Monsanto Safety and Health Location Awards for their safety performance based on superior leadership commitment, risk management and employee engagement in ESH initiatives.
- Won Global Monsanto Safety and Health Project Awards for its Reach and Connect initiatives towards community engagement, sharing ESH-Human Rights best practices with industry and leveraging social media for cultivating trust.

Initiatives for environment sustainability

- Installed 70 kW roof solar panels at corn seed drying site in Hyderabad to reduce dependence on fossil fuel based electricity supply.
- Installed rainwater harvesting and drip irrigation systems across major manufacturing and breeding sites in India to reduce fresh water consumption and contribute towards replenishing ground water. The Company also promotes drip irrigation benefits to its growers through demonstration and highlighting government schemes for the same.
- Introduced energy efficient LED lighting at its Hyderabad manufacturing site.



Chairman

Sekhar Natarajan, with over three decades of service, is one of the key persons responsible for the growth and evolution of the Company with keen focus on revolutionising agriculture sector in India. His present role in the organisation is that of providing strategic counselling, business guidance and representing the Company at industry forums. He held the position of Chief Financial Officer, Business Development Head, Sales and Marketing Head, and Global Corporate Strategy Lead at Monsanto's headquarters in St. Louis (USA) before taking over the chairmanship. He is a qualified Chartered Accountant and Cost Accountant possessing extensive knowledge and experience in Business Development and Mergers and Acquisitions (M&A). Currently, he is also a Managing Partner of M/s. S. N. Consultants that provides advice and strategic guidance to local and international companies.



Managing Director

Shilpa Shridhar Divekar is an accomplished professional with over 20 years of extensive and diverse experience across Consulting and Food & Agriculture sectors at organizations including Arthur Andersen, KPMG, Bunge and Monsanto.

During her nine years at Monsanto, Shilpa has successfully led several teams in Business, Strategy, Marketing & Product Management and Corporate Engagement. She is passionate about modernizing agriculture in India and sustainably improving the lives of Indian farmers.

Shilpa is an MBA, Chartered Accountant, Cost Accountant and Post Graduate in Commerce. Apart from her passion for Indian agriculture, her interests include travelling, music, cooking, watching sports and reading books on management for perspective building.



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**H. C. Asher**

Independent Director

H. C. Asher is an M.A. and L.L.B. graduate from prestigious Mumbai University. He is a renowned professional in corporate and commercial laws. He is a Senior Partner at M/s. Crawford Bayley & Co., a leading firm of Advocates and Solicitors in Mumbai. He joined the Board of Monsanto India Limited in 1973. He is also a Director on the Boards of several other reputed companies.

**Pradeep Poddar**

Independent Director

Pradeep Poddar is a Chemical Engineer from UDCT, Mumbai, and an MBA from IIM, Ahmedabad. He has been on Monsanto's Board since January 2006. He has an experience of leading Mount Everest Mineral Water Limited (a Tata Enterprise) as the Managing Director. He has also served in senior managerial positions at Glaxo, Heinz and the Tata Group. He is a Board member in Nourishco (a Tata Pepsico Joint Venture) representing Tata's interests. He is also a trustee on the Board of United Way, Mumbai. He has an extensive knowledge and experience in the consumer goods industry and was conferred the Udyog Ratna Award by the Karnataka Government and the Wisitex Foundation in 2001 for his notable contribution to the food industry.

**Piyush Nagar**

Director

Piyush Nagar has a vast experience in commercial roles, including marketing and product management in Monsanto India for branded cotton and Roundup® herbicide. He has been involved in the Agriculture sector for over five years and has successfully led the growth of cotton seeds business and played a key role in scaling up Monsanto's Roundup® business. He is a member of the India Leadership Team ensuring supply chain management of India Row Crop and Crop Protection businesses. He will also play a central role in transformation initiatives related to India supply chain function.

He is an alumnus of IIT Bombay (B. Tech, Chemical Engineering) and IIM Calcutta (PGDM) and has an extensive and diverse experience of over 12 years working across multiple sectors. He has worked as a TAS Officer in Tata Group Companies ensuring marketing and product management in steel sector. Thereafter, he worked in Tata Group Holding Company, managing a portfolio of companies in sectors ranging from Auto-components to BPO services to E-learning.

is hereby given that the 66th Annual General Meeting of the Members of Monsanto India Limited (CINL4999MH1949PLC007912) will be held on Wednesday, August 10, 2016 at 11.00 a.m. at Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021, to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2016, and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Statutory Auditors.
2. To appoint a director in place of Mr. Sekhar Natarajan (DIN- 01031445), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider, and, if thought fit, to pass the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, and further based on the recommendation of the Audit Committee and the Board, the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (117366W/ W-100018) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting be and is hereby ratified at such remuneration and reimbursement of out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors plus service tax and the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient for implementing and giving effect to this resolution."

4. To consider, and, if thought fit, to pass the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Mr. Piyush Ramesh Nagar (DIN - 02272383), who was appointed an additional director by the Board of Directors of the Company with effect from March 23, 2016 pursuant to Section 161 (1) of the Companies Act, 2013 read with the Articles of Association of the Company to hold office upto the date of the ensuing Annual General Meeting and in respect of whose appointment, the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of director, be and is hereby appointed a director of the Company,

whose period of office shall be liable to determination by retirement of directors by rotation."

5. To consider, and, if thought fit, to pass the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, as amended and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Mr. H.C. Asher (DIN 00025199), director of the Company, be and is hereby appointed as an independent director of the Company to hold office for a term of five (5) consecutive years from the date of this Annual General Meeting."

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, as amended and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Mr. Pradeep Poddar (DIN 00024863), director of the Company, be and is hereby appointed as an independent director of the Company to hold office for a term of five (5) consecutive years from the date of this Annual General Meeting."

7. To ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017 and to consider, and, if thought fit, to pass the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions, if any and the Companies (Audit and Auditors) Rules, 2014, as amended and subject to guidelines and approvals as may be required from the Central Government, appointment of M/s ABK & Associates, Cost Accountants, to audit cost accounting records with respect to chemical business of the Company for the financial year ending March 31, 2017 at a remuneration of ₹ 2,50,000/- per annum (Rupees Two Lakh Fifty Thousand only) plus service tax, as applicable and out of pocket expenses, be and is hereby ratified and the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient for implementing and giving effect to this resolution."

Mumbai
May 30, 2016

By Order of the Board of Directors
Charandana Dhar
Company Secretary & Compliance Lead

IMPORTANT NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER/S OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. The instrument of Proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than forty-eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business to be considered at the meeting, is annexed hereto.
3. Members are requested to intimate, indicating their folio number, the changes, if any, of their registered addresses to the Company at its registered office or to the Company's Registrar and Share Transfer Agents ("RTA") viz. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078, in case shares are held in physical form or to their respective Depository Participant ("DP") in case the shares are in dematerialized form.

The particulars recorded with the DPs will be considered for making the payment of dividend either by issuing physical instruments or through Electronic Clearing System ("ECS"). The Members are requested to take appropriate action in the matter, in their own interest, to avoid delay in receiving the payment of dividend.
4. Trading in the Company's shares through stock exchanges is permitted only in dematerialized/electronic form. The equity shares of the Company have been registered with both NSDL as well as CDSL to enable Members to hold and trade the securities in dematerialized/electronic

form. In view of the numerous advantages offered by the depository system, Members holding shares in the Company in physical form are requested to avail of the facility of dematerialisation.

5. Members desiring any information regarding the accounts are requested to write to the Company Secretary at least seven (7) days prior to the Annual General Meeting, so as to enable the Company to keep the information ready.
6. In accordance with the provisions of Section 205C of the Companies Act, 1956, (which are still applicable as the relevant Section under the Companies Act, 2013 is yet to be notified), the Company has transferred unclaimed second interim dividend for the year 2007-08, final dividend for the year 2007-08 and interim dividend for the year 2008-09 to the "Investor Education and Protection Fund" (IEPF), constituted by the Central Government.
7. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the Members ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends, as on date of the 66th Annual General Meeting to be held on August 10, 2016, on the website of the IEPF viz. www.iepf.gov.in and under "Investors" Section on the website of the Company viz. www.monsantoindia.com.
8. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven (7) years from the due date of payment is required to be transferred to the IEPF. Members, who have not encashed their final dividend warrants for the year 2008-09 or thereafter, are requested to write to the Company or the RTA.

In case of non-receipt of the dividend warrants, the Members are requested to contact the Company's RTA/the Registrar of Companies as under:

Dividend for the financial year	Contact	Action by shareholder
Up to 1994-95	Office of the Registrar of Companies, Maharashtra, Mumbai "EVEREST" 5th Floor, 100, Marine Drive, Mumbai-400 002.	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978
1995-96 to 2008-09 (interim)	Non-recoverable since the unpaid amount has been transferred to Investor Education and Protection Fund.	-
2008-09 (Final) to 2015-16 (second interim)	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.	Request letter on plain paper.

9. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Amendment Rules, 2015, as substituted vide a notification dated March 19, 2015 of the Ministry of Corporate Affairs and Rule 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members, the facility to exercise their right to vote at the 66th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

In case of Members receiving e-mail

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Select "MONSANTO INDIA LIMITED" from the drop down menu and click on "SUBMIT"
- Enter your User ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- Enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then reach directly the company selection screen. However, Members holding shares in demat form will now reach Password

Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the Company Name 'MONSANTO INDIA LIMITED' on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.co.in and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of Members receiving the physical copy:

- I. (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on August 6, 2016 at 9 a.m. and ends on August 9, 2016 at 5 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 3, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 3, 2016.
- III. Mr. Ganapati Nadkarni, Chartered Accountant in practice (Membership No. 039297) or failing him Mr. Alwyn D'souza, Practicing Company Secretary (Membership No. F.C.S 5559, Certificate of Practice No.5137) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same.
- V. The results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.monsantoindia.com and on the website of CDSL immediately after the result is declared by the Chairman.



10. Electronic copy of the Notice of the 66th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form) is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 66th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays up to and including the date of the 66th Annual General Meeting of the Company.
12. The Members holding shares in physical form can avail of the nomination facility by filling Form SH-13 in duplicate pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or its RTA and, in case of shares held in demat form, the nomination has to be lodged with your DP. For convenience, nomination form is attached at the end of the Annual Report.
13. Members may also note that the Notice of the 66th Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website www.monsantoindia.com. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the Members may also send requests to the Company's investor@india.monsanto.com.

Details under Regulation 36(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 in respect of the directors seeking appointment/re-appointment at the 66th Annual General Meeting, together with a copy of the Notice, the resolutions and the requisite details from the prescribed forms are given below:

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business mentioned under Item Nos. 1 to 7 of the accompanying Notice:

The Board of Directors at its meeting held on March 22, 2016 appointed Mr. Piyush Ramesh Nagar as an additional director with effect from March 23, 2016 pursuant to Section 161(1) of the Companies Act, 2013 and pursuant to the Article of Association of the Company. Mr. Nagar holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with the requisite deposit pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member requesting appointment of Mr. Piyush Ramesh Nagar.

Mr. Piyush Ramesh Nagar has several years of experience in commercial roles including marketing and product management for branded cotton and Roundup in India. Mr. Nagar is a member of the India Leadership Team of Monsanto in India, and is accountable for seed to end supply chain delivery to the India Row Crops and Crop Protection businesses. He will also play a central role in transformation initiatives related to India supply chain function.

An alumnus of IIT Bombay is Tech. One (Tech) Engineering and IIM, Calcutta (PGDM), Mr. Nagar has a graduate and diverse career experience of over twenty (20) years across multiple sectors which he gained through working in various Tata Group Companies as TAS Officer and in Monsanto India Limited thereafter.

During his experience as TAS Officer, Mr. Nagar worked in the steel sector in marketing and product management and after that he worked in Tata Group Holding Company, where he managed a portfolio of companies in sectors ranging from Auto-components to BPO services to Engineering.

During his more than five (5) years of involvement in the Agriculture sector with the Company, he successfully played a key role in Monsanto's success in leading and winning Roundup business.

Your directors recommended the appointment of Mr. Piyush Nagar as director of the Company.



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Except Mr. Piyush Ramesh Nagar, being an appointee, none of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution except and to the extent they are Members of the Company.

ITEM NO. 5

Mr. H.C. Asher, an independent director of the Company was appointed at the 64th Annual General Meeting of the Company held on August 22, 2014 to hold office upto the date of the 66th Annual General Meeting of the Company.

Mr. Asher holds M.A. and LL.B. degrees from the Mumbai University. He is a senior partner of M/s Crawford Bayley & Co., a leading firm of Advocates and Solicitors in Mumbai, and is a well-recognized expert in corporate and commercial laws. Mr. Asher is also a director on the Boards of other reputed companies. He does not hold by himself or for any other person, on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act 2013, an independent director may hold office for two consecutive terms for a period of five (5) years each. Mr. Asher being eligible and offering himself for appointment is proposed to be appointed as an independent director for five (5) consecutive years from this Annual General Meeting of the Company. A notice along with the requisite deposit has been received from a member proposing Mr. Asher as a candidate for the office of director of the Company. In the opinion of the Board of Directors, Mr. Asher fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an independent director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Asher as an independent director would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day, excluding Saturdays.

The Board of Directors considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Asher as an independent director. Accordingly, the Board of Directors recommends the resolution in relation to appointment of Mr. Asher as an independent director, for the approval by the Members of the Company.

Except Mr. Asher, being the appointee, none of the directors and key managerial personnel of the Company and their

relatives is concerned or interested in the resolution set out at Item No. 5, except as Members of the Company.

ITEM NO. 6

Mr. Pradeep Poddar, an independent director of the Company was appointed at the 64th Annual General Meeting of the Company held on August 22, 2014 to hold office upto the date of the 66th Annual General Meeting of the Company. Mr. Poddar has vast experience in the consumer goods industry, having served in senior management positions at Glaxo, Heinz and the Tata Group. The Wisitex Foundation and Karnataka Government conferred on him the Udyog Ratna Award in 2001 for his distinguished contribution to the food industry. Mr. Poddar is a Chemical Engineer from UDCT, Mumbai, and holds an MBA degree from IIM, Ahmedabad. He does not hold by himself or for any other person, on a beneficial basis, any shares in the company.

In terms of Section 149 and other applicable provisions of the Companies Act 2013, an independent director may hold office for two consecutive terms for a period of five (5) years each. Mr. Poddar being eligible and offering himself for appointment is proposed to be appointed as an independent director for five (5) consecutive years from this Annual General Meeting of the Company. A notice along with the requisite deposit has been received from a member proposing Mr. Poddar as a candidate for the office of director of the Company. In the opinion of the Board of Directors, Mr. Poddar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an independent director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Poddar as an independent director would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day, excluding Saturdays.

The Board of Directors considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Poddar as an independent director. Accordingly, the Board of Directors recommends the resolution in relation to appointment of Mr. Poddar as an independent director, for the approval by the Members of the Company.

Except Mr. Poddar, being the appointee, none of the directors and key managerial personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 6, except as Members of the Company.

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Proposal for appointment of Cost Auditor for 2016-17 was recommended by the Audit Committee to the Board of Directors in its meeting held on May 30, 2016. Pursuant to provisions of Section 148 of Companies Act, 2013 and Rules made thereunder, the Board of Directors has re-appointed M/s. ABK & Associates, Cost Accountants, as Cost Auditors of the Company. M/s ABK & Associates have submitted a letter regarding their eligibility for appointment as Cost Auditors, which will be available for inspection at the registered office of the Company during 9.00 a.m. to 5.00 p.m. on all working days except Saturday, upto and including the date of the 66th Annual General Meeting of the Company.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost Auditors shall be ratified by the Members. Hence, this resolution is put for the consideration of the Members.

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7, except as Members of the Company.

Mumbai
May 30, 2016

By Order of the Board of Directors
Chandana Dhar
Company Secretary & Compliance Lead



Details of Directors seeking appointment / re-appointment in the 66th Annual General Meeting (Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Sekhar Natarajan	Mr. Piyush Ramesh Nagar	Mr. H C Asher	Mr. Pradeep Poddar
Director Identification No.	1031445	02272383	00024863	00025199
Date of appointment	1/12/2006	23/03/2016	09/08/1973	30/12/2005
Date of Birth	14/12/1953	17/10/1979	02/01/1934	09/09/1954
Expertise in specific functional areas	He has global experience in Business Development and Mergers and Acquisitions and holds several leadership positions.	He has extensive and diverse career experience of over 12 year across multiple sectors which he gained through working in various Tata Group Companies as TAS officer and in Monsanto	He is a recognised expert in legal field particularly, on matters relating to corporate laws.	He has vast experience at the highest levels of Management and is veteran of the consumer goods industry.
Qualifications	Chartered Accountant and Cost Accountant.	IIT Bombay (B. Tech, Chemical Engineering) and IIM Calcutta (PGDM)	M.A., LL.B	Chemical Engineering, MBA-IIM, Ahmedabad
Directorship as on March 31, 2016	• Monsanto India Limited (L) • Accelya KaleConsultants Ltd. (U) • Maharashtra Hybrid Seeds Company Private Limited (U)	-	• Monsanto India Limited (L) • Allied Pickfords India Private Limited • Diamant Boart Marketing Private Limited • Elof Hansson (India) Private Limited • Hind Filters Limited • Indian Card Clothing Limited • Ingersoll – Rand (India) Limited (L) • KELTECH Energies Limited (L) • PRS Technologies Private Limited • TUV India Private Limited	• Monsanto India Limited (L) • Nourishco Beverages Limited

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Committee Chairmanship/ Membership as on March 31, 2016*	Monsanto India Limited - Audit Committee (M)	-	Monsanto India Limited - Audit Committee (M) - Stakeholders' Relationship Committee (C)	Monsanto India Limited - Audit Committee (C) - Stakeholders' Relationship Committee (M)
			Ingersoll - Rand (India) Limited - Audit Committee (C) - Stakeholders' Relationship Committee (M) Indian Card Clothing Limited - Audit Committee (M) - Stakeholders' Relationship Committee (M)	
	Accelya Kale Solutions Limited - Audit Committee (C) - Stakeholders' Relationship Committee (M)		KELTECH Energies Limited - Stakeholders' Relationship Committee (M)	
Shareholding in Monsanto India Limited	800 equity shares	NIL	NIL	NIL

* Directorships in Foreign Companies, Section 8 Companies and their Committee memberships are excluded. Membership and Chairmanships of Audit Committees and Stakeholders' Relationship Committee of Public Companies have been included in the aforesaid table.

(M) – Manager, (C) – Chairman

(L) – Listed, (U) – Unlisted



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Financial Summary for 10 years

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
I. INCOME, PROFIT & DIVIDEND										
Sales (Net)	536.41	546.63	576.49	436.54	367.98	358.26	410.14	387.00	365.23	309.22
Other Income	19.34	31.06	19.54	22.79	20.94	13.50	12.54	15.14	66.56 ⁽¹⁾	31.39 ⁽¹⁾
Total Income	555.75	577.69	596.03	459.33	388.92	371.76	422.68	401.15	431.79	340.61
Profit Before Depreciation, Interest & Tax	122.05	137.31	158.04	86.56	70.42	61.38	69.53	100.51	138.17	87.48
Depreciation	9.32	7.92	11.89	10.89	9.00	10.81	11.48	13.35	12.70	8.09
Profit Before Interest & Tax (PBIT)	112.73	569.77	139.25	75.67	61.42	50.57	58.05	87.16	125.47	79.39
Interest	0.68	0.41	0.51	0.70	1.28	0.28	0.29	0.24	0.35	0.24
Profit Before Exceptional Items & Tax	112.05	569.36	138.74	74.97	60.14	50.29	57.76	86.92	125.12	79.15
Exceptional Items	2.89	-	-	-	-	-	-	-	-	-
Profit Before Tax (PBT)	109.16	569.36	138.74	74.97	60.14	50.29	57.76	86.92	125.12	79.15
Tax	7.91	22.68	15.85	7.63	9.95	7.46	3.95	13.39	24.95	8.62
Profit After Tax (PAT)	101.25	546.68	122.89	67.34	50.19	42.83	53.81	73.53	100.17	70.53
Dividend	51.79	62.14	158.82	37.99	34.52	17.26	15.10	20.71	178.66	19.42
Dividend - ₹ per share	30.00 ⁽¹¹⁾	36.00 ⁽¹⁰⁾	92.00 ⁽⁹⁾	22.00 ⁽⁸⁾	20.00 ⁽⁷⁾	20.00 ⁽⁶⁾	17.50 ⁽⁵⁾	24.00 ⁽⁴⁾	207.00 ⁽³⁾	22.50 ⁽²⁾
II. SHARE CAPITAL & CAPITAL EMPLOYED										
Share Capital	17.26	17.26	17.26	17.26	17.26	8.63	8.63	8.63	8.63	8.63
Reserves and Surplus	395.99	357.07	327.24	390.16	367.13	365.69	342.95	306.78	257.48	366.34
Net Worth (Shareholders' Fund)	413.25	374.33	344.50	407.42	384.39	374.32	351.58	315.41	266.11	374.97
Loans (Secured and Unsecured)	-	-	-	-	-	-	-	-	-	-
Total Capital Employed	413.25	374.33	344.50	407.42	384.39	374.32	351.58	315.41	266.11	374.97
Represented by										
Fixed Assets (Net)	95.05	87.85	88.50	89.16	91.99	92.72	115.60	113.62	114.43	112.62
Investments	157.49	189.48	266.73	250.94	195.78	151.36	80.72	57.97	255.14	182.16
Net Current/Non Current other Assets	160.71	97.00	(10.73)	67.32	96.62	130.24	155.26	143.82	(103.46)	80.19
Total Assets	413.25	374.33	344.50	407.42	384.39	374.32	351.58	315.41	266.11	374.97
III. RETURN										
On Sales(PBT) %	21	24	24	17	16	14	14	22	34	26
On Capital Employed(PBIT) %	27	35	40	19	16	14	17	28	47	21
On Shareholders' Funds(PAT) %	25	28	36	17	13	11	15	23	38	19
Per Share (PAT) ₹	58.66	61.59	71.20	39.01	29.07	49.62	62.36	85.20	116.05	81.72

⁽¹⁾ Includes divestiture income.

⁽²⁾ Interim dividend of ₹ 20, Final dividend of ₹ 2.50

⁽³⁾ 1st Interim dividend of ₹ 12, 2nd Interim dividend of ₹ 180 as a 'special dividend' and Final dividend of ₹ 15.

⁽⁴⁾ Interim dividend of ₹ 12 and Final dividend of ₹ 12

⁽⁵⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 7.50

⁽⁶⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 10

⁽⁷⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 10

⁽⁸⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 12

⁽⁹⁾ Including Special dividend of ₹ 50, Interim Dividend of ₹ 12 and Final dividend of ₹ 30

⁽¹⁰⁾ Including Interim Dividend of ₹ 18 and Final proposed dividend of ₹ 18

⁽¹¹⁾ First Interim Dividend of ₹ 15 and Second Interim Dividend of ₹ 15

Your Directors have pleasure in presenting their 66th Annual Report on the business and operations of the Company and the financial results for the Financial Year ended 31st March, 2016.

The financial performance of your Company, for the year ended March 31, 2016 is summarized below:

Particulars	(₹ in Crores)	
	Year ended March 31, 2016	Year ended March 31, 2015
Net Sales (excluding excise and including other operating income)	541.57	556.43
Profit Before Taxes	109.16	128.98
Provision	7.91	21.62
Balance of Profit	101.25	108.36
Add: Balance brought forward from previous year	89.62	59.79
Amount Available for Appropriation		
Less: Depreciation on transition to Schedule II of Companies Act, 2013	-	(1.79)
(Net of deferred tax)		
Appropriated As Under:		
a. Interim Dividend	51.79	31.07
b. Tax on Interim Dividend	10.54	8.21
c. Proposed Final Dividend	-	31.07
d. Tax on proposed Final Dividend	-	6.35
e. Transfer to General Reserve	-	-
Balance in Statement of Profit & Loss	128.54	28.92

During the financial year (F.Y.) 2015-16, your Company posted a Profit After Tax (PAT) of ₹ 101.25 Crore as compared to previous year PAT of ₹ 108.36 Crore (14.75% decline). Pre-tax profits were lower by 15.37% at ₹ 109.16 Crore (previous year ₹ 128.98 Crore).

An overall deficit monsoon in Kharif 2015 resulted in the Net Turnover for the year under review, to be at ₹ 541.57 Crore compared to ₹ 556.43 Crore for the previous F.Y. (decline by 2.67%).

Your Company's seeds (DEKALB) sale was higher at ₹ 354.96 Crore in the F.Y. 2015-16 vis-a-vis ₹ 347.64 Crore in the F.Y. 2014-15 indicating a 2.14% rise.

Sales of Roundup (including excise duty) during the year stands at ₹ 122.21 Crore compared to the previous year net sales of 198.99 Crore (38.33% decline). Glyphosate business was impacted by delayed and deficit monsoon which reduced the overall moisture in the soil and adversely impacted herbicide business.

The declining expense (including depreciation) in the year is ₹ 7.91 Crore against previous year figure of ₹ 21.11 Crore, which is a 63.3% decrease over previous year in spite of high depreciation trend.

During the financial year 2015-16, your Company had declared two interim dividends of ₹ 15/- each (Rupees Fifteen only) per equity share. The total dividend declared for the financial year 2015-16 is ₹ 30/- (Rupees Thirty only) per equity share. Your Directors have not recommended any final dividend for the financial year 2015-16.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company.

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The Internal Auditors are an integral part of the internal control mechanism of the Company. To maintain its objective and independence, the Internal Auditors report to the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company. Its



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compliance with the operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

STATUTORY AUDITORS AND AUDITOR'S REPORT

In the 64th Annual General Meeting (AGM) of the Company, M/s Deloitte Haskins & Sells LLP (DHS), Chartered Accountants, (117366W/W-100018), Statutory Auditors of the Company, have been appointed for a period of three years i.e., until the conclusion of 67th AGM of the Company subject to ratification of the shareholders. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. Further in compliance with statutory requirements, the Statutory Auditors have not rendered to the Company during the financial year 2015-16, directly or indirectly, any of the services enumerated under Section 144(1) of the Companies Act, 2013.

COST AUDITORS

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, your Board had reappointed M/s ABK & Associates, as the Cost Auditor of your Company for the financial year 2015-16 to conduct the audit of the cost records of the Company.

The report with respect to the audit of cost accounts maintained in respect of insecticides manufactured by the Company, will be submitted to the Central Government in due course.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Vinod Kothari & Co., Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the year under review.

The Secretarial Audit Report for the FY 2015-16 forms a part of the Board's Report to the Members.

The Board has appointed M/s. Vinod Kothari & Co., Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit

Report for 2015-16 (Annexure 4) forms a part of the board's report to the members. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF THE ANNUAL RETURN

In accordance with requirements under Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in form MGT 9 is annexed as Annexure 1.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Information required under Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 has been annexed as Annexure 2. The Policy for the same is available on

<http://www.monsanto.com/global/in/whoweare/pages/policies.aspx>.

DIRECTORS

A. Changes in Directors and Key Managerial Personnel

Resignation of Director

Mr. Ravishankar Cherukuri tendered resignation as the Director of the Company effective, March 22, 2016. Your Directors place on record their sincere appreciation of the valuable contribution made by him during his tenure as Director of the Company.

Induction of Director

On the recommendations of the Nomination and Remuneration Committee, your directors appointed Mr. Piyush Ramesh Nagar, as an Additional Director with effect from March 23, 2016. Mr. Nagar holds office as Additional Director until the ensuing Annual General Meeting, and is eligible for appointment as Director as provided under Articles of Association of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Mr. Piyush Nagar for the office of Director.

Directors retiring by rotation

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sekhar Natarajan retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Resignation of Chief Financial Officer and Key Managerial Personnel

During the year Mr. Abdul Alim Sayed resigned as the Chief Financial Officer and Key Managerial Personnel of the

Company on March 31, 2016. The Company will appoint a Chief Financial Officer within the statutorily permitted time limit under provisions of Section 203(4) of the Companies Act, 2013. Accordingly, the financial statements for the year ended March 31, 2016 do not bear signatures of the Chief Financial Officer of the Company.

Appointment of Independent Director

Mr. H.C. Asher and Mr. Pradeep Poddar, both Non-Executive and Independent Directors were appointed to hold office for two consecutive years for a term upto date of the 66th Annual General Meeting of the Company. Subject to the provisions of Section 152, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of past appointment in the Board's report shall be provided.

Your Company has received declarations from Mr. H.C. Asher and Mr. Pradeep Poddar, Independent Directors that they meet the criteria of independence as provided in sub-section (g) of Section 149 of the Companies Act, 2013 and SEBI Listing Regulations, 2015. Mr. Asher and Mr. Poddar being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for a term of five consecutive years from the date of the 66th Annual General Meeting of the Company.

Copy of the draft letter of appointment to each of the Independent Directors in the manner as provided in the Companies Act, 2013 and SEBI Listing Regulations, 2015 have been disclosed on the website of the Company (<http://www.monsanto.com/global/whoweare/pages/board-of-directors.asp>).

Over profiles of Mr. Sahar Natarajan, Mr. Prakash Ranveer Nagar, Mr. H.C. Asher and Mr. Pradeep Poddar, as required by SEBI Listing Regulations, 2015 form a part of the Notice convening the 66th Annual General Meeting contained in this Annual Report. The Board recommends the same for shareholders' approval in the ensuing Annual General Meeting.

B. Familiarisation Program for Independent Directors

Every Independent Director of the Company is provided with ongoing information about the industry and the Company, so as to familiarise them with the latest developments. The Independent Directors also visit the facilities at various locations of the Company where they can visit and interact with the employees and other stakeholders.

C. Annual Evaluation of Board and its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and

SEBI Listing Regulations, 2015, the Board has carried out the annual evaluation of its own performance, the directors individually, as well as the working of its Committees. A structured evaluation report was prepared after taking into consideration inputs received from the directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board dynamics, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who are evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders, etc. The performance evaluation of the Independent directors was carried out by the entire Board. The performance evaluation of the Chairman and the non-independent directors was carried out by the independent directors who also reviewed the adequacy and flow of information to the Board. The directors expressed their satisfaction with the evaluation process.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other business matters. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board / Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed at the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board / Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year under review 3 (three) Board meetings and 5 (five) Audit Committee meetings were convened and held. Details of each such meetings are given in the Corporate Governance Report. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

During the year under review 2015-16, the Board and its Committees of the Board namely:

- Audit Committee
- Nomination and Remuneration Committee



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- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Share Transfer Committee

The Board decides the terms of reference for these Committees. Minutes of meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided in detail, in the Corporate Governance Report, which forms a part of this Annual Report.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company maintains a Code of Business Conduct and Anti-Corruption Program. Additionally, a whistle blower mechanism ('Monsanto Speak-Up Protocol for India') has also been developed pursuant to requirements of Section 177(9) and (10) of the Act and the SEBI Listing Regulations, 2015. The Company's 'Monsanto Speak-Up Protocol for India' aims at:

- informing employees of their obligation to report serious wrongdoing within the Company;
- providing employees with guidance on how to raise concerns;
- reassuring employees that they should be able to raise genuine concerns in good faith without fear of retaliation; and
- providing specific direction on how to contact the Chairperson of the Audit Committee of Board of Directors.

The Company has made available to its employees, anonymous email and telephone hotlines for reporting of any deviations / concerns.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee of the Board of Directors has adopted a Policy which deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This Policy is in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and SEBI Listing Regulations, 2015.

The Nomination and Remuneration policy is disclosed as part of this Report (Annexure 3), stated in the Corporate Governance Report and is available on <http://www.monsanto.com/global/in/whoweare/pages/policies.aspx>

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The particulars of every contract / arrangement entered into by the Company with the related parties, referred to in Sub section 1 of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto has been disclosed in Form AOC 2 as Annexure 3.

The Policy on related party transactions as approved by the Board is uploaded on the Company's website and is available on <http://www.monsanto.com/global/in/whoweare/pages/policies.aspx>. None of the Directors has any material pecuniary relationship or transactions vis-a-vis the Company.

CORPORATE GOVERNANCE

A detailed report on the corporate governance system and practices of the Company forming part of this report is given as a separate section of the Annual Report.

The Compliance Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance as stipulated in SEBI Listing Regulations, 2015 is annexed to the report as Annexure 5.

RISK MANAGEMENT

Pursuant to the requirement of SEBI Listing Regulations, 2015, the Company constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Risk Management Committee of the Board of Directors has been constituted to ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions, pro-actively manage these risks, and to decide the Company's tolerance level for risk. The Committee also ensured that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control. Also, the Committee had oversight of formal reviews of activities associated with the effectiveness of risk management and internal control processes and to ensure that risks are mitigated and that the Company's objectives are attained.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(3)(c) of the Companies Act, 2013 ("the Act"), your Directors, on the basis of information made available to them, confirm the following for the year under review:

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- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) They have taken proper and sufficient care to the best of their knowledge and ability, for the 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 fraud and other irregularities;
- iii) They have prepared the annual accounts on a going concern basis;
- ei) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently; and
- f) They have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

A Management Discussion and Analysis on the business and operations of the Company forming part of this report is given as a separate section of the Annual Report.

Details of the policy of the remuneration of each director to the median employees, termination and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 has been enclosed as Annexure E.

The Company continues to maintain cordial relationship with its workforce at all locations. Continuous upgradation of core skills through training programs conducted by internal as well as external agencies are an integral part of human resources development policy of the Company.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

Having agreed to the correctness of the final accounts, in Section 135(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the

Company. The said information is available for inspection at the registered office of the Company during normal business hours (9 am to 5 pm) on all working days, except Saturdays and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Total number of permanent employees employed with your Company as on March 31, 2016 is 290 as compared to 353 as on March 31, 2015.

The information required to be furnished pursuant to Section 174(3)(vi) of the Companies Act, 2013 read with Rule 3 of Companies (Accounts) Rules, 2014 is enclosed as Annexure - 7 and forms part of this report.

The details of earnings and expenditure in foreign currency are given in Note 30 and 31 in the Notes to the Accounts.

The Company has zero tolerance towards sexual harassment at the workplace and has constituted an Internal Complaints Committee for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

No cases of sexual harassment were received during the year under review.

During the year under review, your Company received awards and citations from reputed bodies for good performance in various areas. The Company was recognised by the "GREAT PLACE TO WORK" in 2015 as the World's Best Multinational Workplaces and Best Companies to Work for in India.

At the League for Communication Professionals (LACP) awards, your Company's Annual Report for the financial year 2014-15 has won a Platinum and two Gold Awards. LACP Awards is the industry's largest Annual Report Award competition.

Your Directors state that no disclosure in regarding a compliance aspect of the following items as there were no transactions on these items during the year under review.



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1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. Particulars of Loans given, Investments made, Guarantees given and Securities provided.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from its shareholders, Government authorities, vendors, channel partners, and other business associates. Your Directors appreciate the continued support from Monsanto Company, USA and would also wish to place on record their deep sense of appreciation for the committed services by the employees of the Company. Without this support, the Company would not be able to successfully serve its farmer customers whose success eventually determines the Company's success.

For and on behalf of the Board of Directors

Mumbai: May 30, 2016

Sekhar Natarajan
Chairman



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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	12454044	0	12454044	72.144	12454044	0	12454044	72.144	0.000
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	424540	800	425340	2.464	588509	800	589309	3.414	0.950
b) Banks / FI	12685	0	12685	0.074	9364	0	9364	0.054	(0.020)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	422319	0	422319	2.446	-	-	-	-	(2.446)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	859544	800	860344	4.984	597873	800	598673	3.468	(1.516)
2. Non-Institutions									
a) Bodies Corporate	1020469	320	1020789	5.913	804774	320	805094	4.664	(1.249)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	2064393	125255	2189648	12.684	1866401	114053	1980454	11.472	(1.212)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	609751	15000	624751	3.619	604032	15000	619032	3.586	(0.033)
c) Others (specify)									
Non Resident Indians	55173	0	55173	0.320	65267	0	65267	0.378	0.058
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	15366	0	15366	0.089	513211	0	513211	2.973	2.884
Market Maker	3174	0	3174	0.018	4394	0	4394	0.026	0.008
Clearing Members	37964	0	37964	0.220	21120	0	21120	0.122	(0.098)
Directors/ Relatives	800	0	800	0.005	800	0	800	0.005	0

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts	695	0	695	0.004	695	0	695	0.004	0
Foreign Mutual Fund	0	0	0	0	102832	0	102832	0.595	0.595
Hindu Undivided Family	0	0	0	0	97132	0	97132	0.563	0.563
Sub-total (B)(2)	3907785	140575	3948360	22.872	4080658	129373	4210031	24.388	1.516
Total Public Shareholding (B)=(B)(1)+(B)(2)	4667329	141375	4808704	27.856	4678531	130173	4808704	27.856	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	17121373	141375	17262748	100.000	17132575	130173	17262748	100.000	0

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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 total Shares of the company	
I	Monsanto Investments India Private Limited	9252124	53.596	-	10137124	58.723	-	5.127
II	Monsanto Company	3201920	18.548	-	2316920	13.421	-	-5.127

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
I	Monsanto Investments India Private Limited				
	At the beginning of the year	9252124	53.596	9252124	53.596
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / Disposal sweat equity etc.),				
	Add: May 31, 2015 - Inter-se transfer of shares amongst person belonging to Promoters Group	600000	3.476	9852124	57.072
	And: August 21, 2015 - Inter-se transfer of shares amongst person belonging to Promoters Group	235000	1.351	10127124	58.723
	At the end of the year	10137124	58.723	10137124	58.723



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Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	Monsanto Company				
	At the beginning of the year	3201920	18.548	3201920	18.548
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	Less: May 22, 2015 - Inter-se transfer of shares amongst person belonging to Promoters Group	600000	3.476	2601920	15.072
	Less: August 21, 2015 - Inter-se transfer of shares amongst person belonging to Promoters Group	285000	1.651	2316920	13.421
	At the end of the year	2316920	13.421	2316920	13.421

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	R C Khanna (HUF)	389976	2.259	389976	2.259
2.	Morgan Stanley Investment Funds Global Opportunity Fund	83352	0.483	212884	1.233
3.	Reliance Strategic Investments Limited	117000	0.678	167000	0.967
4.	Morgan Stanley Institutional Fund, Inc Global Opportunity Portfolio	16951	0.098	156906	0.909
5.	M3 Investment Private Limited	167175	0.968	150000	0.869
6.	DSP Blackrock 3 Years Close Ended Equity Fund	118142	0.684	118142	0.684
7.	Bajaj Allianz Life Insurance Company Ltd.	200765	1.163	110204	0.638
8.	UTI - Children's Career Balanced Plan	100000	0.579	100000	0.579
9.	L & T Mutual Fund Trustee Ltd - L & T Equity Fund	0	0.00	93936	0.544
10.	DSP Blackrock Small And Mid Cap Fund	0	0.00	81796	0.474

(i) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Selkhar Natarajan, Non-executive Chairman				
	At the beginning of the year	800	0.005	800	0.005
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.).	-	-	-	-
	At the end of the year	800	0.005	800	0.005

(ii) Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	NIL
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	NIL
Indebtedness at the end of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	NIL

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Ms. Shilpa Shridhar Divakar (MD and KMP)	



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Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Ms. Shilpa Shridhar Divekar (MD and KMP)	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,26,246.00	9,26,246.00
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others, please specify-		
	(i) Co's Contribution to PF ¹	6,59,340.00	6,59,340.00
	(ii) Incentive Accrued ²	Nil	Nil
	(iii) Superannuation ³	Nil	Nil
	Total (A)	1,62,50,035.00	1,62,50,035.00

¹ Paid in Government PF fund

² Accrued as incentive for period for which she has served as MD paid in November.

³ Paid to LIC of India as contribution to Approved Superannuation Fund.

B. Remuneration to other directors

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. H. C. Asher	Mr. Pradeep Poddar	
1	Fee for attending Board and Committee Meetings	8,00,000	7,50,000	15,50,000
2	Commission	12,50,000	12,50,000	25,00,000
3	Others, please specify	-	-	-
	Total (B)(1)	20,50,000	20,00,000	40,50,000

2 Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sekhar Natarajan	Mr. C. Ravishankar *	Mr. Piyush Nagar **	
1.	Fee for attending Board/ Committee Meetings	-	-	-	-
2.	Commission	-	-	-	-
3.	Others, please specify	-	-	-	-
	Total (B)(2)	-	-	-	-
	Total (B)=(B)(1)+(B)(2)	-	-	-	-

* Mr. C. Ravishankar resigned w.e.f March 22, 2016

** Mr. Piyush Nagar was appointed as an Additional Director w.e.f. March 23, 2016

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Abdul Alim Sayed Chief Financial Officer *	Ms. Chandana Dhar Company Secretary & Compliance Lead	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,19,86,270.00	36,96,995.00	1,56,83,265.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	10,86,704.00	NIL	10,86,704.00
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit			
	- others, specify	NIL	NIL	NIL
5	Others, please specify			
	Co's Contribution to PF ¹	5,02,453.00	1,93,743.00	6,96,196.00
	Total	1,35,75,427.00	38,90,738.00	1,74,66,165.00

¹ paid in Government PF fund

* resigned w.e.f. March 31, 2016

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					



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ANNEXURE 2 Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The key philosophy of all CSR initiatives of the Company is guided by the vision of "Help Improve Lives by Partnering with Communities to deliver lasting Solutions", wherein the core objective of the CSR activities will be to stay committed to improving lives:

- of farmers, farm families, women and children of communities where we live and work.
- by developing solutions that are sustainable and have long term impact.

The Vision is built on the four value pillars:

- Improving Lives
- Sustainable Development
- Partnerships
- Care and Concern

The CSR policy of the Company is available at the following web link: http://www.monsanto.com/global/in/whoweare/documents/csr%20policy_monsanto%20india%20limited.pdf

Our CSR commitments focus on:

- **Sustainable Agriculture:** Monsanto is committed towards providing assistance for development and impact on livelihoods of farmers and farm families by providing support for farm infrastructure, access to water and water conservation and efforts in improving rural productivity and market linkages, thereby making the agricultural system sustainable.
- **Health and Nutrition:** Rural India has 6.4 lakh villages with significant challenges in access and quality of health care, lack of knowledge and access to sanitation facilities, personal and community hygiene and drinking water solutions. There is an opportunity to lead holistic development through support in the food and nutrition space. Monsanto is committed to working towards improving lives of the rural communities with its programs in the health and nutrition space.
- **Education:** Monsanto believes in the power of education and the difference that it can make to the future generations of the country. DISHA is Monsanto's flagship program in education and is committed towards strengthening learning outcomes by enhancing school effectiveness, improving quality of teaching practices and infrastructure support.
- **Disaster Rehabilitation:** Being an integral part of India's business ecosystem and being integrally linked to the communities, Monsanto is committed to helping the communities overcome the disruption in their livelihoods and return to their normal lives. The Monsanto disaster rehabilitation effort provides sustained support to the people and communities affected by natural calamities to help them rebuild their lives and recover.

Monsanto partners with NGOs like - Akshaya Patra Foundation, Deshkal Society, Action for Food Production (AFPRO), Jaldhaara Foundation for

- a) enhancing food and nutritional security of children via the mid-day meal programme;

- b) improve learning levels of children through infrastructure support in schools, facilitating teachers' training programs and
- c) providing access to clean drinking water and sanitation facilities for better health of the communities

In line with the themes above, our target beneficiaries include farmers, farm families, women and children. Monsanto has a deep understanding of farm and farm families, which make up an estimated 60% of rural households. They provide food and nutrition to the entire nation and livelihood to millions of people in the country. In addition, we recognize that women and children are the most vulnerable groups across different societies and require special attention. Efforts in improving lives of women and children create a multiplier effect beyond these individuals, extending benefits to their families and the community.

Our efforts in the thematic areas are being executed under two spearhead programs:

A. Program SHARE – Sustainable Harvests – Agriculture, Resources and Environment

Programs under SHARE focus on **Sustainable Agriculture** practices by increasing agricultural yields sustainably through input-output capacity building of the farmers, imparting best package of practices and facilitating market linkages for improving household incomes for small and marginal farmers.

B. Program DISHA

DISHA covers our efforts in the Health, Nutrition and Education areas focused on **women and children in the rural communities** and is aimed at reducing rural hunger and enhancing learning levels. The program also focuses on providing access to clean drinking water and sanitation facilities for rural communities. Another important component of the program is the women empowerment aspect, which provides additional livelihood opportunities for women for enhancing rural household incomes. All of our Company's present projects are under this program wherein we focus sharply on the following areas:

1. **School Nutrition project:** We are partnering with NGO Akshaya Patra to provide nutritious mid day meals to 7500 children across 147 schools in Orissa and Uttar Pradesh. The program includes distribution of hygiene kits to the children containing basic toiletries and sensitization on wash and hygiene awareness. **Duration: April 2015- April 2017**

Impact: Serving mid day meals addresses the challenge of malnutrition in children and also improves the enrollment and attendance rates of children in schools. Sensitization will lead to behavioral changes in adoption of practices improving hygiene.

2. **Kitchen-garden Project:** We are partnering with NGO Akshaya Patra for maintaining a kitchen garden, which uses 1/2 acres of land, catering to partial vegetables requirement of the centralized kitchen of Akshaya Patra in Jampur used for preparing mid day meals of 150,000 children. This kitchen-garden has a greenhouse for production of quality seedlings in a short time. The infrastructure also include solar dehydration units for drying and storage of vegetables like radish etc for use during off season, helping ensure nutritional sufficiency throughout the year and reducing market dependence for procuring the vegetables for mid day meal preparation. **Duration: April 2015- Oct 2016**

Impact: Currently, 30-35% of the vegetables requirement including vegetables likes Radish, Carrot and Summer Squash for the kitchen is fulfilled through this kitchen-garden. This will help reduce cost of meals being served by Akshaya Patra to help cover additional children and will provide access to nutritious vegetables throughout the year.

3. **Integrated Community Development project (Silvassa):** We are partnering with NGO Action for Food & Livelihood (AFPL) across 5 villages in Silvassa with a focus on improving access to clean drinking water and sanitation facilities for communities.

The project focuses on women empowerment component by providing livelihood opportunities, skill based training and self-employment opportunities to women Self Help Groups (SHGs) for enhancing their income.

The project also focuses on the aspect of education of agricultural household through provision of educational program to children in the villages. **Duration: April 2015- Dec 2017**



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Impact:

- a) **Drinking water facilities:** 5 villages supported with installation of 4 hand pumps and reinstallation of a drinking water pipeline;
 - b) **Sanitation facilities:** Constructed 88 household toilets across five villages along with sensitization training programs on health and hygiene; 37 household toilets are currently under construction.
 - c) **Women empowerment:** 3 women SHGs activated for making paper plates, tailoring & group vegetable cultivation respectively. Additionally 32 families are being provided training & support on homestead farming helping them enhance the nutritional value of their food.
 - d) **Agricultural livelihood with shared irrigation sources** – 2 farmer groups have been identified and 1 dug-well construction underway to enable the farmers extend their agricultural activities.
4. **Improving quality of lives of communities through adoption of integrated approach for water conservation, sanitation and women empowerment** – We are partnering with AFPRO across 25 villages in 5 districts of Maharashtra – Buldhana, Jalna, Aurangabad, Wardha and Yavatmal to provide access to clean drinking water, sanitation facilities to rural communities and empowering women through provision of livelihood opportunities. **Duration: April 2015- Jul 2016**

Impact:

- a) **Drinking water facilities:** Drinking water facilities setup across 6 villages which include revival of entire drinking water scheme, 1 RO water plant, 2 overhead water storage facilities, 1 open well and setting up of 2 drinking water pipelines in beneficiary villages.
 - b) **Sanitation facilities:** Constructed 153 household toilets across 10 villages and provided water and sanitation infrastructure (includes toilets, water tanks, supply infrastructure) to 6 schools as per requirements.
 - c) **Water conservation:** Created and repaired 5 Water Conservation Structures (includes Check Dams, rain water harvesting system, KT Weir, deepening & widening of percolation tanks, etc) in 4 beneficiary villages providing access to water through the dry seasons.
 - d) **Women empowerment activities** – 15 women SHGs activated covering around 135 women, across 11 villages. SHG members trained & supported with backyard poultry, goat rearing activities, stationary shop, sewing and embroidery machines enabling them to generate additional household incomes.
5. **Improving learning levels of children from agricultural communities** – Project being undertaken, in partnership with NGO Deshkal Society, in the Kirtiyanand block of Purnia in Bihar with a focus on creating inclusive classrooms to make learning more joyful and participatory. The project focuses on teachers' trainings at the cluster resource centers (CRCs) with resource material developed for learning practices and processes to create a more inclusive classroom environment resulting in increased retention and attendance of children in classrooms. The project also has an institutional set up of strengthening the School Education Committees (SECs), to have participation of parents and teachers in tracking the academic progress of the children and having an effective school organization. **Duration: April 2015- April 2017**

Impact - The project will improve learning levels of 48,000 children across 165 Government run Primary schools through improved learning resources and materials.

- Program rolled out across all the 165 schools
- Resource material created for teacher training, which includes activity based learning tools. Teachers trainings underway conducted at the CRCs monthly.
- There are 147 School Education Committees (SECs) that have been setup. 18 SECs setup underway.
- Distribution of text books and sports materials undertaken across all the schools to encourage attendance and participation.
- Interactive & pictorial charts & learning aids handed over to schools for creating inclusive classrooms.

The project has started getting appreciation of Teachers and Headmasters in the schools with the increased participation of students and parents in the learning process and school organization. Government authorities have started to take note of the program and have been supportive of the program approach & design.

6. **Community Drinking Water project in Telengana-** This project seeks to provide safe drinking water solutions for rural communities in Telengana and is being executed in partnership with the Jaldhaara Foundation. Under the project, Monasato will help setup 5 Water Health Centres (drinking water plants) across identified sites in Telengana. The plants in Hazurabad in Karimnagar, Shamsabad in Rangareddy, Mriyalaguda in Nalgonda have been completed, while discussions are ongoing with key community stakeholders on finalizing the remaining 2 sites. **Duration: March 2016- Sep 2016**

Impact - The project will provide access to clean and safe drinking water to around 2 lakh+ community members around the 5 water scarce sites. Access to safe drinking water is also expected to reduce the incidence of water borne diseases in these communities and will have a positive impact on health of the members.

7. **Sanitation Facilities in Champaran, Bihar-** The Board has already approved a project that involves setting up of 100 household toilets across beneficiary villages in the East Champaran district of Bihar. The project is being executed with the help of AFPRO. The teams are currently drawing up the execution milestones. **Duration: May 2016- Oct 2016**

Impact: Access to sanitation facilities will lead to change in behavior with respect to sanitation and hygiene. This project will have positive health impacts for the communities with reduction in the diseases caused due to contaminated water supply.

8. **Impacting Livelihoods through Integrated Land & Water Resource Development & Improved Farming in Kalansool, Orissa-** This project was envisaged with NGO Pradan for improving lives of 3,000+ agrarian households in 20 villages of Odisha, in few of the most backward regions in the Country, by providing an integrated land and water resource management model, improving farming systems, livestock rearing, better market linkages & construction of irrigation structures. Women empowerment was a key component through activating women SHGs into financial inclusion & security. Better agricultural interventions & livestock management were planned for adding additional incomes into the families.

This project, however, had to be cancelled due to delays in getting approvals from Pradan's Board on the advancement of corporate grants due to multiple taxation challenges.

2. The Composition of the CSR Committee

- x Mr. Seshai Natarajan – Chairman, Non executive director
- x Ms. Seelva Chandan Govilán – Member, Managing Director
- x Mr. H.C. Asher – Member, Independent Non-executive director and
- x Mr. Prasad Poddar – Member, Independent Non-executive director

3. Average net profit of the company for last three financial years – ₹ 114.23 Crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 2.28 Crore

5. Details of CSR spent during the financial year

(a). Total amount to be spent for the financial year – ₹ 2.28 Crore

(b). Amount unspent, if any - NIL

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



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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise Annual ₹ Crore	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ Crore)	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Program SHARE	Rural Development Creating Sustainable Agriculture Ecosystem	Other area: Kalahandi, Orissa	1.31	0	0	NA
1	Program DISHA	Education and Nutrition School Nutrition project- Support mid day meal for 7500 children from 147 schools across Lucknow and Bhubaneswar, for the entire year	Other area: Bhubaneswar, Orissa and Lucknow, Uttar Pradesh	0.76	0.76	0.76	Through implementing partner NGO: Akshayapatra Foundation
2	Program DISHA	Education and Nutrition Kitchen-garden project- Maintaining kitchen-garden for veg supply to centralized kitchen of Akshaya Patra used for serving mid day meals to children	Other area: Jaipur, Rajasthan	0.12	0.12	0.12	Through implementing partner NGO: Akshaya Patra Foundation
3	Program DISHA	Swatch Bharat Abhiyan, Rural Development Integrated Community Development project Providing access to drinking water and sanitation facilities for rural communities and empowering women by providing alternate livelihood opportunities, Promotion of agricultural livelihoods through creation of shared irrigation sources	Local area: 6 villages of Silvassa- Vasona, Dapada, Mandoni, Motapati, Chotapati, Karad	0.78	0.57	0.57	Through implementing partner NGO: Action for Food Production (AFPRO)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise Annual ₹ Crore	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ Crore)	Cumulative expenditure upto to the reporting period	Amount spent Direct or through implementing agency*
4	Program DISHA	Swatch Bharat Abhiyan, Rural Development Improving quality of lives of communities through adoption of integrated approach for water conservation, sanitation and women empowerment. Providing access to drinking water and sanitation facilities for rural communities and empowering women by providing alternate livelihood opportunities. Creation of water conservation sources.	Both local and other 25 villages of Maharashtra across 5 districts- Buldana, Jalna, Aurangabad, Jalgaon and Warananagar	0.56	0.56	0.56	(AFPRO) Through implementing partner NGO Action for Food Production (AFPRO)
5	Program DISHA	Education Improving learning levels of children from agricultural communities	Local Area, Purnia, Bihar	0.76	0.35	0.35	Through implementing partner NGO Seema workers
6	Program DISHA	Rural Development Community Water Purification Project	Other area, 5 sites in Telangana- Huzurebad in Warangal, Shamshabad in Rangareddy, Miryalaguda in Nalgonda- 2 additional sites being initiated	1.10	0.77	0.77	Through implementing partner NGO Jeldhasa Foundation
TOTAL				4.95	2.14	2.14	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three 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

The signatories to this report state that to the best of their knowledge and belief, implementation and monitoring of CSR activities of the Company is in strict compliance with CSR objectives and Policy of the Company.

Sd/-

(Managing Director)

Sd/-

(Chairman, CSR Committee)

Monsanto India Limited (the Company) has had a Remuneration Committee of the Board, consisting of three Non Executive Directors, pursuant to requirements of the Companies Act, 1956 and non-mandatory requirements of the Listing Agreements. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on May 30, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Clause 49 under the Listing Agreement with the Stock Exchanges.

The key objectives of the Committee and the Policy would be to lay down guidelines and recommend to the Board:

- a) Criteria for appointment, performance evaluation and removal of Directors, Senior Management and Key Managerial Personnel. They shall also lay down guidelines to establish the functional independence of an Independent Director.
- b) Guidelines for Subordinate(s).
- c) Guidelines for the Board, the Senior Management and the Key Managerial Personnel.
- d) Criteria for determining reasonable and sufficient remuneration payable to the Directors, the Senior Management and the Key Managerial Personnel.

a) "Board" means the Board of Directors as defined under the Companies Act, 2013.

b) **Key Managerial Personnel** (hereinafter referred to as KMP) : Key Managerial Personnel or KMP means—

- (i) Chief Executive Officer or the Managing Director or the Manager;
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) such other officers as may be statutorily prescribed from time to time.

c) "Nomination and Remuneration Committee" or "Committee" means the Committee of the Board constituted from time to time under the provisions of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013.

d) **Senior Management** (hereinafter referred to as SM) means company employees who are members of its core management team, excluding Board of Directors. It would include members of management one level below the executive directors, including functional heads.

a) The Committee shall be constituted / re-constituted from time to time by the Board of Directors of the Company.

b) The Committee shall consist of a minimum 3 Non-Executive Directors, of which not less than one half will be Independent Directors. The Chairperson/Chairman of the Company (whether executive or non executive) can be a part of the Committee but shall not vote nor shall the Committee.

c) Minimum five (5) members shall constitute a quorum for Committee meeting.

d) The Committee shall meet in person or through other permitted modes such as video-conferencing.

e) The Committee shall conduct its business through its resolutions passed by circulation.

f) The Chairman of the Company shall be a permanent invitee to the Committee.

g) Details of Committee membership and functioning shall be disclosed in the Annual Report.

h) Committee shall consist of at least one independent Director.

i) In the event of more than one independent Director, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman and

- c) Chairman of the Committee could be present at the Annual General Meeting. However, such chairman may choose appropriately and decide who shall answer specific shareholder queries.

5. FREQUENCY OF MEETINGS

Meetings of the Committee shall be held at such regular intervals as may be required. However a minimum of one meeting every financial year is mandatory.

6. DETAILED NOMINATION DUTIES

The Committee shall ensure the following :

- a. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board, SM and as KMP;
- b. Review and update as necessary the existing minimum selection criteria with regards to education, work experience, or as may deemed suitable, for SM and KMP;
- c. Evaluate the composition and constitution of the current Board, SM, and KMP based on the criteria set above. Recommendations to be made to the Board based on such findings;
- d. To review the suitability for continued service of each Board member when his or her term expires and when he or she has a change in status such as employment change etc., and shall recommend whether or not the Director should be reappointed;
- e. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- f. Lay down the criteria for establishing the independence of an 'Independent Director';
- g. Lay down criteria for performance evaluation of the Independent and Executive Directors, the Chairman, the entire Board;
- h. Review the performance of the Executive Board members, SM and the KMP based on the existing performance management system of the Company;
- i. Lay down a repository of potential causes/reasons for termination of contract for any of the Independent Directors;
- j. Evaluate the Company Policy on potential causes/reasons for termination of service and make recommendations of change, if any;
- k. Lay down guidelines on the 'confidentiality clause' to be serviced by a Board member, SM, or KMP;
- l. To ensure that there is at least one successor each for all Executive Directors, SM and KMP; and
- m. To ensure that there is diversity in the Board structure, SM and KMP which may include diversity on gender, race, religion, age, national origin, disability, or any other characteristic protected by applicable central or state law.

Further, the Committee should, before recommending a candidate for Directorship on the Board, or being a member of the SM, or accepting a position of a KMP in the Company, consider the qualities in such candidate, such as the following :

7. EXECUTIVE DIRECTORS, SM AND KMP

Developing People and Teams :

- Takes time to understand the strengths, development needs, and career aspirations of others (especially direct / matrix reports)
- Coaches, structures on-the-job experiences, and identifies formal training opportunities to help others succeed

Influencing :

- Knows how to get things done both through formal channels and informal networks
- Promotes ideas persuasively; advocates for ideas that are in the company's best interest

Modelling the Monsanto Pledge :

- Demonstrates integrity and authenticity; is genuine and consistent in interactions with others.
- Engages in dialogue: listens carefully to diverse points of view and engages in thoughtful dialogue to broaden understanding of issues

Critical Thinking about the Business:

- Thinks about business issues broadly and strategically (beyond immediate area of responsibility / geography), demonstrates business acumen
- Understands issues from the perspective of customers and other external stakeholders and applies to decision-making in balance with internal priorities

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Inspiring Others :

- * Sets direction: uses relevant business / industry information to develop a clear vision for the team, helps team members understand their role in achieving the vision and goals
- * Enrolls others in the vision: demonstrates enthusiasm for what needs to be achieved and inspires others to follow

Relationship and Network :

- * Recognizing, respecting and leveraging the talents, skills and resources of others, both in and outside of Monsanto.
- * Working effectively with teams and networks across geographic, political, demographic, functional and other cultural and organizational boundaries.

Courage and Candour :

- * Know what you believe and be willing to respectfully express opinions to improve the common good, particularly when it means challenging the status quo.
- * Courageously face new challenges and opportunities: leaving behind the familiar in an exploration of the unknown

Agility :

- * Demonstrate a high level of comfort with ambiguity
- * Adapt quickly to changes in business: strong ability to respond quickly to new opportunities

Initiative and Foresight :

- * Anticipate and plan for the future
- * Take action instead of waiting to be told what to do, or waiting for the environment to become more stable

Result Orientation :

- * Passion about making the right things happen in the right way at the right time -- in spite of potential barriers
- * Discipline in operational excellence

Although Non-Executive Directors need to establish close relationships with Executives and be well informed, all Non-Executive Directors need to be independent of mind and willing and able to challenge, question and speak up. The other criteria for appointment that the Committee may look for may include, but not be limited to :

- * Integrity and high ethical standards
- * Sound judgement
- * Availability and willingness to challenge and probe: Within the collegiate environment of a unitary Board, Non-Executive Directors must have the strength of character to obtain full and satisfactory answers to their questions.
- * Strong interpersonal skills: The effectiveness of a Non-Executive Director depends on exercising influence whilst not giving offence. To exercise influence, a Non-Executive Director must have the trust of his or her colleagues on the Board.

New Board members are required to possess the particular skills, experience and expertise that will best complement Board effectiveness at that time. In its evaluation of candidates for the Board, the Committee will have regard to normally accepted nomination criteria, including, but not limited to:

- (1) the ability to exercise sound business judgment
- (2) a proven record of achievement in a specified field
- (3) Absence of conflicts of interest or other legal impediments to serving on the Board
- (4) a willingness to devote the required time
- (5) availability to work full and part-time meetings
- (6) relevant knowledge and experience
- (7) relevant professional qualifications



Annually the Nomination and Remuneration Committee shall determine whether or not a Non-Executive, Independent Director fulfils the tests of independence, by referring to the guidelines described in the Companies Act, 2013 and the Listing Agreements and other salient factors. To aid the determination by the Nomination and Remuneration Committee, every Non-Executive, Independent Director shall, on appointment, and subsequently on an annual basis, submit to the Nomination and Remuneration Committee a declaration in the form as provided by the Committee on his/her independence. The Committee shall review the return and decide on whether such Director shall continue to be considered independent.

7 DUTIES OF THE COMMITTEE ON REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONS

Remunerating Executive Directors, Key Managerial Persons (KMPs) and Senior Management :

Monsanto India Limited will provide an opportunity for competitive rewards to attract and retain talent and foster a sense of ownership in the Company. The Company's focus is on total compensation, which includes competitive base pay, annual cash incentives and long-term incentives. These will be aligned and in sync with the global Human Resources' policies and framework of the Company.

The base pay of the employees recognizes their skills, experience and role responsibilities. In most years, the base pay will increase in line with the cost of labor movement in the relevant market, i.e. the amount that companies are using to increase base pay from one year to the next, using information from a variety of professional salary surveys to determine market rates. The incentive levels will also depend on the levels of employment of the employees within the hierarchical organisation of the Company.

The Company will provide base pay adjustments based on market movements amongst comparable companies (pegged at the 50th percentile) which may consist of a broad range of diverse companies including :

- Science-based, research-focused, organizations from the biotechnology, pharmaceutical or related industries
- Specialty or diversified chemical companies requiring ongoing introduction of new products
- Brand-focused general industry leaders
- Industry specific groups (Seed, Ag Chem, Biotech)

The Company's annual incentive program will be based on

- performance of the Company globally;
- in the India region; and
- the employees' individual performance.

Rating of the employees' individual performances and the incentive amounts will be decided in consultation with the respective managers of such employees, the functional leads and the Chairman of the Company.

The Company encourages employees to act as owners to achieve results. With the opportunity to define and drive their long-term growth strategy, managers are provided incentives that bear results over a long period of time. The Long-Term Incentive (LTI) awards, which are granted to employees who are in management roles, are designed to recognize the role they play in defining and driving Monsanto's long-term growth strategy. Long-term incentives are delivered through a combination of Stock Options (60%) and Restricted Stock Units (RSUs) (40%).

All components of the total compensation will be confirmed to the employees (as applicable) in writing at the time of joining and every time any change is made to their compensation.

Remunerating Non Executive Directors :

The Committee should consider remunerating the Non Executive Directors with

- a combination of fees for attending meeting of the Board and its Committees, and
- annual commission, appropriate to the size and nature of the Company, as permitted by the statutory provisions and further as approved by the members of the Company.

Duties of the Committee in relation to remuneration matters will also include :

- Recommending to the Board criteria to establish remuneration of the Non Executive Directors is reasonable, sufficient and appropriate as per the statutory requirements;
- Recommending to the Board criteria to establish the remuneration of Executive Directors, SM and KMP such that it is designed to be reasonable to attract, motivate and retain talent as per the demands of the job;
- Ensuring that balance is maintained between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

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The Committee, if deemed necessary, may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend any changes it considers necessary for the approval of the Board of Directors. The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

For evaluation of the Board members, the Committee may consider the following aspects for an evaluation:

- Adherence to processes;
 - Adherence to charter of the Committee / Board;
 - Effectiveness and contribution to the respective positions.
-
- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated;
 - b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee;
 - c) The Company Secretary of the Company shall act as Secretary of the Committee, if required;
 - d) Committee is empowered to delegate any of its administrative powers to one or more of its members or the Secretary of the Committee; and
 - e) Committee members may, at their discretion, consider any other matters as may be requested by the Board.

The review of this charter shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any, shall be made to the Board to update the same from time to time.



ANNEXURE 4
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Monsanto India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Monsanto India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as specified in (Annexure 1) (hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. 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, 1992;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent applicable during the Audit Period;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
6. Laws specifically applicable to the industry to which the Company belongs, as identified and confirmed by the management, that is to say:
 - a. Explosives Act, 1884 and Explosives Rules, 2008;
 - b. Petroleum Act, 1934;
 - c. The Static and Mobile Pressure Vessels (Unfired) Rules 1981;
 - d. The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder;

- e. Seeds Act, 1966 read with Seeds Rules, 1968;
- f. Seed Control Orders 1983 read with Essential Commodities Act, 1955;
- g. Insecticides Act, 1968 read with Insecticides Rules, 1971;
- h. Plant Quarantine (Regulation of Import into India) Order, 2003;
- i. Public Liability Insurance Act, 1991;
- j. Environmental (Protection) Act, 1986 read with Environmental Protection Rules, 1986;
- k. The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008;
- l. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
- m. Water (Prevention and Control of Pollution) Cess Act, 1977;
- n. The Air (Prevention & Control of Pollution) Act, 1981 read with the Air (Prevention and Control of Pollution) Rules, 1982.

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

- a. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange India Limited.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, nor have we examined compliance with laws other than those mentioned above.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The 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.

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

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

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company has not incurred any specific event/ action that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For M/s Vinod Kothari & Company
Practising Company Secretaries
UIN P1996WB042300

Arun Kumar Maitra
Partner
Membership No.: A3010
C P No.: 14490

Place: Kolkata
Date: May 20, 2016

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**(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 sub-section (1) of 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

All the contracts or arrangements or transactions of the Company with related parties have been priced at arm's length basis. Details of related party transactions of the Company for the financial year ended March 31, 2016 can be found on page numbers 55 to 57.

2. Details of material contracts or arrangement or transactions* at arm's length basis

- (a) Name(s) of the related party and nature of relationship - Monsanto Company, USA, Ultimate Holding Company.
- (b) Nature of contracts/arrangements/transactions - Purchase of key raw material (IPA Salt of Glyphosate technical) from Monsanto Company, USA, for Roundup business of the Company.
- (c) Duration of the contracts / arrangements/transactions - Ongoing on the basis of Purchase order.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: - Negotiated Price based on exchange rate parity reviewed on periodic basis.

(Amount in ₹ Crore)

Name of the related party	Monsanto Company, USA	
	Amount incurred from April 2015 to March 2016	Approved for full year (2015-16)
1. Purchase of Raw Material	78.05	300.00
2. Expense towards Royalty	5.50	10.00
3. Import of equipments	-	2.00
4. Reimbursement of Expenses		
- Expenses charged to MHL	1.45	5.50
- Expenses charged by MHL	2.90	6.00

- (e) Date(s) of approval by the Board, if any - November 03, 2014. The above transaction has also been approved by the shareholders, vide a postal ballot dated November 3, 2014.

- (f) Amount paid as advances, if any - NIL.

*Material Related Party Transactions means such Related Party Transactions to be entered into when it exceeds or exceeds whereor individually or taken together with previous Related Party Transaction during a financial year, a specified "percent" of the annual consolidated turnover of the company as per the last audited financial statements of the Company or such other threshold as may be laid down from time to time by the Board.

ANNEXURE 6

Disclosure in Board's report pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Persons) Rules, 2014

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :

• Shilpa Shridhar Divekar, Managing Director	14.37 : 1
• H C Asher, Independent Director	1.81 : 1
• Pradeep Poddar, Independent Director	1.76 : 1

- (ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

Name of Directors / Chief Financial Officer / Company Secretary	percentage increase in remuneration
Sekhar Natarajan, Non Executive Chairman	-
Shilpa Shridhar Divekar, Managing Director	7%
H C Asher, Independent Director	-
Pradeep Poddar, Independent Director	-
Piyush Nagar, Non Executive Director	-
Alim Abdul Sayed, Chief Financial Officer	7%
Chandana Dhar, Company Secretary	9%

- (iii) Percentage increase in the median remuneration of employees in the financial year :

Median 8%

- (iv) Number of permanent employees on the rolls of company :

287 as on March 31, 2016.

- (v) Explanation on the relationship between average increase in remuneration and company performance :

The average increase in remuneration during FY 2016 was 7% as compared with previous financial year. Gross Profit of the Company during the financial year ended March 31, 2016 was ₹ 109.16 Crore as compared to ₹ 128.98 Crore during financial year ended March 31, 2015 (a decrease of 15.37%). As always, average increase in remuneration is guided factors like economic growth, inflation, external competitiveness, talent retention, employee performance.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

The Key Managerial Persons' (KMP) remuneration details are provided as a separate annexure to the Directors' Report. Remuneration for the KMP comprises of fixed and variable components. In addition to individual performance assessment, the key parameters to determine variable pay are business and Company's performance. Therefore, remuneration paid to the KMP is not directly comparable against the performance of the Company. However, Company's performance has a significant impact on the variable remuneration to Key Managerial Personnel.

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year

March 31	Market cap(₹ cr)	P/E ratio
2016	2863.85	28.28
2015	4938.44	46.45
2014	2588.59	21.06

Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:
Not Applicable

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The median percentile for the people leaders is 7% while the median percentile increase for individual contributors is also 7%, hence the ratio works out to be 1. (7%/7%=1)

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

Please refer item number 6.

- (x) Key parameters for any variable component of remuneration availed by the directors:

As per the Remuneration Policy of the Company, annual incentive is one of the variable component of the remuneration availed by employees. Pursuant to the same, the executive director receives short term incentive, which is determined by the performance of the director and financial results of the Company and also the results of the ultimate holding company in the USA.

Further, the Executive director also receives a long term incentive which is based on the global stock program which is made available to employees above a certain grade within the Company's hierarchy.

Non-Executive Directors receive a commission which is capped at 1% of the net profits, as permitted by the Companies Act, 2013 and approved by the shareholders at the 64th Annual General Meeting held on August 22, 2014.

- (xi) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

Not Applicable

- (xii) Affirmation that the remuneration is as per the remuneration policy of the company.

The Directors affirm that compensation changes in the Company are in line with the Nomination and Remuneration Policy of the Company.

For and on behalf of the
Board of Directors

Sekhar Natarajan
Chairman

ANNEXURE 7

CONSERVATION OF ENERGY, R&D, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO
Information required under Section 134(3)(m) of the Companies Act, 2013 read with
Rule 8 of Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

(a) Steps taken or impact on conservation of energy	We have initiated and implemented replacement of existing air conditioning system with star rated air conditioners as a step to reduce electric energy consumption at the Shameerpet site. We have also done automization of DG sets for effective utilization of fuel.
(b) Steps taken by the Company for utilizing alternate sources of energy	We have installed solar panels for our lighting requirements in the site. We are also evaluating alternative sources of fuel to replace existing usage of LPG.
(c) Capital investment on energy conservation equipments	₹ 0.83 Crore

B. TECHNOLOGY ABSORPTION**(i) Efforts made towards technology absorption;**

- Breeding 3.0 focus – Native traits, Speed to market through Genome wide selection implementation and predictive analytics
- Integrated breeding function to leverage tools and technologies from other crops.
- Integrated testing for better resource utilization
- Enhanced efforts on exotic germplasm introgression

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;

- Speed to market
- Optimization of human resources & investments in testing & breeding
- Increased predictability of product performance in target markets.
- Better SKU management due to wider adaptable products.

(iii) Imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- (a) **the details of technology imported:** Germplasm, Shelling line, Planter, Combine, Direct print, breeding tools and mobile applications
- (b) **the year of import :** Germplasm import is a continuous process : Centrifuse in 2015; Shelling line in 2012; Planter in 2013; COMBINE, Single ear sheller, Direct print in 2014; breeding tools and mobile applications in 2015 reflecting in improved data generation and quality
- (c) **whether the technology been fully absorbed :** Yes
- (d) **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof :** Not Applicable

(iv) Expenditure incurred on Research and Development

Expenditure on R&D	₹ (in crore)
a) Capital (including CWIP)	10.08
b) Recurring	23.65
TOTAL	33.73

(v) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows – The details of earnings and expenditure in foreign currency are given in Notes 29, 30 and 31 in the Notes to the Accounts.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Monsanto India Limited

1. We have examined the compliance of conditions of Corporate Governance by Monsanto India Limited (the Company) for the year ended 31st March 2016, as stipulated in:

- * Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from April 01, 2015 to November 30, 2015.
- * Clause 49(VIII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- * Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 01, 2015 to March 31, 2016 and
- * Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations, for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

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

For DELOITTE HASKINS & SELLERS LLP
Chartered Accountants
(Firm's Registration No. 117366W-W-100014)

P.B. Pathak
Partner

Mumbai, May 20, 2016

(Membership No. 40005)



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Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016.

Your Company believes that corporate governance is at the core of the Company's policies and systems for managing and supervising itself, including its organization, its values, business policies and guidelines, as well as all internal and external regulatory and monitoring mechanisms. The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' in the area of Corporate Governance across various geographies. Effective and transparent corporate governance guarantees that your Company is managed and monitored in a responsible manner focused on value creation. This fosters the confidence of our domestic and international investors, the financial markets, our customers and other business partners, employees and the public in the Company.

Our corporate governance philosophy is based on the following principles:

- Appropriate size and composition of the Board with each Director bringing in key expertise in different areas;
- Systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties;
- Ethical business conduct by the management and employees;
- Appropriate systems and processes for internal controls on all operations, risk management and financial reporting; and
- Timely and accurate disclosure of all material operational and financial information to the stakeholders.

BOARD OF DIRECTORS

COMPOSITION

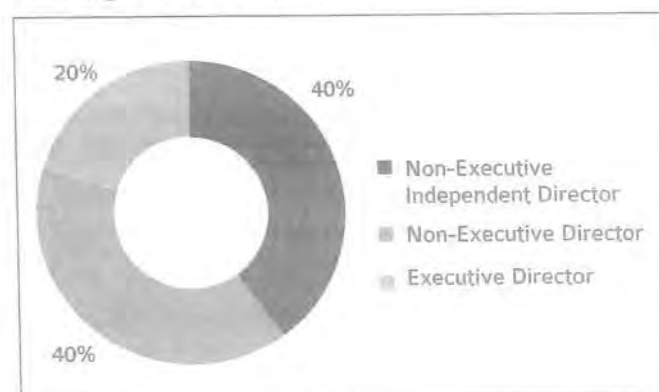
The Board of Directors, along with its Committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure.

The Board consists of Executive and Non-Executive Directors. As required under Section 149(1) of the Companies Act, 2013, and

Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI LODR") Ms. Shilpa Shridhar Divekar, a Woman Director, has been appointed on the Board. Currently, the Board consists of five members, one of whom is Executive (Managing Director) and four others are Non-Executive Directors including the Chairman of the Company. One-third of the Board consists of Independent Directors.

There are no relationships between the directors inter se.

Percentage of Board Composition:



Mr. Piyush Nagar has been appointed an Additional Director with effect from March 23, 2016. Mr. C Ravishankar has resigned as a Non-Executive Director with effect from March 22, 2016.

Monsanto Company, USA has certain rights enshrined in the Articles of Association pertaining to the appointment of Directors.

Number of Board Meetings:

During the financial year ended March 31, 2016, eight (8) meetings of the Board of Directors were held on May 14, 2015, June 5, 2015, August 3, 2015, November 2, 2015, February 8, 2016, March 15, 2016, March 22, 2016 and March 31, 2016. The maximum time-gap between any two consecutive meetings did not exceed four (4) months. The necessary quorum was present in all the meetings.

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues relating to the business. The tentative annual calendar of Board Meetings for approving the accounts for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report.

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All the Directors have informed your Company periodically about their Directorship and membership on the Board Committees of the other Company. As per disclosure received from Director(s), none of the Director(s) holds membership in more than ten (10) Committees and Chairmanship in more than five (5) Committees.

None of the Directors of the Company are related to each other. All Non Executive Directors are liable to retire by rotation. The appointment, tenure and remuneration of Managing Director once approved by the Board is subject to further approval of the members of the Company.

The details of the composition, nature of Directorship, the number of meetings attended and the directorships in other companies of the Directors of the Company are detailed below in Table 1.

Table 1: Composition of the Board of Directors

Name of the Director	DIN	Category	Attendance		No. of directorships ⁽¹⁾		Committee position ⁽²⁾	
			At the Board Meetings	At the last AGM	Listed companies	Others	Chairman ⁽³⁾	Member
Mr. Sakher Natarajan	01031445	Non-Executive Chairman	8	YES	1	2	1	1
Ms. Shilpa Shivdhar Dorekar	06619352	Managing Director	5	YES	1	2	-	-
Mr. H. C. Asher	00024963	Non-Executive, Independent	8	YES	4	8	2	5
Mr. Pradeep Peddar	00025199	Non-Executive, Independent	7	NO	1	1	1	1
Mr. Piyush Nagar ⁽⁴⁾	02272383	Non-Executive	0	N.A.	1	-	-	-

(1) Directorship other than in private companies/foreign/non-profit organizations, including Monsanto India Limited.

(2) Membership/Chairmanship in Audit and Stakeholders' Relationship Committees of all public limited companies, whether listed or not, including Monsanto India Limited.

(3) Chairmanship in Audit and Stakeholders' Relationship Committees excluding the membership.

(4) Appointed Additional Director with effect from March 31, 2016. Mr. C.R. Vishankar ceased to be Director with effect from March 31, 2016.

Board Procedures:

The Board Meetings are governed by structured agenda for the meeting. The agenda along with comprehensive notes and background material are circulated at least seven days before each meeting to all the Directors for facilitating effective discussion and decision making. The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video-conferencing or other audio visual mode. Accordingly the option to participate in the Meeting through video-conferencing was made available to the Directors except in respect of such items which are not permitted to be transacted through video-conferencing.

The minimum information to be placed before the Board as required by Part VI of Schedule I of SEBI (LODR), 2013 is placed before the Board during its meetings.

The Board members may bring up any matter for consideration of the Board in consultation with the Chairman. Presentations are

made by the Managing Director & CEO and other Business Heads on the Company's operations and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes and the draft minutes are circulated to the Board for their perusal before they are finalized.

Committees of the Board:

Recognizing the immense contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following five (5) Committees of the Board:

- Audit Committee
- Investment and Finance Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility (CSR) Committee
- Share Transfer Committee

The Board decides the terms of reference for these Committees. Minutes of meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

AUDIT COMMITTEE:

Role of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI LODR and includes overseeing the Company's financial reporting process, approval or any subsequent modification of transactions of the company with related parties, reviewing the financial statements and the adequacy of internal audit. The role of Audit Committee also includes periodic discussions with the Internal Auditors and the Statutory Auditors about their scope of audit and adequacy of internal control systems. The Audit Committee evaluates the company's internal financial control and risk management system. The Audit Committee also recommends appointment/ re-appointment of Statutory Auditors and also reviews and monitors the auditor's independence and performance, and effectiveness of audit process.

The Audit Committee comprises of

- Mr. Pradeep Poddar – Chairman, Independent Non Executive Director
- Mr. H. C. Asher – Member, Independent Non Executive Director and
- Mr. Sekhar Natarajan – Member, Non Executive Director

The Company Secretary acts as Secretary to the Audit Committee.

The Chairman, Managing Director, Chief Financial Officer, Head - Legal Affairs, Internal Auditors and Statutory Auditors are also invited to the Audit Committee meetings.

The Audit Committee met during the Financial Year five (5) times on May 14, 2015, August 3, 2015, November 2, 2015, February 8, 2016 and March 22, 2016. Details of members' attendance at the Committee's meetings are given in Table 2.

Table 2: Attendance Details in the Audit Committee Meetings

Name of the Committee Member	Meetings Held	Attendance
Mr. Pradeep Poddar	5	5
Mr. H. C. Asher	5	5
Mr. Sekhar Natarajan	5	5

NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR, a Nomination & Remuneration

Committee of the Board is constituted. The Chairman of the Committee is an Independent Director and majority of the members on the Committee are Independent Directors. The terms of reference of the Committee inter alia, include

1. Formulation of 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying 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.

The Nomination and Remuneration Committee comprises of;

- Mr. H. C. Asher – Chairman, Independent Non executive director
- Mr. Pradeep Poddar – Member, Independent Non executive director
- Mr. Sekhar Natarajan – Member, Non executive director.

The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

During the Financial Year, the Committee met on April 10, 2015, May 14, 2015, November 2, 2015 and February 8, 2016. Details of members' attendance at the Committee's meetings are given in Table 3.

Table 3: Attendance Details in the Nomination and Remuneration Committee Meetings

Name of the Committee member	Meetings Held	Attendance
Mr. H. C. Asher	4	4
Mr. Pradeep Poddar	4	4
Mr. Sekhar Natarajan	4	4

Nomination and Remuneration Policy:

The Board has approved a Nomination and Remuneration Policy of the Company which has been uploaded on the website of the Company. This Policy is in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Regulation 19 and Schedule II, Part D of the SEBI LODR.

The Nomination and Remuneration Committee has adopted a Charter which deals with the manner of selection of Board of Directors and CEO and Managing Director and their remuneration.

1. Criteria of selection of Non-Executive Directors:

a. The Non-Executive Directors shall be of high ethical standards and integrity with relevant expertise, experience and particular skills that will complement Board effectiveness.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall determine whether or not an independent Non-Executive Director fulfils the tests of independence, by referring to the guidelines described in the Companies Act, 2013 and the Listing Agreements and other salient factors.

c. To aid determination, every Independent Non-Executive Director shall, on appointment and subsequently on an annual basis submit to the Nomination and Remuneration Committee a declaration in the form as provided by the Company on his/her independence.

d. The Nomination and Remuneration Committee shall consider the following criteria while recommending to the Board the candidature for appointment as Director:

- * Professional qualification, appropriate experience and the ability to exercise sound business judgment.
- * An ability and willingness to challenge and probe.
- * Strong interpersonal skills and a willingness to devote the required time.
- * A position of leadership or prominence in a specified field.

e. The Nomination and Remuneration Committee shall ensure that the Director to be appointed is not disqualified for appointment under Section 164 of the Companies Act, 2013.

2. Criteria of selection of Executive Directors or Key Managerial Personnel (KMP):

a. The Executive Directors or KMP demonstrates integrity and authenticity and is genuine and consistent in interactions with others. Also promotes ideas that are in the Company's best interest.

b. The Executive Directors or KMP shall recognize respect the talent, resources and skills of others and work

effectively with teams and network across geographic, political, demographic, functional and other cultural and demographic boundaries.

c. The Executive Directors or KMP thinks about business issues broadly and strategically and understands issues from the perspective of customers and other external shareholders.

d. The Executive Directors or KMP shall be disciplined in operational excellence, anticipate and plan for the future, demonstrate a high level of comfort with ambiguity and has strong ability to respond quickly to new opportunities.

3. Remuneration to Directors:

The Board is comprised of one Executive Director (Managing Director) and four Non-Executive Directors.

The Managing Director receives a monthly salary, perquisites and performance pay as per the policy of the Company and as per the agreement executed by and between her and the Company for her appointment. No sitting fee is paid to her for attending the meetings of the Board of Directors or Committees thereof. In the event the Managing Director decides to leave the services of the Company, she is required to serve to the Company 90 days notice in writing. However, the Company may at its sole discretion relieve the Managing Director of her duties at any time during his notice period.

The criteria for fixing payment to the Managing Director are:

1. Salary paid to the Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board and the Shareholders. Perquisites, retirement benefits and performance pay are also paid provided to the Managing Director in accordance with the Company's compensation policies, as applicable to all employees of the Company.

2. Remuneration paid to the Managing Director is determined keeping in view the industry benchmark.

Mr. Sanjay Narayan M. C., Rajiv Ranekar and Mr. Ravi Kumar Nagar do not/did not receive any salary, sitting fees or commission from the Company. All other Non-Executive Directors receive sitting fees for attending the meetings of the Board of Directors and Committees thereof and a share of commission on the net profits of the Company, as decided by the Board, within the overall limits approved by the Shareholders.

The criteria for making payments to other Directors are:

1. The Directors are paid sitting fees of ₹ 50,000/- for each meeting of the Board and the Audit Committee and ₹ 25,000/- each for other Committee meetings attended by them.
2. Shareholders of the Company have approved payment of commission in the aggregate not exceeding 1% of net profits calculated in accordance with Section 197 read

with Section 198 and 123(2) of the Companies Act, 2013, collectively, to all the Directors of the Company (excluding Managing Director, Whole Time Director and Directors nominated by Monsanto Co., USA). The Board decides proportion and manner of payment of such commission every year subject to the above said overall limit approved by the Shareholders.

The remuneration paid or payable to the Directors is given in Table 5.

Table 5: Remuneration paid/payable to the Directors

Name of Directors	Sitting Fees	Salary & Perquisites	Incentive/ Commission	Total
Mr. Sekhar Natarajan	-	-	-	-
Ms. Shilpa Shridhar Divekar	-	130.77	31.73	162.50
Mr. H. C. Asher	8.00	-	12.50	20.50
Mr. Pradeep Poddar	7.50	-	12.50	20.00
Mr. C Ravishankar *	-	-	-	-
Mr. Piyush Nagar **	-	-	-	-

* Resigned w.e.f. March 22, 2016

** Appointed w.e.f. March 23, 2016

The Company has no stock option/pension plan for the Directors of the Company. However, employees of the Company including Managing Director of the Company and nominee Directors of Monsanto Company, USA who are in full time employment, are entitled for the Stock Options declared by the parent company i.e. Monsanto Company, USA, from time to time.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committee. A structured questionnaire was prepared after taking into consideration inputs received from the directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board dynamics, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who are evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent directors was carried out by the entire Board. The performance evaluation of the Chairman and the non-independent

directors was carried out by the independent directors who also reviewed the adequacy and flow of information to the Board. The directors expressed their satisfaction with the evaluation process.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI LODR, a Stakeholders' Relationship Committee of the Board has been constituted. The Committee considers redressal of Investors' complaints/grievances. It also considers matters concerning complaints regarding transfer of shares, non-receipt of dividends and Annual Report, dematerialisation of share certificates, etc.

The Stakeholders' Relationship Committee comprises of;

- Mr. H.C.Asher – Chairman, Independent Non executive director,
- Mr. Sekhar Natarajan – Member, Non executive director
- Mr. Pradeep Poddar – Member, Independent Non executive director and
- Ms. Shilpa Shridhar Divekar – Member, Managing Director.

The Committee met once during the year on March 15, 2016. During the Financial Year, the Company received 133 investor grievances. All complaints have been resolved by the Company.

The Company's shares, being in compulsorily dematerialized (demat) form, are transferable through the depository system. Transfer of shares in physical form are processed by the Registrars and Share Transfer Agents (RTA) and approved by the Share Transfer Committee of the Company. The share transfers are processed within a period of 30 days from the date of receipt of the transfer documents by RTA, subject to requisite documents being in order.

The Company has a Share Transfer Committee currently comprising of:

- * Mr. Sekhar Natarajan – Chairman
- * Ms. Shilpa Shridhar Divekar
- * Mr. Abdul Alim Sayed⁽¹⁾
- * Mr. Indranil Saha
- * Ms. Madhuwanti Kale⁽²⁾
- * Ms. Chandana Dhar

⁽¹⁾ ceased to be a member w.e.f. March 31, 2016

⁽²⁾ appointed member w.e.f. April 1, 2016

Share Transfer Committee has been reconstituted due to resignation of Mr. Abdul Alim Sayed as the Chief Financial Controller of the Company on March 31, 2016. Ms. Madhuwanti Kale has been inducted as a member of the Committee in place of Mr. Abdul Alim Sayed with effect from April 1, 2016.

The Committee meets once every week or as and when required and approves all matters related to shares, i.e. transfer, transmission, dematerialisation and rematerialisation of shares.

Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Committee:

- a) formulate and recommends to the Board a CSR Policy for the Company which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act 2013;
- b) recommends the amount of expenditure to be incurred on the activities mentioned in clause (a); and
- c) monitors the CSR Policy of the Company, from April 15, 2016.

The Committee reports regularly to the Board such matters as are relevant to the Company.

The CSR Committee currently comprises of

- * Mr. Sekhar Natarajan – Chairman, Non executive director
- * Ms. Shilpa Shridhar Divekar – Member, Managing director
- * Mr. H.C.Asher – Member, Independent Non executive director and
- * Mr. Pradeep Poddar – Member, Independent Non executive director.

The Company Secretary acts as Secretary to the Corporate Social Responsibility Committee.

During the Financial Year, the Committee met on May 14, 2015, August 3, 2015, November 2, 2015 and February 8, 2016. Details of members' attendance at the Committee's meetings are given in Table 6.

Table 6: Attendance Details in the CSR Committee Meetings

Name of the Committee member	Meetings Held	Attendance
Mr. Sekhar Natarajan	4	4
Mr. H. C. Asher	4	4
Mr. Pradeep Poddar	4	4
Ms. Shilpa Shridhar Divekar	4	4

CSR Policy:

The CSR policy is in compliance with the provisions of Section 135 of the Companies Act, 2013 and read with applicable rules there to. The CSR policy as approved by your directors has been placed on the website of the Company.

The CSR Policy provides details about the principles under which the Company develops its CSR initiatives and the control mechanisms that the Company is required to put in place for monitoring the CSR projects while ensuring that CSR objectives of the Company are met. Such initiatives taken by the Company during the year have been reported as an Annexure to the Directors' Report.

Pursuant to the provisions of Section 149 of the Act and Regulation 17 of SEBI LODR, every listed public company is required to have at least one-third of the total number of directors as independent directors. Such independent directors shall be appointed for not more than two terms of five years each and shall not be eligible to retire by rotation. Accordingly, the Company has sought approval of shareholders for appointment of Mr. M. J. Krishnan and Mr. Pradeep Poddar with effect from April 15, 2016 as independent directors of the Company. The resolutions were approved at the 74th Annual General Meeting of the Company, held on April 15, 2016, at the 10th consecutive years, with date of 68th Annual General Meeting.

The Company is seeking further re-appointment of Mr. H C Asher and Mr. Pradeep Poddar for another term of 5 years each.

The Company has issued a formal letter of appointment to each of the directors in the manner as provided in the Companies Act, 2013 and Regulation 19(4) of SEBI LODR. The terms and conditions of the appointment have been disclosed on the website of the Company.

INDEPENDENT DIRECTORS' MEETING

Section 149(8) of the Act has prescribed the Code for Independent Directors in Schedule IV for every company that has Independent Directors. Clause VII of this said Schedule IV and Regulation 25 of SEBI LODR requires every company to convene a separate meeting of the Independent Directors.

During the year, the Independent Directors met on February 8, 2016, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review of performance of the Chairman; and
- Assess 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 their duties.

All the Independent Directors were present at the Meeting.

Familiarization Program for Independent Directors

Your directors has adopted Familiarization Program ("the Program") for Independent Directors pursuant to Regulation 46 of SEBI LODR. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. Such programs will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Document adopted for the Program has been uploaded on the Company's website for your information and is available on <http://www.monsanto.com/global/in/whoweare/pages/board-of-directors.aspx>.

MANAGEMENT

Management of the Company has developed and implemented policies, procedures and practices that attempt to translate the Company's future plans into reality. The management also identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operations. These are internally supervised and monitored through the India Leadership Team (ILT) of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms a part of this Annual Report.

INTERNAL CONTROL SYSTEMS

The Company has both, external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take corrective actions wherever necessary. The Board recognizes the work of the internal and statutory auditors as an independent check on the information received from the management on the operations and performance of the Company.

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of employees, and an organization structure that segregates responsibilities.

RELATED PARTY TRANSACTIONS

During the financial year under review, your Company has had transactions / contracts / agreements that are classified as "Related Party Transactions" under provisions of the Act and the Rules framed thereunder. These contracts/arrangements/agreements have been in the ordinary course of business, to facilitate the business of the Company and have been approved by the Audit Committee and Board of Directors.

Suitable disclosures as required by Accounting Standards (AS-18) have been made in the Notes to the financial statements. As required under Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Company has also formulated a Related Party Transactions Policy which has been put up on the website of the Company at www.monsantoindia.com.

Pursuant to Regulation 23(8) of the Listing Regulations, all existing material related party contracts or arrangements entered

into prior to the date of notification of the listing regulations i.e., September 2, 2015 and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting following the above notification. The existing material related party transactions are being placed before the shareholders at the ensuing 66th Annual General Meeting of the Company.

Your Company has a long standing tradition in maintaining employee's well-being and is committed to providing a workplace to all employees that is free from sexual harassment. Your Company has zero tolerance to any form of conduct which can be considered harassing, diminishes the dignity of any person, or creates offensive work environment. The Company has put in place a policy for redressal for sexual harassment at workplace. As per the Policy any employee may report his/her complaint to the Internal Complaints Committee.

During the financial year under reference, quarterly results were published in widely circulated national and local daily newspapers i.e. The Business Standard and Sakshi. Financial Results were not sent individually to the shareholders.

As per the requirement of Regulation 46(2) of SEBI LODR, the Company has designated an e-mail ID investorcare.india@montsanto.com exclusively for the purpose of registering the complaints by investors. The said email ID has also been designated as the Company website.

The Company's results and official news releases are displayed on the Company's website www.montsantoindia.com. There were no presentations made to the institutional investors or analysts during the financial year.

DISCLOSURES

Material Transactions with the Company

Except the details of transactions given in Note no. 32 of Notes forming part of the Financial Statements, the Company had no material transactions with its promoters, directors or the management, their relatives etc. that may have a potential conflict of interest with the Company. There are no commodity price risk and commodity hedging activities undertaken by the Company during the year.

Compliances in respect of Capital Markets

- a. The Company received a notice on September 24, 2015 from the BSE Ltd. levying a penalty of ₹ 5700/- for late submission of annual report for the year ended March 31, 2015 under Clause 31(a) of the Listing Agreement.
- b. The Company received a notice from National Stock Exchange of India Limited on September 9, 2015 levying a penalty of ₹ 6000/- for late submission of annual report for the year ended March 31, 2015 under Clause 31(a) of the Listing Agreement.
- c. The Company received a letter from NSE dated September 16, 2015 for non-compliance under Clause 31(d) of the Listing Agreement.

Shareholding of Directors

Mr. Sekhar Natarajan holds 800 equity shares in individual name. No other Directors are holding any shares in the Company.

The Board has adopted a Code of Conduct for all Directors and senior management personnel of the Company. The Code of Conduct is posted on the website of the Company.

All Directors and senior management personnel affirm compliance with the code on annual basis. Based on the affirmations received from Directors and senior management personnel, the Managing Director of the Company has signed the following certificate:

To the shareholders of Monsanto India Limited

I, Shriya Shrikhar Deyekar, Managing Director of the Company, hereby certify that the Board members and Senior Management personnel have affirmed that they have complied with the "Code of Business Conduct" of the Company for the financial year ended March 31, 2016.

Mumbai, May 30, 2016

Shriya Shrikhar Deyekar
Managing Director

Remuneration of insider trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time

to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for Prevention of Insider Trading.

WHISTLE BLOWER POLICY

Your Company is committed to conducting business with the highest standard of honesty and integrity and expects all their employees to maintain high standards. Your Company maintains a Code of Business Conduct and Anti-Corruption Program. Additionally, a whistle blower mechanism ('Monsanto Speak-Up Protocol for India') as also been developed pursuant to requirements of Section 177(9) and (10) of the Act and Regulation 4(2)(d) of the Listing Regulations. The Company's 'Monsanto Speak-Up Protocol for India' aims at:

- informing employees of their obligation to report serious wrongdoing within the Company;
- providing employees with guidance on how to raise concerns;
- reassuring employees that they should be able to raise genuine concerns in good faith without fear of retaliation; and
- providing specific direction on how to contact the Chairperson of the Audit Committee of the Board of Directors under an exceptional circumstance.

The aforesaid Whistle Blower Policy has been uploaded on the website of the Company.

The Company has made available to its employees, anonymous email and telephone hotlines for reporting of any deviations /

concerns. Additionally, no employee of the Company has been denied access to the Chairman of the Audit Committee during the year ended March 31, 2016.

Compliance with Mandatory and Non-mandatory Requirements

The Company has complied with the mandatory requirements of Schedule V of the Listing Regulations. Further, the Company has adopted non-mandatory requirements of Schedule V of Listing Regulations; viz. the Company has appointed separate persons to the post of Chairman and Managing Director.

BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED

Mr. Sekhar Natarajan, Chairman, Non-Executive, Non-Independent Director

Mr. Sekhar Natarajan has spent almost 30 years in Monsanto, guiding and building its contributions to Indian agriculture. Mr. Sekhar Natarajan is a qualified Chartered Accountant and Cost Accountant. He is a strategic thinker with rich global experience in Business Development and Mergers and Acquisitions (M&A). Currently, he is also a Managing Partner of M/s. S. N. Consultants that provides advice and strategic directions to several local and international companies.

Mr. Sekhar Natarajan's present directorship/committee membership is as follows:

Sr. No.	Name of the Company	Nature of Interest	Chairmanships or memberships of Committee of the Board
1.	Monsanto India Limited	Director	Member – AC
			Member – NRC
			Member – SRC
2.	Accelya Kale Solutions Limited	Director	Chairman – AC
			Member – NRC
			Member – SRC
3.	Maharashtra Hybrid Seeds Company Limited	Director	-

AC : Audit Committee

NRC : Nomination & Remuneration Committee

SRC : Stakeholders' Relationship Committee

Mr. Piyush Nagar, Additional Director

Mr. Piyush Nagar has been appointed as an Additional Director of the Company with effect from March 23, 2016.

Mr. Piyush Nagar comes with several years of experience in commercial roles, including marketing and product management for branded cotton and Roundup® in India. He is a member of the India Leadership Team, and is accountable for end to end Supply Chain delivery to the India Row Crop and Crop Protection

businesses. He also plays a central role in transformation initiatives related to India supply chain function.

An alumnus of IIT Bombay (B. Tech, Chemical Engineering) and IIM Calcutta (PGDM), Mr. Piyush Nagar has extensive and diverse career experience of over 12 years across multiple sectors which he gained through working in various Tata Group Companies as TAS Officer and in Monsanto thereafter.

During his experience as TAS Officer, Mr. Piyush Nagar worked in the Steel sector in marketing and product management and after that he worked in Tata Group Holding Company, where he managed a portfolio of companies in sectors ranging from Auto-components to BPO services to E-learning.

During his more than 5 years of involvement in the Agriculture sector, he successfully led the growth of cotton seeds business and played a key role in Monsanto's success in leading and scaling up Roundup business.

Mr. Piyush Nagar's present directorship/committee membership is as follows:

Sr. No.	Name of the Company	Nature of Interest	Chairmanships or memberships of Committee of the Board
1	Monsanto India Limited	Director	-

Address for correspondence	Monsanto India Limited, Ahura Centre, 5th Floor 96, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel: 022-2824 6450/6702 9651 Fax: 022-2824 6452/2824 4707 e-mail: investortcare.india@monsanto.com
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Date and Time	Wednesday, August 10, 2016 at 11.00 a.m.
Venue	Rangaswar Hall, Y. B. Chavan, 4th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021
Last Date for Receipt of Proxy Form	Monday, August 8, 2016 before 11.00 a.m.
Date of Book Closure	N.A.
Dividend Payment Date	N.A.

Date	Venue	Time	Special Resolution Passed
7th AGM August 2, 2013	Y.B. Chavan Auditorium, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021.	11.30 a.m.	Appointment and Remuneration of Mr. Gunevrat Shukla, Managing Director.
14th AGM August 22, 2014	Y.B. Chavan Auditorium, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021	11.00 a.m.	Payment of Commission to Non-Executive Directors
59th AGM August 7, 2015	Y.B. Chavan Auditorium, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021	11.00 a.m.	1. Appointment of Ms. Shilpa Shridhar Divakar as the Managing Director of the Company for the period of 3 years 2. Approval of ongoing business transactions with material related party 3. Approval or appointment of a special auditor from material related party

Postal Ballot

During the financial year 2015-16, the following documents were sent to the shareholders by postal ballot:

None of the resolutions proposed at the meeting of the shareholders were passed by postal ballot.

Financial Calendar

Financial Year	April 1, 2016 to March 31, 2017
Declaration of financial results for the quarter ending June 30, 2016	: By 2nd week of August, 2016
Declaration of financial results for the quarter ending September 30, 2016	: By 2nd week of November, 2016
Declaration of financial results for the quarter ending December 31, 2016	: By last week of January, 2017
Declaration of financial results for the quarter ending March 31, 2017	: By last week of May, 2017
AGM for the year ending March 31, 2017	: August, 2017

Shares Information

Listing on Stock Exchanges	:	- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023. - National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Stock Code:	:	524084
• BSE Limited	:	MONSANTO
• National Stock Exchange of India Ltd.	:	INE274B01011
• International Securities Identification Number (ISIN)	:	
Listing Fees	:	Listing fees of both the Stock Exchanges have been paid for the year 2016-17.
Registrar and Share Transfer Agents/Address for Correspondence	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel: 022-2596 3838, 022-2594 6970 Fax: 022-2596 2691 Email: rnt.helpdesk@linkintime.co.in
Compliance Officer	:	Ms. Chandana Dhar, Compliance Lead & Company Secretary
Dematerialisation of shares and liquidity	:	99.25% of the paid-up capital of the Company has been dematerialised as on March 31, 2016.
Outstanding GDR / ADR / Warrants or any Convertible instruments	:	Not Applicable

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that:

- a) Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to the Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank

details on the dividend warrants, as furnished by these depositories to the Company.

- b) Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- c) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

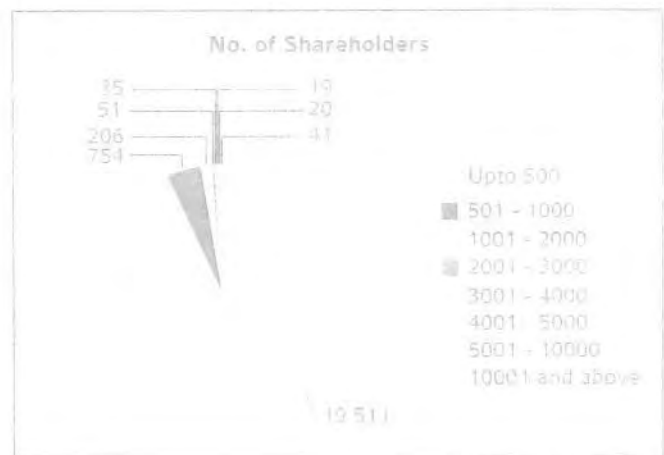
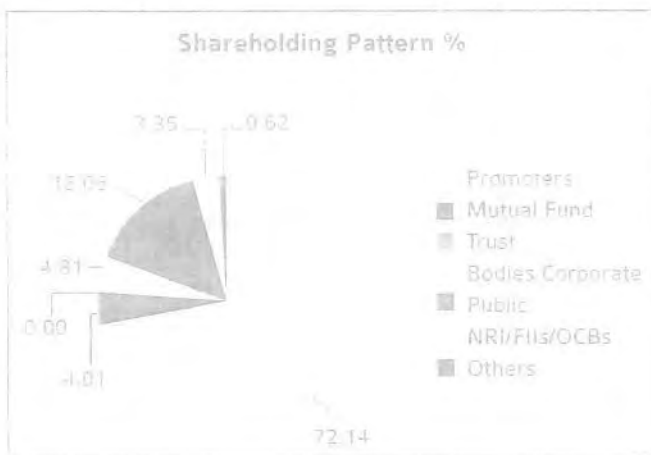
Shareholding Pattern and Distribution Schedule as on March 31, 2016

Shareholding Pattern

Category	No. of Shares	%
Promoters	1,24,54,044	72.14
Mutual Funds	6,92,141	4.01
Trust	695	0.00
Bodies Corporate	8,30,608	4.81
Public	25,99,486	15.06
NRI/FII/OCBs	5,78,478	3.35
Others	1,07,296	0.62
TOTAL	1,72,62,748	100.00

Distribution Schedule

Category	No. of Shareholders	No. of Shares
Upto 500	19,511	10,82,118
501 - 1000	754	5,64,281
1001 - 2000	206	2,95,290
2001 - 3000	51	1,25,113
3001 - 4000	35	1,21,177
4001 - 5000	19	85,067
5001 - 10000	20	1,46,574
10001 and above	41	1,48,43,128
TOTAL	20,637	1,72,62,748



Share Price performance - High-low share prices on BSE and NSE BSE

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Total Traded Qty	High Price (₹)	Low Price (₹)	Total Traded Qty
Apr-2015	3.167	2.513	157,591	3.167	2.520	1,32,143
May-2015	3.153	2.773	126,324	3.153	2.754	3,48,414
Jun-2015	3.131	2.633	79,956	3.134	2.612	3,09,325
Jul-2015	3.347	2.827	114,423	3.375	2.804	4,01,375
Aug-2015	3.375	2.480	351,316	3.381	2.480	3,07,549
Sep-2015	2.650	2.170	105,024	2.665	2.164	4,02,360
Oct-2015	2.730	2.365	49,509	2.730	2.358	2,44,946
Nov-2015	2.421	2.205	50,844	2,420	2.201	1,52,607
Dec-2015	2.377	2.085	32,511	2,370	2,090	1,51,940
Jan-2016	2.542	2.040	73,255	2,545	2.011	3,02,461
Feb-2016	2.287	1.566	43,510	2,295	1,555	1,37,408
Mar-2016	1.869	1.526	228,053	1,876	1,516	8,33,304

PLANT LOCATIONS

Herbicides:	1-485, Madhuban Industrial Estate, Madhuban Dam Road, Raxholi, Silvassa - 396 240 Union Territory of Dadra & Nagar Haveli
Seeds:	• Mitha Road, Srivara Village, Zariya - 583 103, Karnataka • Dist. E. No. 617-619, Village Chigudi Mandal, Shamirpet, Deccan, P. W. Dist. No. 4, Dist. 2, Zariya • Mega Breeding Station, Village-Bathala in Sarai, Raxholi, Silvassa - 396 240, Silvassa • Mega Breeding Station, Kallinayakananalli, Thondebavi Hobli, Gowribidnur Taluk, Chikahallipura District, Karnataka - 561 212

Other information for the shareholders**Disclosures with respect to demat suspense account
unclaimed suspense account**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	None
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	None
Number of shareholders to whom shares were transferred from the suspense account during the year	None
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	None

Green Initiative

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/ Company/Registrars & Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Link Intime India Private Limited, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

Depository Services

Shareholders may write to the respective Depository or to Link Intime India Private Limited for guidance on depository services.

Address for correspondence with Depositories are as follows: -

1. National Securities Depository Limited - Trade World, A Wing, 4th & 5th Floors, Kamaia Mills Compound, Lower Parel, Mumbai - 400 013. Telephone: (022) 2499 4200, Facsimile: (022) 2497 6351, E-mail: info@nsdl.co.in, Website: www.nsdl.co.in
2. Central Depository Services (India) Limited - Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 400 001. Telephone: Toll free: 1800-200-5533, E-mail: helpdesk@cdslindia.com, Website: www.cdslindia.com

Agricultural sector continues to play a pivotal role in the Indian economy, providing livelihood to over 58% of India's rural households. Accounting for 15% of India's Gross Domestic Product (GDP), agriculture, along with fisheries and forestry, is one of the largest contributors to the GDP. Apart from providing food security to the nation, this sector is also an important foreign exchange earner contributing to 10% of the country's exports. The Indian agricultural sector follows July to June as the crop year and the Indian cropping season is divided in two major seasons.

Cropping season	Period of year	Major crops grown during the season
Kharif season	July-October (South-West Monsoon)	Rice, maize, sorghum, pearl millet/bajra, finger millet/ragi (cereals); arhar (pulses); soya-bean, groundnut (oil-seeds); cotton
Rabi season	October-March (Winter)	Wheat, maize, barley, oats (cereals); chickpea/gram (pulses); linseed, mustard (oilseeds)

India Crop Calendar (*major foodcrop)



(Source: FAO/GEWS)

Indian agriculture is highly dependent on monsoon, as of the 142 million hectares of net sown area, only 45% or 64 million hectares have access to irrigation facilities. Not surprising then that two consecutive years (2014 and 2015) of deficit rainfall has been the single most important factor impacting the growth of the agriculture and other allied sectors for the period under review. According to advance estimates by Central Statistics Office (CSO), agriculture and its allied sectors (including agriculture, livestock, forestry and fishery) is likely to grow by 1.1% from ₹ 15.34 lakh cr to ₹ 16.02 lakh cr in 2015-16 at 2011-12 prices. Its contribution to the Gross Value Added (GVA) is expected to decrease from 16.28% in 2014-15 to 15.35% in 2015-16.

Agriculture and allied sector gross value added at basic price by economic activity (at 2011-12 prices)



(Source: Central Statistics Office)

RE: Revised Estimates, NS: New Series Estimates, AE: Advance Estimates

Production

The country's overall food grain output is likely to grow by 252.02 million tonnes (MT) in 2014-15 to 552.02 MT in 2015-16 mainly driven by rising wheat and pulses. Overall cereal production is likely to decline by 5.65 MT to 24.12 MT due to deficit monsoon resulting in lower maize output of 21.02 MT as compared to 24.17 MT in 2014-15. Sugarcane and cotton output also declined by 15.51 MT and 4.39 million bales, respectively. (Source: 3rd Advance estimate, Ministry of Agriculture)

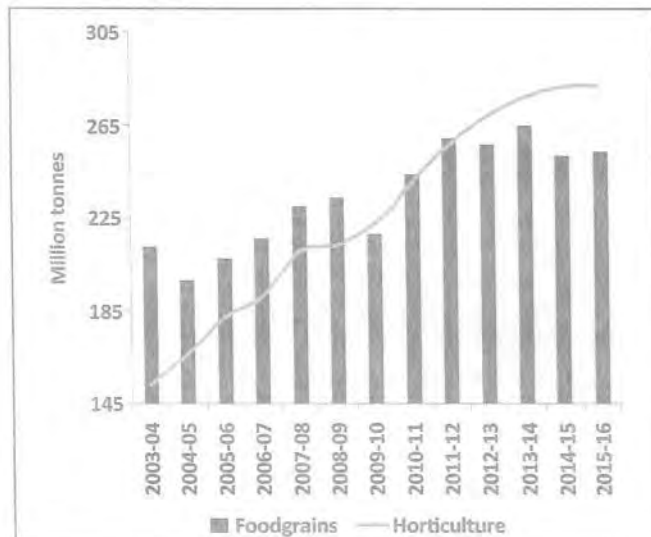
Estimated production of major crops (In million tonnes)

	2015-16(3rd advance estimate)	2014-15(Final)
Rice	103.36	105.48
Wheat	94.04	86.53
Coarse cereals	37.78	42.86
Maize	21.02	24.17
Pulses	17.06	17.15
Oilseeds	25.90	27.51
Sugarcane	346.72	362.33
Cotton*	30.52	34.81

*million bales of 170 kg each

(Source: Ministry of Agriculture)

Foodgrains and Horticulture Production

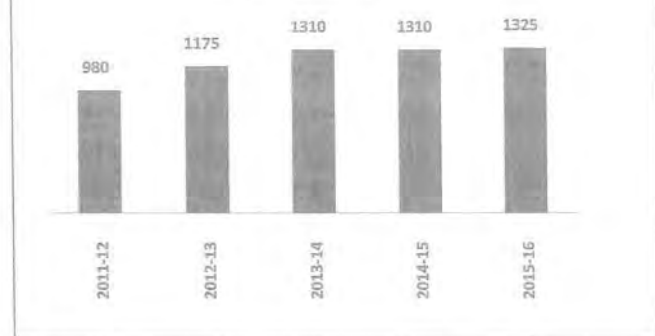


(National Horticulture Board, Ministry of Agriculture)

The production of various coarse grains has shown a mixed growth trend in the past few years except for maize. The rising demand for maize from the feed and starch industry, increased usage of hybrid seeds and rise in export demands has led to steady growth in the production of maize. However, maize exports have shown a declining trend over the years from 4.8 MT in 2012-13 to 4.0 MT in 2013-14 to 2.8 MT in 2014-15 to a forecasted 0.8 MT in 2015-16 given high prices of Indian maize. (Source: National Council for Applied Economic Research)

The Minimum Support Prices (MSP) for maize have significantly increased in the last few years to encourage farmers to enhance maize farming. Though MSP was unchanged in 2014-15 it grew by 1.1% in 2015-16.

Maize MSP trend



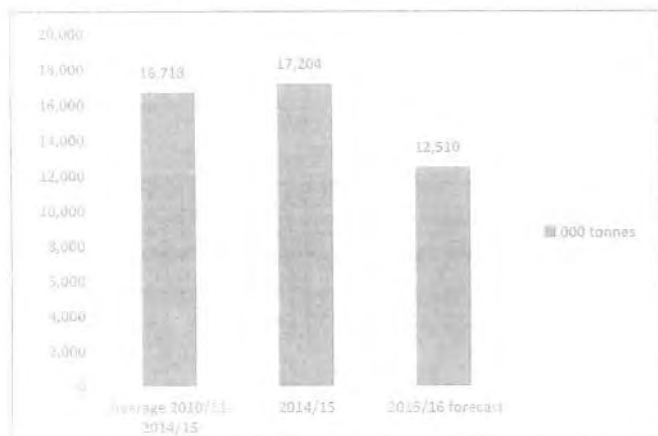
(Source: Ministry of Agriculture)

Exports

The country's total exports of agriculture and processed food products declined nearly 20% from ₹ 1.31 lakh crore in 2014-15 to ₹ 1.05 lakh crore in 2015-16. The decline was primarily driven by decline in rice, buffalo meat and guar gum exports. Low global commodity prices and sluggish demand too led to fall in shipments. (Source: Agricultural & Processed Food Products Export Development Authority)

The country's total cereal exports in 2015-16 is likely to decline 27% to 12.5MT mainly contributed by a 70% decline in wheat exports from 3.4 MT in 2014-15 to 1 MT (due to lower output) in 2015-16 and 33% decline in maize exports to 0.8 MT (due to lower output and increased domestic consumption). (Source: FAO/GIEWS)

India: Total cereal exports



(Source: FAO/GIEWS)

Foreign investments

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2,261 million from April 2000 to December 2015. (Source: Indian Brand Equity Foundation)

Kharif season 2015

India witnessed a deficit in rainfall for second year in a row with droughts in several states resulting in low acreage and cultivation of major crops. East Uttar Pradesh, Bihar, Telangana, east Madhya Pradesh, Marathwada, central Maharashtra, coastal Odisha, north interior and coastal Karnataka were the worst hit. Corn production was also impacted during the season because of the poor monsoon. The overall Kharif food grain production is expected to decrease by 3.18% at 123.99 MT. Kharif rice production is estimated at 90.59 MT, maize at 15.50 MT, pulses at 5.49 MT and oil seeds at 17.21 MT. (Source: Economic Times, 3rd advance estimate Ministry of Agriculture)

The south-west monsoon accounts for nearly 70% of India's rainfall. Drought only impacts cultivation in the Kharif season but also Rabi season through its effect on ground water recharge and decreasing water levels. The Kharif production of rice, maize, millets, sorghum, groundnut, soyabean, millets and pulses declined resulting in low supplies and higher domestic prices thereby hurting export earnings.

According to FAO, the monsoon rainfall was amongst the lowest in two decades in the eastern area (from Khajuraho) (sugarcane, rice, cotton, etc.) while variety of pulses increased 1.3% from 1,017.86 million hectares (harin) 2014-15 to 1,031 million ha in 2015-16. The

growth was primarily driven by a 11.72% increase in acreage of pulses. (Source: BusinessLine)

Kharif crop production

	2015-16 (mn tonnes)*	2014-15 (mn tonnes)#
Rice	90.59	90.86
Maize	15.50	16.39
Jowar	1.87	2.01
Other coarse grains	1.86	2.25
Pulses	5.49	5.63
Sugarcane	341.42	359.3

*3rd advance estimate #Final

Rabi season 2015-16

The Rabi wheat plantation reduced by 4% due to reduced water levels in reservoir, weak monsoon precipitation and warm winters. Despite this India's wheat production increased 3.63%. Reduced water levels also impacted Rabi rice plantation by 1% (Source: FAO - Global Information and Early Warning System) on food)

The total Rabi food grain production in India increased 3.35% from 123.96 MT in 2014-15 to 128.24 MT in 2015-16. Rice production decreased 1.32 MT from 14.09 MT in 2014-15 to 12.77 MT in 2015-16. Whereas wheat production increased by 7.51 MT to reach 94.04 MT in 2015-16. (Source: 3rd advance estimate, Ministry of Agriculture)

Low yield: India has the second largest agricultural land (157.35 million hectares) in the world but its farm productivity is declining over the years owing to highly fragmented farms, marginal improvements in farming technology or soil health and lack of proper irrigation facilities resulting in low yields per hectare. In contrast, China, despite having reduced agricultural land holdings than India, produces 40% more rice and wheat than India. In addition, its fruit production is three times India's production (Source: Wall Street Journal)

Monsanto's hybrid maize seeds are a perfect solution to India's agriculture's low productivity. The seeds provide higher yield than traditional seeds using the same amount of resources.

Crop losses: Crop losses in India range from 15-18% due to pests, weeds, diseases, nematodes and weeds. The losses in crop production can range from 0.9% to 1.4% per hectare. In 2014-15, losses, weeds account for nearly 32% (56,000, 400, 000, 000)

Monsanto's high quality glyphosate has proven effectiveness on multiple weeds resulting in higher resource availability for crops there by enhancing productivity and reducing crop losses.

Farmer education and skilled labour: Illiteracy and lack of agricultural skills is another bottleneck that is affecting agricultural activity. Inaptitude of the farmers to respond to various climatic conditions, lack of sowing and harvesting skills and minimal usage farm mechanization products corresponds to lower growth in the sector.

Monsanto's farmer connectivity platform tries to educate farmers on better agronomic practices, informs them of weather conditions and addresses their specific problems in the most lucid manner.

Other agricultural inputs

The Government of India, with its objective of eradicating issues of hunger and malnutrition, has implemented various

programmes under the National Food Security Act (NFSA) that targets to provide highly subsidised food to 81.35 cr people, about two-thirds of the population of the country. The provisional allocation of food grains by Government of India is 289.46 lakh tonnes under NFSA, 207.31 lakh tonnes under Targeted Public Distribution System (TPDS), additional 50.01 lakh tonnes for above and below poverty line people in states where NFSA has not been implemented, 11.70 lakh tonnes to states (for festivals, calamities and other additional requirements) and 52.18 lakh tonnes for other Welfare Schemes such as Mid-Day Meal Scheme, Annapurna Scheme, SC/ST/OBC Hostel Scheme, Welfare Institutions Scheme, SABLA Scheme and Wheat Based Nutrition Programme Scheme. (Source: Press Information Bureau)

The Government is also expected to allocate an outlay of ₹ 1,30,000 cr towards NFSA which is greater than the entire allocation of ₹ 1,24,419 cr towards food subsidy in 2015-16.

National Food Security Act

(coarse grain at ₹ 1/kg, wheat at ₹ 2/kg and rice at ₹ 3/kg)

Current status	Outlook
33 cr people across 11 states covered under NFSA when implemented in June, 2014.	70 cr people across 27 states to be covered under NFSA from April, 2016 onwards.
1.8 lakh fair price shops with electronic point of sale devices.	5.52 lakh targeted increase in fair price shops by March, 2017

(Source: Economic Times)

This huge demand for food grains is likely to boost the required growth in the agricultural sector forcing the government to focus on research of quality seeds, use of herbicide and fertilizer, cover more areas under irrigations and increase mechanization for enhancing agricultural yield and preventing crop losses. In the past two decades genetically modified (GM) seeds have emerged as the most important technology for enhancing farm output. Its significant role in solving many of the country's agricultural problems is gaining more importance over the years. Thus, hybrid seeds are one of the most important factors for driving growth in the agricultural sector. (Source: NITI Aayog, Government of India)

Global review

Monsanto India Limited is agriculture based Company that manufactures sustainable agricultural products for enhancing farm productivity. Currently, the Company has two main business verticals – Hybrid maize seeds (DEKALB®) & Crop Protection (RoundUp®). Maize is the most important cereal globally whose production has witnessed steady growth owing to its rising demand from feed industry (~70% of the total production in Asia

is consumed by feed industry) for feeding poultry, processed food and starch industry for human consumption, industrial sector for biofuels and beverages sector for corn based alcohols. The global maize production for the marketing year (1st October to 30th September) 2015-16 is expected to be 969.64 MT below the last year's level of 1,012.84 MT.

DEKALB® hybrid maize seeds

DEKALB® is Monsanto's globally renowned brand of high yielding hybrid maize seeds that enjoys widespread popularity in the Indian market. The Indian farmers continue to trust the DEKALB® brand for its rich and diverse maize germplasm pool and breeding excellence.

The year 2015-16 was a challenging one for the Company. The Kharif season 2015 witnessed a significant decline in hybrid sales owing to deficit rainfall and a long dry spell resulting in low acreage. Lower demand for older product portfolio and reduction in project business from government on account of decline in subsidy were among the other challenges faced by the Company. However, with increased focus, brand promotion, more community engagement programmes and launch of six new

high-yielding hybrid seeds the Company witnessed a significant sales recovery in the rabi and spring corn demand.

The Company made significant improvement by regaining market share in Bihar (largest corn market for MIL) and enhancing market share in northern India (where the Company continues to be the leading hybrid seeds supplier) with significant sales volume growth.

During the year in review, the Company focused more on developing relationships with farmers through community engagement programmes and providing agronomic services. The Company aims at enhancing its farmers' subscription base and gaining their trust by providing them enhanced services that will not only protect them from climatic fluctuations but also equip them with methods to enhance farm productivity and profitability.

The Company also launched FAKWIKSE-Mobile Farm Care platform by Uniate that still focus on helping smallholder farmers increase their income. This platform would be the personal mobile number which would be Farmers' First platform and Monsanto Farm AgVisory (MFAS) platform. The Farmers' First is a missed call based interactive voice service platform that focuses on providing services to farmers based on their specific needs and convenience. It is an open-to-all platform, where registered farmers (may or may not be using Company's product) would be provided agronomic advice, weather forecast and commodity prices. The MFAS platform focuses on providing crop specific agronomy solutions to the farmers. Under the MFAS the Company has Dr. DEKALB Farm Care (DDFC) that provides registered Dekalb farmers agronomy solutions related to maize farming.

Roundup® is an environmentally sustainable 100% glyphosate molecule that provides efficient post-emergent weed control. It offers powerful and consistent weed control resulting in significant cost and resources (labour, time, fertilizer and water) savings. It is primarily used in agriculture and places like roadsides, public spaces, alongside railway tracks and gardens among others. It has shown proven effectiveness over 200 variants of weeds across 125+ countries.

During the year in review, the Company's Roundup® business continued to witness low demand due to low rainfall. This in turn led to lower rainfall results in lower moisture levels in the ground, leading to less weed flowering around crops and consequently lesser demand for herbicides. Price pressure from low quality substitute chemical products also impacted demand for Roundup® brand.

Positive rainfall forecast, launch of pan-India marketing campaign (to reinforce farmer confidence), focus on high quality and expected launch of new formulations is likely to boost up demand for Roundup® in the coming years.

The Net Sales of the Company declined 2.67% to ₹ 541.57 Crores against ₹ 556.43 Crores in the previous year driven by a deficit monsoon that led to decline Roundup® business. Despite a tough kharif season, the Company's seeds business recorded a growth of 3.34% as sales increased from ₹ 347.64 Crores in 2014-15 to ₹ 359.36 Crores in 2015-16 due to significant recovery in Rabi and spring corn business. Moreover, improvement in portfolio mix led to enhancement in realizations. The Roundup® business took a hit as deficit rainfall led to significantly lower weedy pressure leading to lower volumes. Also, the global acid price pressure led to flat realization. The overall impact of these resulted in sharp decline of Roundup® by 8.43% from ₹ 198.99 Crores in 2014-15 to ₹ 182.21 Crores in 2015-16.

The operating expenses (including depreciation) for the year declined 9.39% from ₹ 211.11 Crores in 2014-15 to ₹ 188.46 Crores in 2015-16 owing to decline in employee cost (reduced headcount) and freight cost (better planning and management of stock movement). Profit after Tax declined 4.75% from ₹ 106.30 Crores in 2014-15 to ₹ 101.25 Crores in 2015-16.

The Indian economy is expected to grow 7.3% in 2016-16 and 7.5% in the next fiscal buoyed by growing manufacturing sector and low oil and energy prices. The International Monetary Fund is bullish on the Indian market as the government focuses on higher public infrastructure spending, downsizing subsidies, enhancing financial inclusion and creating flexible labour and product market. Agriculture sector, on account of poor monsoon for the past two years grew only 0.2% in 2014-15 and 1.1% in 2015-16, as a result slowing down the overall economic growth. However, with enhanced focus in agriculture sector in the Union Budget 2016-17 and prediction of above average monsoon, the agriculture sector is expected to grow 4% which in turn may result in the GDP growth of over 7.5%.

The outlook for the agricultural sector looks positive for the coming years. The various factors attributing to the growth are:

Agriculture focused budget: The Union budget 2016-17 primarily focused on the country's agriculture sector with an aim to improve farm output and farmer welfare. It will also have favorable policies that would strengthen farming, improve productivity, reduce dependence of monsoon and aim to double farmer's income in the next five years.

Union Budget 2016-17: Renewed focus on agricultural sector

- 44% hike in fund allocation for the agriculture sector from ₹ 24,909 cr to ₹ 35,984 cr
- ₹ 9 lakh cr of agricultural credit
- 2.85 million hectares agricultural land to be brought under irrigation under the Pradhan Mantri KrishiSinchayi Yojana (PMKSY) scheme in 2016-17.
- Identified and fast tracked of 89 'active' irrigation projects under Accelerated Irrigation Benefit Programme with ₹ 86,500 cr financing.
- Long term irrigation fund under NABARD with initial fund of ₹ 20,000 cr.
- Target to double crop insurance under Pradhan Mantri Fasal Bima Yojana (PMFBY) from ₹ 2,589 cr in 2015-16 (budget estimate) to ₹ 5,500 cr for 2016-17.
- 5,00,000 acres of land to be brought under organic farming in a span of three years
- Soil health card scheme for 14,000 cr farms by 2017

Result: Targeted growth of 4% in the farm sector up from 0.2% in 2014-15 and 1.1% (estimated) in 2015-16

Rising population and income: With rising population and increasing disposable income India's demand for food grains is expected grow by 2.5 MT annually. The country's food grain demand is expected to reach 256 MT by 2020. To feed its growing population the country's yield per hectare has to increase substantially. (Source: Indian Agriculture Research Institute)

Low corn yield: India is amongst the top five exporters of maize globally. Despite this, the country's maize yield is relatively low at 2.5 mt/ha compared to 12mt/ha for New Zealand and 11 mt/ha for USA. Use of high yielding seed varieties combined with drought tolerance seed technologies and better farm practices (disease control, weed control and irrigation) can lead to yield enhancement. (Source: India Maize Summit 2015 report)

Positive rainfall forecast: The Indian Meteorological Department forecasts with 94% probability that the rainfall in the country during 2016-17 is going to be above normal at 105% relative to the long period average (LPA) as compared to a deficit of 14% in 2015-16. This is a positive sign for the farmers and Indian economy as the country's agricultural output should witness growth.

Increasing farm mechanization: India's tractors and tiller sales have grown at a compounded rate of 7% and 8.6% respectively during FY 07 to FY 15. Moreover, with the Government of India (GoI) releasing subsidy for establishment of farm machinery banks in 2014-15, the farm equipment sales is further expected to increase which in turn would enhance farm productivity. (Source: Indian Brand Equity Foundation)

Increase in usage of hybrid seeds and fertilizer: India's use of hybrid seeds and fertilizer consumption (128.34 kg in 2012-13 compared to 205 kg in Pakistan and 396 kg in China) is amongst the lowest in the world. However, through proper research and farmer education this would increase over time resulting in increasing yields per hectare. (Source: NITI Aayog, GoI)

Contract farming opportunities: The GoI facilitated and promoted participation of private sector in the agriculture sector through contract farming and land leasing agreements that shall facilitate faster technology transfer, capital inflow and secured market for crop production.

Per drop more crop: India has only 4% of world's fresh water resources and 17% of world's population. The country's irrigation currently consumes 84% of the total fresh water available. Despite having limited water resources the country's consumes 2-4 times more water to produce one unit of major food crop as compared to Brazil, USA or China. The GoI has started various research programmes that can facilitate efficient use of water for agriculture that can result in 50% savings in water consumption. (Source: NITI Aayog, GoI)

The agriculture sector is expected to perform well and grow 4% in 2016-17 driven by various positive regulatory measures, focus on research and development, agricultural digitization, growing farmers' knowhow and weather related outlook. (Source: Ministry of Agriculture)

Rising demand from feed and food industry: Animal feed accounts for 70% of maize consumption in Asia. Population growth and increasing inclination towards high protein food consumption will increase demand for poultry which in turn would increase demand for maize from the industry. Also, the rising importance of maize in food processing industry, which is expected to grow at 18-20% during 2015-20, for making food additives and sweeteners would boost demand for maize. (Source: India Maize Summit 2015 report)

Rising demand for biofuels: Biofuel volumes in Southeast Asia are expected to grow at a compounded rate of 5.5% from 4.9 billion litres in 2013 to 7.5 billion litres in 2021. Though corn usage for biofuels is negligible regulatory changes in future might enhance corn usage for biofuels. (Source: India Maize Summit 2015 report)

The Company, being in the business of corn and crop is expected to capitalize on these opportunities and witness a strong growth. Moreover, with increasing focus on providing advisory services to farmers, the Company expects to develop strong relationships and brand visibility. The Company has introduced 17 new hybrid maize seeds in the past four years that are performing well driving business growth. The Company expects to leverage its strong R&D to develop new products and benefit from the government's increased focus on enhancing farm yields through genetically modified seeds.

Risk and opportunities is an inherent feature of any business. The Company's Directors and management bear this in mind while taking all decisions. The Company has developed a set of processes and systems to assess and minimize risks without losing opportunities while ensuring enhancement in shareholders' value. The Company believes in early identification of risks and devising strategies to counter them and minimize their impact on operations. The following risks have been identified by your Company in the agricultural space:

Weather risks

Agriculture business is highly dependent on weather especially in India where only about 45% of the net sown areas have access to irrigation. Droughts, natural calamities or excess rainfall can have negative impact on the crop production which can in turn impact the product sales. Though these natural factors can never be completely eliminated they can be kept under check through pro-active and prompt responses.

Your Company being a pro-active one has invested significantly in R&D for developing a wide range of high-yielding hybrid portfolio for the wet, dry and spring season creating a year round demand for its products. It also offers Monsanto Farm Advisory Services (MFAS), which adopts a customized approach to provide farmers valuable insights to enhance farm productivity as per the given climatic condition. A toll-free numbers enables the farmers to receive valuable inputs throughout the year. Moreover, MFAS regularly sends customized texts to registered members on their mobiles for countering the unpredictable nature effectively.

Macroeconomic risks

With globalization and commoditization of agro-products, agriculture is no longer only dependent on natural factors. Factors like global demand and supply, credit policies, commodity prices, interest rates, inflation, minimum support price influence the production of crops.

Your Company, being in the business for over four decades and selling the world's leading corn brand enjoys strong foothold

in the Indian market and trust of the farming community. The Company is confident of withstanding macroeconomic challenges effectively. Moreover, with the rising demand for maize globally for poultry feeding and industrial purposes, the maize cultivation is expected to rise.

Production risk

Agricultural production can be highly variable due to adverse climatic conditions (excess rainfall or drought), natural events (calamities, diseases and pest attacks), high raw material/fertilizer prices, regulatory changes, inappropriate use of technology and market dynamics. Production risk can directly impact the Company's business of sale of seeds and agrochemicals.

Your Company is exploring new production variants, mechanizing operations and looking for ways to enhance seed production processes to counter production risk. The Company also engages with the farmers through its farm care services to educate them on weather conditions, better corn sowing and harvesting techniques through demonstrations and regularly conveys farming tips to ensure that they get high yields.

Competition risk

Rising competition, availability of better quality seeds and increase in supply of product options at lower costs may result in loss of market share for the Company. In the past two years the Company witnessed tough competition due to deficit monsoons, decline in maize prices and shrinkage in maize crop acreages.

Your Company has three state-of-the-art breeding stations across India that undertakes research activities for developing best quality seeds catering to diverse soil and weather requirements. In the last four years the Company has developed 17 new hybrids. As a result of the Company's quality consciousness, price competitiveness and its efforts to engage with farmers (for enhancing their farm productivity and profitability), MNC has built up substantial trust and relationships among the farming community.

Institutional risk

Political turmoil and adverse changes in government policies for genetically modified crops (decrease in minimum support price or food quality regulations) may disincentivize the farmers from cultivating such crops. A report by research and markets expects the Indian hybrid seed market to grow at a compounded rate of 14.1% during 2014-19. Moreover, with limited availability of agricultural land and growing population, the government has invested in research and agricultural inputs for increasing farm productivity by developing genetically modified seeds.

Human and personal risk

The agriculture business can take a toll on the on the physical and emotional well beings of the Company's employees and farmers. The Company's employees travel on regular basis to rural agricultural areas for research or marketing purposes making them vulnerable to extreme weather conditions or accidents in unpredictable rural roads. The farmers working in field are constantly exposed to direct sunlight which may impact their health.

The Company equips the employees with modern amenities and better information to protect them from such risks. Moreover, with leading international safety programme practices the Company ensures that the employees and farmers can deal with such risks effectively.

Realization risk

Inability of the Company to pass on costs to customers may result in subdued margins. Over the past few years herbicide manufacturers are importing low cost glyphosate (primary raw material for the Company's herbicide) from China for production and selling them at low prices in domestic markets. As a result of which the Company's Roundup® brand faces stiff competition leading to low margins.

The Company has devised a strategy to position its herbicide as a premium brand and taken all steps to ensure higher visibility of its product to create a brand recall and mitigate realization risk.

Foreign currency risk

As the Company imports glyphosate (major raw material for manufacturing Roundup® herbicide), its business is exposed to risks of foreign exchange fluctuations. In the past few years, Indian rupee (INR) took a hit against appreciating foreign currencies resulting in lower margins.

However, with improving macro-economic scenario, growing manufacturing sector, reduction in interest rates and overall positivity in the financial and investments markets the INR's demand is set to strengthen. This is expected to reduce the Company's manufacturing costs resulting in higher margins.

Adequacy of Internal Control Systems

MIL follows best in the industry Internal Quality Control Systems which are governed by detailed SOP's covering all business aspects and ensuring that every single transaction is duly authorized, recorded and reported. The Company strictly adheres to all rules, policy, statutes and laws ensuring that all statutory compliances are thoroughly followed. The Company's

Audit Committee reviews and takes suitable actions for any deviation, observation or recommendations suggested by the Internal Auditor, who is an independent auditor mandated to conduct internal audit. The Company also strictly adheres to environment protection laws. The employees of the Company rigorously follow the Code of Conduct devised for conducting the business of the Company.

Human Resources

MIL is proud of its intellectual capital and strongly believes that people are the real assets of the Company responsible for its present and future growth. The Company, being involved in the agriculture business needs to interact and work with farmers located in the country's villages. This requires special skills that need to be upgraded on yearly basis with inputs on the latest technology advances combined with a strong commercial orientation. The Company's HR team ensures that the employees receive best-in-class training. The Company's culture is reflected in its larger purpose that is to improve the lives of farmers and its employees. This belief is deeply embedded within the Company's corporate philosophy. The Company encourages employees for personal skill development. It has repeatedly been recognized as one of the best companies to work for by the Great Places to Work Institute®, India, in partnership with The Economic Times and has consistently ranked as amongst the top 50 employers in the past.

Cautionary Statement

This report contains statements that may be "forward-looking" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company's future business developments and economic performance. While these "forward-looking" statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. The Company undertakes no obligation to publicly revise any "forward-looking" statements to reflect future/likely events or circumstances.

TO THE MEMBERS OF MONSANTO INDIA LIMITED

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act as applicable.

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 reliability and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be ascertained in the audit report under the provisions of the Act and the rules made thereunder and the Order under Section 143(1) of the Act.

In accordance with our audit of the financial statements in accordance with the Accounting Standards prescribed under Section 133 of the Act, we hereby certify that the financial statements give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act as applicable.

assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

Report on Other Legal and Regulatory Requirements

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

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid financial statements conform with the Accounting Standards prescribed under Section 133 of the Act as applicable.

- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, as estimated, of pending litigations on its financial position in its financial statements in accordance with generally accepted accounting principles-Refer Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, 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)

Mumbai, May 30, 2016

P.B. Pardiwalla
(Partner)
(Membership No. 40005)

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March, 2016 of Monsanto India Limited)

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 MONSANTO INDIA LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 ("the Guidance Note"). 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 based on our audit. We conducted our audit in accordance with the Guidance Note 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 included performing procedures to obtain audit evidence about the design and operating effectiveness of internal financial controls over financial reporting and their operating effectiveness. Our audit included the use of the following procedures, among others:

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 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; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, perceptions of any exemption of or reliance on financial controls over financial reporting as a means of reducing the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or 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,

2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Mr. P.B. Pardiwalla
(Partner)
(Membership No. 40005)

Mumbai, May 30, 2016

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date on the accounts for the year ended 31st March, 2016 of Monsanto India Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, 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) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of duly registered sale deed, transfer deed, mortgage deed, court orders approving schemes of arrangements, amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet dates.

(d) As regards to the companies, were physically verified during the year by the Management at reasonable intervals as required along with title deeds for which confirmations have been obtained and no material discrepancies were noticed on such physical verification or confirmations.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other entities covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not provided any collateral or security for loans or advances made by it, falling in categories 125 and 126 under the Companies Act, 2013, except under clause (iv) of the

Order is not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. In view 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 has generally been regular in discharging undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other taxes and cesses, dues applicable to it in the above categories.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

c. Details of dues of Income-tax, Sales Tax, Excise Tax, Excise Duty, Value Added Tax and other taxes and cesses, not been deposited as at March 31, 2016, in arrears of disburse are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in crores)
Income Tax Act, 1961	Income Tax demand	Income Tax Appellate Tribunal	Assessment Year: 2006-07, 2008-09, 2009-10	16.00 [^]
Income Tax Act, 1961	Income Tax demand	Commissioner of Income Tax (Appeals)	Assessment Year: 2008 - 09, 2010 - 11 to 2012 - 13	57.38 [#]
Various State Sales Tax Laws	Sales Tax / VAT	Various levels of State Sales Tax Authorities	Assessment Year: 2002 - 03, 2008-09 to 2014 - 15	1.66
Central Sales Tax Act, 1956	Sales Tax	Various levels of State Sales Tax Authorities	Assessment Year: 2003 - 04, 2010 - 11, 2013 - 14	0.27
Central Excise Act, 1944	Excise Duty Demand	Additional Commissioner of Central Excise	Assessment Year 2013 - 14 to 2014 - 15	0.36
Finance Act, 1994	Service Tax Demand	Commissioner of Service Tax	Assessment Year 2009 -10 to 2013 - 14	4.68

[^] Net of ₹ 27.50 crores paid under protest.

[#] Net of ₹ 12.22 crores paid under protest.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

applicable, 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.

(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 reporting under clause 3 (ix) of the Order is not applicable.

(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 3 (xiv) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(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 Companies Act, 2013 are not applicable.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where

MUMBAI, May 30, 2016

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Mr. P.B. Pardiwalla
(Partner)
(Membership No. 40005)

Particulars	Note No.	As at 31 st March 2016 (₹ in Crores)	As at 31 st March 2015 (₹ in Crores)
1 Shareholders' Funds			
(a) Share capital	3	17.26	17.26
(b) Reserves and surplus	4	395.99	357.07
2 Non-Current Liabilities			
(a) Other long term liabilities	5	8.48	8.62
(b) Long term provisions	6	7.87	9.53
3 Current Liabilities			
(a) Trade payables			
(i) Amount outstanding due to micro, small and medium enterprises and small business	7	0.44	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		60.57	(18.92)
(b) Other current liabilities	7	33.20	37.19
(c) Short-term provisions	8	2.70	49.77
TOTAL			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	83.99	87.13
(ii) Intangible assets	9	0.06	-
(iii) Capital work-in-progress		11.00	0.72
(b) Deferred tax assets (net)	10	1.59	4.71
(c) Long-term loans and advances	11	51.65	40.01
2 Current assets			
(a) Cash and bank balances	12	157.49	188.48
(b) Trade receivables	13	179.04	155.10
(c) Trade receivables	14	13.26	34.79
(d) Cash paid but not yet paid	15	5.50	5.64
(e) Short-term loans and advances	16	17.02	14.75
(f) Other current assets	17	4.91	4.92
TOTAL			

The accompanying notes are an integral part of these financial statements. (Page 43)

Approved for and on behalf of the Board of Directors

Signature of the Director

Signature

Managing Director

Director

Approved for and on behalf of the Board of Directors

Signature

Director

Company Secretary

Statement of Profit & Loss Account

for the year ended 31st March, 2016

Particulars	Note No.	As at	As at
		31 st March 2016	31 st March 2015
		(₹ in Crores)	(₹ in Crores)
Continuing Operations			
I. Revenue from operations (Gross)	18	567.92	582.88
Less : Excise duty		26.35	26.45
Revenue from operations (Net)		541.57	556.43
II. Other Income	19	14.18	21.26
III. Total Revenue (I + II)		555.75	577.69
IV. Expenses:			
(a) Cost of materials consumed and other inputs	20	187.85	302.37
(b) Changes in inventories of finished goods and work-in-progress	21	66.77	165.00
(c) Employee benefits expense	22	50.96	65.08
(d) Finance costs	23	0.68	0.41
(e) Depreciation and amortization expense	9	9.32	7.92
(g) Other expenses	24	128.12	138.11
Total Expenses		443.70	678.99
V. Profit before exceptional items and tax (III- IV)		112.05	121.93
VI. Exceptional items - Employee Severance Costs (Net)		2.89	-
VII. Profit before tax (V- VI)		109.16	121.93
VIII. Tax expense:			
(a) Current tax		5.19	23.25
(b) Deferred tax expense/ (credit)		2.72	(0.57)
IX. Profit after tax (VII-VIII)		101.25	98.11
X. Earnings per equity share of face value of ₹ 10/- each (in ₹) :			
Basic	39	58.66	61.59
Diluted - Refer Note 39			

See accompanying notes forming part of the financial statements

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In terms of our report attached

For and on behalf of the Board

Chartered Accountants

Chairman

Managing Director

Director

Partner

Partner

Mumbai, May 30, 2016

Director

Director

Company Secretary

Particulars	For the year ended 31 st March 2016 (₹ in Crores)	For the year ended 31 st March 2015 (₹ in Crores)
A. Cash flow from Operating Activities		
Profit Before Tax	109.16	128.98
Adjustments for:		
Depreciation and Amortisation	9.32	7.92
Interest Expense	0.68	0.41
Provision for Doubtful Debts	0.31	2.92
Interest Income	(6.14)	(0.23)
Loss on amortisation of Fixed Assets (Net)	0.45	0.23
Dividend Income from Mutual Funds	(8.62)	(8.14)
Net unrealised loss on foreign exchange transactions	0.39	0.75
	2.39	3.86
Operating profit before Working Capital changes		
Changes in Working Capital		
Adjustments for (Increase) / Decrease in operating assets:		
Inventories	76.06	(25.88)
Trade Receivables	11.13	3.55
Short Term / Long term Loans and Advances	(9.02)	7.11
Adjustments for Increase / (Decrease) in operating liabilities:		
Trade payables	(57.96)	(34.09)
Long term and short term liabilities	(4.21)	(2.44)
Short term / Long term deposits	(10.52)	2.42
	5.50	(27.12)
Net cash generated from operations	177.05	104.72
Direct Taxes paid (net)	(40.45)	(23.70)
Net cash generated from Operating Activities		
B. Cash flow from Investing Activities		
Purchase of Fixed Assets (including capital work in progress)	(17.08)	(18.35)
Sale proceeds of Fixed Assets	0.11	0.00
Interest from debentures	0.12	0.25
Bank deposits (including deposits at call and short term deposits) - Placed (Net)	(0.05)	(0.05)
Dividends received from Mutual Funds	(983.52)	(986.06)
Repayment of long term borrowings	(285.51)	75.40
Dividends received from Mutual Funds	3.62	0.14
Net cash generated from Investing Activities		

Cash Flow Statement

for the year ended 31st March 2016

Particulars	For the year ended 31 st March 2016 (₹ in Crores)	For the year ended 31 st March 2015 (₹ in Crores)
C. Cash flow from Financing Activities		
Dividend paid	(82.98)	(82.82)
Tax on Dividend	(16.87)	(15.01)
Interest paid	(0.68)	(0.41)
Net cash used in Financing Activities	(100.53)	(98.24)
Net (Decrease) / Increase in Cash and Cash Equivalents (A + B + C)	(0.19)	(1.95)
Cash and Cash Equivalents - Opening Balance	5.55	7.50
Cash and Cash Equivalents - Closing Balance	5.36	5.55

Notes to Cash Flow Statement :

1 Reconciliation of Cash and cash equivalents with the Balance Sheet:	6.50	5.64
Cash and cash equivalents as per Balance sheet (Refer Note 15)		
Less: Earmarked balances		0.66
- Unpaid dividends accounts	0.54	0.43
- Balances held as margin money against guarantees	0.60	1.14
	5.36	1.09
2 Cash and Cash Equivalents include:		
Balances with banks		
i) In current accounts	2.14	3.16
ii) In EEFC accounts	0.84	-
iii) In Deposits	2.38	2.39
	5.36	5.55

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

D. S. Deshpande

Partner

Mumbai, May 30, 2016

For and on behalf of the Board

Sekhar Natarajan
Chairman

Pradeep Poddar
Director

Shilpa Shridhar Divekar
Managing Director

H C Asher
Director

Piyush Nag
Director

Company Secretary

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Monsanto India Limited (the 'Company') was incorporated on 8th December 1949. The Company is engaged in the business of production and sale of agricultural inputs, namely, chemicals and hybrid seeds. The Company's corporate office is located in Mumbai. It has a chemical production unit at Silvassa, hybrid seeds processing and drying units at Hyderabad and breeding stations at Bangalore and Hyderabad.

(A) Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act), and the relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

(B) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions, considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amount of income and expenditure during the year. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the transactions occur.

(C) Tangible Fixed Assets and Depreciation:

Tangible Fixed Assets are carried at their historical cost of acquisition (or construction) less accumulated depreciation/amortisation and impairment losses, if any. Cost includes all costs incurred to bring the assets to their present location and condition.

Depreciation on tangible fixed assets has been provided, except for the period of use, by the Straight Line Method, except other than drivers are depreciated over the useful lives specified in Schedule III of the Companies Act, 2013. Drivers are depreciated using wear and tear formula with technical evaluation made by the Company.

(D) Intangible Fixed Assets and Amortisation:

Intangible Fixed Assets are valued at (i) cost less accumulated amortisation and impairment losses incurred in bringing the assets to their present location and condition.

(E) Impairment:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

(F) Investments:

Current investments are stated at the lower of cost and fair value.

(G) Inventories:

Inventories are measured at the lower of cost and net realizable value, after providing for obsolescence.

Costs of inventories comprise all costs of purchase – net of CENVAT costs or inputs for starting, transport cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost of raw materials, packing materials and finished goods (traded goods) are determined on weighted average cost basis. Cost of Work in Progress and Finished Goods (manufactured) are determined on the absorption costing method.

(H) Revenue Recognition:

(i) Revenue is recognized when the goods are no longer under significant uncertainty as to its realization, or collection. Revenue on sale of products is recognised when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership have been transferred and no effective ownership control is retained.

Sales are stated inclusive of 5% GST, 12% VAT or similar and value-added tax.

(ii) Interest income is recognized on a time proportion basis.

(I) Foreign Currency Transactions:

Transactions in foreign currency are recorded in the exchange rates prevailing at the date of the transaction or at rates that closely approximate the



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Notes

Forming part of the Financial Statements for the year ended 31st March 2016

rate at the date of the transaction. Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of the balance sheet. Exchange differences arising on settlement or restatement are recognized in the Statement of Profit and Loss.

(J) Employee Benefits:

- (i) Contributions to provident fund, a defined contribution scheme are made as required by the statute and expensed to the Statement of Profit and Loss.
- (ii) Contributions to superannuation fund, a defined contribution scheme managed by a life insurance company are expensed to the Statement of Profit and Loss.
- (iii) The Company participates in a group gratuity cum life insurance scheme administered by a life insurance company. Being a defined benefit plan, annual contributions made to the scheme are as per the intimations received from the life insurance company. The Company accounts for liability for future gratuity benefits based on an actuarial valuation by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the balance sheet date. Shortfall if any, between the balance in the fund with the life insurance company and the actuarial valuation is expensed to the Statement of Profit and Loss.
- (iv) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by an employee is recognized during the period when the employee renders the service.
- (v) The liability for compensated absences, a long term benefit is wholly unfunded. The liability for number of days of unutilized leave at each balance sheet date is provided for based on an independent actuarial valuation.
- (vi) Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

(K) Earnings per Share:

The Company reports Earnings per Share (EPS) in accordance with Accounting Standard- 20 on Earnings

per Share. Basic EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year.

(L) Taxation:

Income tax is accounted for in accordance with Accounting Standard- 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax laws. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably or virtually certain, as relevant, that sufficient future taxable income will be available against which the deferred tax asset can be realized.

(M) Operating Lease:

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis.

(N) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

(O) Cash Flow Statement:

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard - 3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and balances in current accounts and demand deposits with banks.

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Particulars	As at 31 st March 2016 (₹ in Crores)	As at 31 st March 2015 (₹ in Crores)
3. SHARE CAPITAL		
Authorised :		
20,000,000 Equity Shares of ₹10/- each	20.00	20.00
Issued and Subscribed :		
17,263,048 Equity Shares of ₹10/- each	17.26	17.26
Paid up :		
17,262,748 Equity Shares of ₹10/- each fully paid-up	17.26	17.26

1. Rights, preferences and restrictions attached to equity shares :

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- Every member of the company holding equity shares is eligible for one vote per share held.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in pursuance of the provisions of the Companies Act, 2013, as applicable.
- Monsanto Company USA, the ultimate holding company has certain rights enshrined in the Articles of Association relating to appointment of Directors.

2. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :

Particulars	As at 31 st March 2016 Number of shares held	(₹ in Crores)	As at 31 st March 2015 Number of shares held	(₹ in Crores)
Subscribed and Fully paid up				
Shares outstanding at the beginning and end of the year	17,262,748	17.26	17,262,748	17.26

3. Details of shares held by the holding company and the ultimate holding company and details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 st March 2016 Number of shares held	% of holding	As at 31 st March 2015 Number of shares held	% of holding
Monsanto Company USA, the ultimate holding company	2,316,920	13.42	2,301,920	13.35
Monsanto Investments India Private Limited, the holding Company	10,137,124	58.72	9,252,124	53.50

4. Aggregate number and class of shares allotted as fully paid up bonus shares for a period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares					
	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2012	As at 31 st March 2011
Equity shares, face value of ₹ 10/- each	-	-	-	340	5,711,171	-

5. Shares reserved for issue under commitments:

None. The subject matter of previous court proceedings (the Company's nullification of debt and issuance of 500 bonus share entitlements to holders

Notes

forming part of the Financial Statements for the year ended 31st March 2016

	As at 31 st March 2016 (₹ in Crores)	As at 31 st March 2015 (₹ in Crores)
4. RESERVES AND SURPLUS		
(a) Securities Premium Account	139.40	139.40
(b) General Reserve	128.05	128.05
(c) Surplus in the statement of Profit and Loss :		
Balance as per last Balance Sheet	89.62	59.79
Less: Depreciation (Net of deferred tax) on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life.	-	1.79
Add : Profit for the year	101.25	106.30
Less : Appropriations		
Interim Dividend (First ₹ 15/-, Second ₹ 15/- (Previous Year ₹ 18/-)) per share	51.79	31.07
Tax on Interim Dividend	10.54	6.21
Proposed Dividend (₹ NIL (Previous Year ₹ 18/-)) per share	-	31.07
Tax on proposed Dividend	-	6.33
	128.54	89.62
	395.99	357.07
5. OTHER LONG TERM LIABILITIES		
Liability towards employees (ESOP Scheme) (Refer Note 40)	1.19	
Others :		
Security deposits from customers	7.29	7.07
	8.48	8.84
6. LONG TERM PROVISIONS		
Provision for employee benefits:		
Compensated absences (Refer Note 37 B)	7.87	9.53
	7.87	9.53
7. OTHER CURRENT LIABILITIES		
(a) Unclaimed Dividend	0.54	0.66
(b) Other Payables		
i) Statutory Remittances	7.07	6.14
ii) Security Deposits from Customers	4.40	4.19
iii) Advance from Customers	14.58	20.93
iv) Liabilities towards Employees (ESOP Scheme (Refer Note 40) and others)	6.61	5.27
	33.20	37.19
8. SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
i) Compensated absences (Refer Note 37 B)	0.25	0.33
ii) Gratuity (Refer Note 37 A)		8.88
	0.25	9.21
(b) Others		
i) Proposed Dividend		31.07
ii) Tax on Proposed Dividend		6.33
iii) Provision for Taxation (Net of Advance Tax)	2.45	3.16
	2.45	40.56
	2.70	49.77

9. FIXED ASSETS

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1 st April 2015	Additions	Deletions	As at 31 st March 2016	As at 1 st April 2015	For the year	On Disposals	Transition adjustment recorded against surplus in statement of profit and loss	As at 31 st March 2016	As at 31 st March 2015
A. TANGIBLE ASSETS										
Land & Leasehold ^a	12.95	-	-	12.95	-	-	-	-	12.95	12.95
Buildings	(12.87)	(0.08)	-	(12.95)	-	-	-	-	-	-
	44.76	1.13	0.55	46.44	18.47	1.60	0.14	-	25.41	26.29
	(43.92)	(0.91)	(0.07)	(44.76)	(16.73)	(1.73)	(0.02)	00.03	(18.47)	(18.47)
Plant and Equipment	85.26	3.67	0.93	88.20	44.92	4.42	0.85	-	39.71	40.34
	(80.85)	(4.85)	(0.44)	(85.26)	(40.86)	(4.38)	(0.32)	-	(44.92)	(44.92)
Furniture and Fixtures	6.99	0.08	0.25	7.32	4.73	0.61	0.20	-	5.14	2.26
	(8.41)	(0.38)	(1.75)	(6.99)	(5.02)	(0.84)	(1.68)	(0.55)	(4.73)	(4.73)
Office Equipment	3.74	0.31	0.21	4.26	1.22	0.55	0.19	-	1.58	2.52
	(3.51)	(0.77)	(0.54)	(3.74)	(0.70)	(0.45)	(0.49)	(0.56)	(1.22)	(1.22)
Vehicles	1.83	0.21	-	2.04	0.49	0.23	-	-	0.72	1.34
	(1.70)	(0.13)	-	(1.83)	(0.29)	(0.20)	-	-	(0.49)	(0.49)
Leasehold Improvements	1.58	-	-	1.58	1.58	-	-	-	1.58	-
	(3.98)	-	(2.40)	(1.58)	(3.98)	-	(2.40)	-	(1.58)	(1.58)
Computers & Equipment	9.20	1.13	0.00	10.27	7.77	1.90	0.06	-	9.61	1.43
	(7.47)	(1.74)	(0.01)	(9.20)	(6.81)	(0.32)	(0.01)	(0.65)	(0.66)	(0.66)
Total (A)										
B. Intangible Assets										
(Acquired)										
Intellectual Property	2.18	-	-	2.18	2.18	-	-	-	2.18	-
	(2.18)	-	-	(2.18)	(2.18)	-	-	-	(2.18)	(2.18)
Software	0.71	0.07	0.69	1.47	0.71	0.01	0.69	-	0.06	-
	(0.71)	-	-	(0.71)	(0.71)	-	-	(0.71)	(0.71)	(0.71)
Total (B)										
Gross Total (A + B)										

Figures in brackets are in respect of Previous year.

^a Also known as leasehold interest in land. Land & Leasehold cost is ₹ 2.20 Crores. Previous year ₹ 2.20 Crores. Land and Equipment cost is ₹ 4.34 Crores. Previous year ₹ 1.24 Crores.



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forming part of the Financial Statements for the year ended 31st March 2016

Particulars	As at 31 st March 2016 (₹ in Crores)	As at 31 st March 2015 (₹ in Crores)
10. DEFERRED TAX ASSETS		
(a) Provision for doubtful debts/ advances	0.11	0.11
(b) Depreciation	0.31	1.24
(c) Allowances on payment basis	1.17	2.96
	1.59	4.31

11. LONG TERM LOANS AND ADVANCES

Unsecured, considered good		
(a) Capital Advances	-	0.15
(b) Security Deposits	0.98	1.00
(c) Other loans and advances		
i) Advance Tax (Net of Provisions)	42.40	7.98
ii) Advance to Employees	0.92	1.18
iii) Prepaid Expenses	0.45	0.50
iii) Advance payment towards Gratuity Fund (Refer note 37 A)	6.90	-
	51.65	10.81

12. CURRENT INVESTMENTS

(Non-trade, Unquoted and Fully paid)
(at lower of cost and fair value)

Investments in Mutual funds

Liquid Funds: Daily Dividend

	Face Value (₹ per Unit)	As at 31 st March 2016 (No. of Units)	As at 31 st March 2015 (No. of Units)	As at 31 st March 2016 (₹ in Crores)	As at 31 st March 2015 (₹ in Crores)
1. ICICI Prudential Liquid Plan	100	5,521,254	5,931,932	55.25	59.36
2. Birla Sun Life Cash Plus Regular Plan	100	5,464,162	7,767,940	54.75	77.79
3. Reliance Liquid Fund - Treasury Plan	1000	310,651	342,320	47.49	52.33
				157.49	189.48

13. INVENTORIES

(At Lower of Cost and Net Realisable Value)

	As at 31 st March 2016 (₹ in Crores)	As at 31 st March 2015 (₹ in Crores)
(a) Raw Materials (Refer note (i) below)	28.12	26.54
Goods in Transit	-	10.21
	28.12	36.75
(b) Packing Materials	4.92	5.27
	4.92	5.27
(c) Work In Progress (Including Inputs for Standing Crops) (Refer note (ii) below)	86.14	120.79
(d) Finished Goods (Refer note (iii) below)	59.86	92.29
	179.04	355.10

Notes	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
i) Raw Material		
- Agricultural Chemicals	28.12	36.75
ii) Work in Progress		
- Seeds	86.14	120.79
iii) Finished Goods		
- Seeds	22.69	55.14
- Agricultural Chemicals	37.17	37.15

14. TRADE RECEIVABLES (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment

Considered good	7.97	7.50
Considered doubtful	0.42	4.11
Less: Provision for doubtful debts	(0.42)	(4.11)
Other Trade Receivables		
Considered good	5.29	21.11

15. CASH AND CASH EQUIVALENTS

Balances with banks:

i) In current accounts	2.14	1.15
ii) In EEFC accounts	0.84	-
iii) In deposit accounts	2.38	2.34
iv) In earmarked accounts	-	-
- Long-term Dividend Accounts	0.54	0.50
- Balances held as margin money against guarantees	0.60	0.45

16. SHORT TERM LOANS AND ADVANCES

(i) Unsecured, considered good:

(a) Loans and advances to related parties (Refer Note 32)	5.32	1.03
(b) Others		
i) Advances to employees	0.24	9.13
ii) Advances to suppliers	8.04	7.13
iii) Prepaid Expenses	1.83	2.75
iv) Balance with Statutory Authorities	1.56	2.85
v) Tender Deposit	-	0.17

17. OTHER CURRENT ASSETS

(i) Other than Accounts Payable & Other Current Liabilities

Unsecured	0.07	0.00
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(ii) Other than Held for Deposit	4.90	4.95
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Notes

forming part of the Financial Statements for the year ended 31st March 2016

	For the year ended 31st March 2016 (₹ in Crores)	For the year ended 31st March 2015 (₹ in Crores)
18. REVENUE FROM OPERATIONS (GROSS)		
(1) Sale of products (Refer note 1 below)	562.76	573.08
(2) Other Operating Revenue (Refer note 2 below)	5.16	9.80
Total	567.92	582.88
Note :		
1 Sale of manufactured goods		
i. Agricultural Chemicals	207.80	225.44
ii. Seeds	354.96	347.64
	562.76	573.08
2 Other Operating Revenue		
a. Royalty Income	4.40	9.07
b. Tolling Income (net)	0.76	0.73
	5.16	9.80
19. OTHER INCOME		
(a) Interest Income	0.14	0.23
(b) Dividend from Current Investments	8.62	8.14
(c) Gain on Sale of Investments	-	11.06
(d) Foreign exchange gain / loss (net)	0.50	-
(e) Provision no longer required written back (gratuity, leave encashment, ESOP and provision for doubtful debts)	3.87	0.10
(f) Miscellaneous Income	1.05	1.73
	14.18	11.24
20. (i) COST OF MATERIALS CONSUMED AND OTHER INPUTS		
(a) Raw Materials Consumed (Refer Note i and ii below)	36.75	17.19
Opening Stock	106.85	138.22
Add : Purchases	143.60	155.41
Less : Closing Stock	28.12	36.75
	115.48	119.57
(b) Seed Grower Payments and other inputs	55.07	163.01
(c) Packing material consumed (Refer note ii below)	17.30	20.70
	167.85	199.28
Notes :		
i) Particulars of Raw materials Consumed		
Glyphosate IPA Salt	96.96	96.71
Surfactant	18.52	21.95
	115.48	118.66

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For the year ended 31st
March 2016
(₹ in Crores)

For the year ended 31st
March 2015
(₹ in Crores)

iii. Details of consumption of imported and indigenous items

a) Raw Materials

	% of Consumption		% of Consumption	
Imported	88.95%	102.72	96.84%	114.91
Indigenous	11.05%	12.76	3.16%	3.75

b) Packing Materials

	% of Consumption		% of Consumption	
Imported	0.00%		0.00%	
Indigenous	100.00%	17.30	100.00%	20.70

21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

i) (Increase) / decrease in Stocks

(a) Opening Stock:

i) Finished Goods	93.29	37.10
ii) Work in Progress	120.79	108.33

(b) Closing Stock:

i) Finished Goods	59.86	94.29
ii) Work in Progress	26.14	120.79
	86.00	32.68
Net Increase / (decrease) in stock of finished goods	(10.31)	2.87

22. EMPLOYEE BENEFIT EXPENSES

(Refer note below)

(a) Salaries and Wages	45.70	45
(b) Contribution to Provident and Other funds	3.51	11.80
(c) Expense on employee stock option (ESOP) scheme (Refer Note 40)	-	5.79
(d) Staff welfare Expenses	0.59	0.77

Notes:

Employee benefit expenses for the year above include expenses after full cost of share-based payments of ₹ 4.29 Crores. Expenses of ₹ 4.29 Crores are shared by the Company, Ultramex Holding Company and some fellow Subsidiaries in accordance with the agreements on allocation of expenses with the respective companies.

23. FINANCE COST

Interest on bank borrowings	1.20	1.17
Interest on other borrowings	0.00	0.00



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Notes

forming part of the Financial Statements for the year ended 31st March 2016

	For the year ended 31 st March 2016	For the year ended 31 st March 2015
	(₹ in Crores)	(₹ in Crores)
24. OTHER EXPENSES (Refer note (ii) below)		
Consumption of Stores and Spare parts	0.41	0.49
Power and fuel	5.19	7.34
Rent	9.15	9.00
Repairs and Maintenance :		
Repairs to Buildings	0.34	0.10
Repairs to Machinery	3.26	2.50
Repairs to others	0.27	0.30
	3.87	2.90
Insurance	1.44	1.17
Rates and Taxes	5.16	5.97
Freight, forwarding charges	22.25	24.02
Travel and Entertainment	5.57	8.04
Vehicle Expenses and Hire Charges	7.20	8.64
Loss on sale/disposal of fixed assets (net)	0.45	0.23
Advertising and promotions	22.16	25.36
Cash discount & germination claims	13.28	12.40
Royalty expense	5.56	4.80
Provision for Doubtful Debts	0.31	2.92
Consultancy Fees	5.01	6.50
Labour Charges	8.21	9.50
Foreign exchange Loss (Net)	-	0.48
Contribution towards corporate social responsibility (Refer note 38)	3.15	-
Bad Debts written off	3.24	3.84
Less : Adjusted against provision	(3.24)	(3.84)
	-	-
Miscellaneous Expenses (including Research and Development expenses of ₹ 5.08 Crores) (Previous Year ₹ 3.99 Crores)	9.75	8.35
	128.12	133.31

Notes :

i) Consumption of Stores & Spare parts	% of Consumption		% of Consumption	
Imported	0.00%	-	0.00%	
Indigenous	100.00%	0.41	100.00%	0.49
	100.00%	0.41	100.00%	0.49

- ii) Other expenses above, includes expenses after reduction of reimbursements amounting to ₹ 15.45 Crores (Previous year ₹ 22.02 Crores) by Ultimate Holding Company and some fellow subsidiaries towards the value of costs apportioned in accordance with the agreements on allocation of expenses with the respective companies.

	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
--	---	---

25. COMMITMENTS

I. Estimated amount of contracts remaining to be executed on capital account and not provided	4.63	1.12
II. Other Commitments :-		
a) Dividend on shares held in abeyance (Refer Note 3)	0.05	0.05
b) Contractual arrangement for payment on default on corporate credit card facility to employees availed from a bank.		

26. CONTINGENT LIABILITY IN RESPECT OF FOLLOWING MATTERS

I. Income Tax (also refer note 36)	113.10	83.91
II. Sales Tax, Excise Duty and Service Tax	6.97	7.76
III. Claims against the company not acknowledged as debts	1.13	0.93

Future cash outflows in respect of the above matters are determinable only on receipt of judgment / decisions pending before various authorities.

	For the year ended 31st March 2016 (₹ in Crores)	For the year ended 31st March 2015 (₹ in Crores)
--	--	--

27. AUDITOR'S REMUNERATION

I. Statutory Auditors		
Audit Fees	0.21	0.14
Other Services	0.05	0.05
Tax Audit	0.05	0.05
Genuine Tax on above	0.05	0.03
	0.36	0.27
II. Cost Auditor		
Audit Fees	0.03	0.03

28. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

Raw Materials	82.55	121.31
Components and spare parts	-	0.85
Capital goods	0.34	2.31

29. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

FOB Value of Exports	34.63	37.02
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30. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Travel Expenses	0.07	0.41
Consultancy Fees	0.10	0.05
Salaries & Wages	-	0.01
Communication Expenses	2.09	0.31
Freight & cartage	5.36	0.00
Others including Remittance to Overseas	0.37	0.18



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31. Remittance in foreign exchange on account of dividends to non-resident shareholders

Dividend in respect of the year related	No. of Shares	No. of Shareholders	For the year ended 31st March 2016 (₹ in Crores)	For the year ended 31st March 2015 (₹ in Crores)
2013 -14 (Final)	3,201,920	1	-	9.61
2014 -15 (Interim)	3,201,920	1	-	5.76
2014 -15 (Final)	26,01,920	1	4.68	-
2015 -16 (1st Interim)	23,16,920	1	3.48	-
2015 -16 (2nd Interim)	23,16,920	1	3.48	-

32. RELATED PARTY DISCLOSURE:

Names of related parties and description of relationship

A. Holding Company:

Monsanto Investments India Private Limited

Ultimate Holding Company – Monsanto Company, USA

B. Fellow Subsidiaries :

Monsanto Holdings Private Limited, Monsanto Pakistan Agritech (Pvt) Ltd, PT Branita Sandhini, Monsanto Singapore Co PTE Ltd, Monsanto Thailand Ltd, Seminis Seeds (Beijing) Co Ltd, Beijing New Millenium Fen, Monsanto Europe SAS, Monsanto SAS France, Monsanto Hungaria KFT, Monsanto International S. A. R. L., Monsanto Ag Product LLC, Seminis Vegetable Seeds Inc., Monsanto Nigeria, Mahyco Monsanto Biotech (I) Pvt. Ltd., Monsanto South Africa Ltd.

C. Key Managerial Personnel:

Mr. Gyanendra Shukla, Managing Director (upto 31st August 2014)

Ms. Shilpa Shridhar Divekar, Managing Director

D. Details of transactions with related party

Nature of Transactions	Year Ended 31 st March 2016					Year Ended 31 st March 2015				
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Purchase of Goods	78.05	-	-	-	78.05	109.26	-	-	-	109.26
Monsanto Company, USA	78.05	-	-	-	78.05	109.26	-	-	-	109.26
Sale of Goods	-	-	4.69	-	4.69	-	-	2.83	-	2.83
Monsanto Nigeria	-	-	0.43	-	0.43	-	-	-	-	-
Monsanto Pak Agri tech Pvt Ltd	-	-	4.26	-	4.26	-	-	2.83	-	2.83
Consultancy Fees	-	-	1.09	-	1.09	-	-	1.00	-	1.00
Monsanto Holdings Private Ltd.	-	-	1.09	-	1.09	-	-	1.00	-	1.00
Expenses Towards Royalty	5.56	-	-	-	5.56	4.80	-	-	-	4.80
Monsanto Company, USA	5.56	-	-	-	5.56	4.80	-	-	-	4.80

Nature of Transactions

Year Ended 31st March 2016Year Ended 31st March 2015

	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Rent	-	-	0.86	-	0.86	-	-	2.10	-	2.10
Monsanto Holdings Private Ltd	-	-	0.86	-	0.86	-	-	2.10	-	2.10
Remuneration	-	-	-	1.62	1.62	-	-	-	2.79	2.79
Gyanendra Shukla (upto 31 st August 2014)	-	-	-	-	-	-	-	-	1.61	1.61
Shreshth Pruthi (from 1 st September 2014)	-	-	-	1.62	1.62	-	-	-	1.18	1.18
Reimbursement of Expenses (Net)	1.45	-	22.39	-	23.84	(0.67)	-	30.14	-	29.47
Monsanto Company, USA	1.45	-	-	-	1.45	(0.67)	-	-	-	(0.67)
Monsanto Singapore Co Pte Ltd	-	-	0.14	-	0.14	-	-	0.64	-	0.64
PT Branta Sandhini	-	-	-	-	-	-	-	0.06	-	0.06
Monsanto Ag Product LLC	-	-	(1.82)	-	(1.82)	-	-	(0.35)	-	(0.35)
Mahyco Monsanto Biotech (Pvt) Ltd	-	-	11.94	-	11.94	-	-	13.54	-	13.54
Monsanto Hungary EFT	-	-	-	-	-	-	-	0.69	-	0.69
Seminis Vegetable Seeds INC	-	-	0.10	-	0.10	-	-	0.16	-	0.16
Monsanto South Africa Ltd	-	-	0.06	-	0.06	-	-	-	-	-
Monsanto Holdings Private Ltd	-	-	11.97	-	11.97	-	-	15.43	-	15.43
Payment of Dividends	11.63	48.15	-	-	59.78	15.37	44.41	-	-	59.78
Monsanto Company, USA	11.63	-	-	-	11.63	15.37	-	-	-	15.37
Monsanto Investments India Pvt Ltd.	-	48.15	-	-	48.15	-	44.41	-	-	44.41
Outstanding at year-end										
Sundry Debtors	-	-	0.43	-	0.43	-	-	2.83	-	2.83
Monsanto Nigeria	-	-	0.43	-	0.43	-	-	-	-	-
Monsanto F&B Agri Tech Pvt Ltd	-	-	-	-	-	-	-	2.93	-	2.93
Loans and Advances	1.01	-	4.31	-	5.32	0.27	-	1.66	-	1.93
Monsanto Company, USA	1.01	-	-	-	1.01	0.27	-	-	-	0.27
Monsanto Pakistan Agri Tech (Pvt) Ltd	-	-	0.01	-	0.01	-	-	0.37	-	0.37
Monsanto Holdings Private Limited	-	-	4.03	-	4.03	-	-	0.92	-	0.92
Mahyco International Services Pvt Ltd	-	-	6.08	-	6.08	-	-	-	-	-
Monsanto Argentina S.A. de C.A.	-	-	-	-	-	-	-	0.27	-	0.27



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Nature of Transactions

Year Ended 31st March 2016Year Ended 31st March 2015

	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Beijing New Millenium Fen	-	-	0.01	-	0.01	-	-	0.01	-	0.01
Monsanto South Africa Ltd	-	-	0.06	-	0.06	-	-	-	-	-
Seminis Seeds (Beijing) Co. Ltd	-	-	-	-	-	-	-	*	-	*
Seminis Vegetable Seeds Inc	-	-	0.11	-	0.11	-	-	-	-	-
Sundry Creditors	14.16	-	0.16	-	14.32	30.49	-	0.57	-	31.06
Seminis Seeds (Beijing) Co. Ltd	-	-	0.03	-	0.03	-	-	0.03	-	0.03
Monsanto Holdings Private Limited	-	-	-	-	-	-	-	0.44	-	0.44
Monsanto SAS France	-	-	0.10	-	0.10	-	-	0.09	-	0.09
Monsanto International S.A.R.L.	-	-	0.01	-	0.01	-	-	-	-	-
Monsanto Ag Product LLC	-	-	0.01	-	0.01	-	-	-	-	-
Monsanto Europe SAS	-	-	*	-	*	-	-	*	-	*
Monsanto Company, USA	14.16	-	-	-	14.16	30.49	-	-	-	30.49

* Amount less than one lakh rupees

33. The dominant source and nature of the risks and returns of the agricultural chemistry and seeds activities of the Company not being significantly different, the Company operates a single segment of activity, "Agricultural Inputs", within the same geography.
34. The Company has incurred the following expenses towards operating leases pertaining to vehicles, office equipments and warehouses. Lease agreements are executed for a period ranging from 11 to 48 months.

	For the year ended 31 st March 2016 (₹ in Crores)	For the year ended 31 st March 2015 (₹ in Crores)
Cancellable	9.54	9.25
Non-Cancellable	4.75	6.05
Charge for the year	14.29	15.30

The Company is obligated under non-cancelable leases pertaining to vehicles and office equipment to pay the following amounts in future as given below:

	For the year ended 31 st March 2016 (₹ in Crores)	For the year ended 31 st March 2015 (₹ in Crores)
Within 1 year	2.94	4.64
Later than 1 year and not later than 5 years	3.32	1.51

35. The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) have been made on the basis of confirmations received from suppliers regarding their status under the said act.

Sr No	Particulars	31 st March, 2016 (₹ in Crores)	31 st March, 2015 (₹ in Crores)
1.	Amount remaining unpaid to supplier as at end of accounting year		
	- Principal Amount	0.37	-
	- Interest due thereon	0.07	-
2.	Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
	Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-	-
3.	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.07	-
4.	The amount of further interest remaining due and payable even in succeeding years until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 25 of MSMED Act	-	-

36. The Company has continually maintained a position that its income from agricultural activities (which involves growing seeds in various states through local growers), is not taxable. This contention has been upheld by the Honorable Bombay High Court for the Assessment Years 1993-94 to 2001-02 and Assessment years 2003-04 to 2005-06. The income tax authorities have filed special leave petitions with the Honourable Supreme Court against favorable orders received for the aforesaid assessment years and same have been admitted by the Honourable Supreme Court. The final hearing of the matter is awaited.

37. Disclosures as required under AS-15 in respect of employee benefits for subsidiary company is as follows:

A. Defined benefit plan- Gratuity

i. Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity:

	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
Change in benefit obligations		
Present value of benefit obligations as at 1st April	29.93	21.56
Service cost	3.04	2.70
Interest cost	2.17	1.89
Benefits paid (including settlement credit)	(6.85)	(2.94)
Actuarial (gain)/loss on obligations	(3.62)	5.45
Present value of benefit obligations as at 31st March	24.86	29.65

ii. Reconciliation of opening and closing balance of the fair value of plan assets:

	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
Fair value of plan assets as at 1st April	21.06	18.32
Expected return on plan assets	2.19	1.87
Company contribution	0.59	-
Employer Contribution	12.26	1.00
Benefits paid	(14.28)	(2.00)
Fair value of plan assets as at 31st March	31.76	19.19



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III. Actual return on Plan Assets:

	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
Expected Return on Plan Assets	2.19	1.67
Actuarial gain/(loss)	0.53	(0.17)
Actual Return on Plan Assets	2.72	1.50

IV. Amount recognized in the Balance Sheet:

	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
Fair value of Plan Assets	31.76	21.06
Present value of benefit obligation	24.86	29.93
Net asset / (liability)	6.90	(8.87)

V. Cost recognized in the Statement of Profit and Loss:

	For the year ended 31st March 2016 (₹ in Crores)	For the year ended 31st March 2015 (₹ in Crores)
Current service cost	3.04	2.34
Interest cost	2.17	1.89
Expected return on plan assets	(2.19)	(1.67)
Actuarial (gain)/loss (including settlement credit)	(6.53)	6.31
Net gratuity cost	(3.51)	8.87

VI. Reconciliation of the Liability recognized in the Balance Sheet:

Particulars	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
Opening Net Liability	8.87	2.68
Expense recognized	(3.51)	8.87
Employer Contribution	(12.26)	(2.68)
Amount recognized in the Balance Sheet	(6.90)	8.87

VII. Experience Adjustments:

	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)	As at 31st March 2014 (₹ in Crores)	As at 31st March 2013 (₹ in Crores)	As at 31st March 2012 (₹ in Crores)
Liability as at the end of the Period	24.86	29.93	21.56	18.72	14.60
Fair value of plan assets as at the end of the period	31.76	21.06	18.88	16.80	14.00
Deficit / (Surplus)	(6.90)	8.87	2.68	1.92	0.60
Experience adjustments on plan liabilities (Gain)/Loss	2.93	0.94	1.05	0.67	1.15
Experience adjustments on plan Assets (Gain)/Loss	0.53	0.17	(0.52)	(0.15)	0.19

VIII. Actuarial assumptions used:

	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
Discount rate	8.00%p.a	7.80%p.a
Salary escalation rate	10%	11% for first year and 10% thereafter
Expected return on plan assets	8.75% p.a	8.75%p.a
Mortality Rate	India Assured Life Mortality (2006-08) Ultimate	India Assured Life Mortality (2006-08) Ultimate

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

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after March 31, 2016 is ₹ NIL (Previous year ₹ 12.26 Crores).

The major categories of plan assets as plan % of total plan	31st March 2016 Gratuity Funded	31st March 2015 Gratuity Funded
Insurer Managed Funds	100%	100%
Government Bonds	52%	52%
Corporate Bonds	33%	34%
Fixed Deposit	5%	4%
Mutual Funds	10%	10%

The above information is certified by the actuary and relied upon by the Auditors.

B. Long term benefit plan – Compensated absences

The Company has actuarial liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary and provided for the actuarial liability as follows:

Particulars	As at 31st March 2016 (₹ in Crores)	As at 31st March 2015 (₹ in Crores)
Provision made for liability for compensated absences	8.12	9.35

Actuarial assumptions used	As at 31st March 2016	As at 31st March 2015
Discount rate	8%p.a	7.80%p.a
Salary escalation rate	10%	11% for the first year 10% thereafter

38. CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to be given by the Company (b) as Corporate Social Responsibility is ₹ 2.29 Crores (previous year NIL).

(c) Break up of amount spent are as under:

(a) Particulars	In cash (₹ in Crores)	Yet to be paid in cash (₹ in Crores)	Total (₹ in Crores)
1. Social & Environmental Initiatives	2.37	0.73	3.10
2. Community Development Initiatives			



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- c. No expenditure has been paid to a related party, in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.
- d. Movement of provisions during the year :-

Particulars	Amount
Opening Provision	-
Add ; During the year	0.78
Less : Adjusted / paid during the year	-
Closing Provision	0.78

39. EARNINGS PER SHARE (EPS)

	Ref	Year ended 31 st March 2016	Year ended 31 st March 2015
Profit Attributable to Equity Shareholders (₹ in Crores)	A.	101.25	106.30
Weighted Average Number of Equity Shares outstanding during the year	B.	17,262,748	17,262,748
Basic Earnings Per Share- (₹)	C=A/B	58.66	61.59

There was no dilution to basic EPS as there are no outstanding potential dilutive shares.

40. Monsanto Company USA (MC), the ultimate holding company, has established the Monsanto Company Long Term Incentive Plan in which eligible employees of the Company participate. Eligible employees are granted stock options and equity based awards (options), which vest over a period of 3 years from the date of the grant. The compensation cost is measured by reference to the fair value of the options outstanding on the reporting date, using lattice binomial model and the charge by MC on the Company on exercise of options by employees.

Details of the above options are as follows:

Particulars	31 st March 2016	31 st March 2015
Outstanding at the beginning of the year	23,054	42,075
Granted during the year	12,721	8,263
Forfeited during the year (on resignations)	(1,168)	(341)
Transfers in/(out)	-	(17,760)
Exercised during the year	(2,055)	(9,183)
Outstanding at the end of the year	32,552	23,054

41. The Year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		31st March 2016					31st March 2015					
		₹	BDT	EUR	NPR	USD	₹	BDT	EUR	NPR	JPY	USD
a.	Amounts receivable in Foreign Currency on account of											
	- Export of goods and services	0.68	-	-	-	0.01	4.01	-	-	-	-	0.06
	- Advance to Suppliers	0.18	-	-	-	-*	-	-	-	-	-	-
b.	Amounts payable in Foreign currency on account of											
	- Imports of goods and services	11.07	0.67	-*	0.06	0.16	12.81	0.61	-*	0.07	0.02	0.11

* Amount less than one lac USD / Euro

42. The Company had a Chief Financial Officer (CFO) for the financial year 2015-16, who resigned with effect from the close of business hours on 31st March, 2016. The Company is in process of filling the vacancy of CFO in accordance with the provisions of Section 203 of the Companies Act, 2013.

43. COMPARATIVE FINANCIAL INFORMATION:

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Monsanto India Limited

(CIN L74999MH1949PLC007912)

Registered Office: Ahura Centre, 5th Floor, 96 Mahakali Caves Road, Andheri (East), Mumbai – 400 093

Tel No. 022 2824 6450; Fax No. 022 2824 4707

Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

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Form No. SH-13-Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014]

To,

(Name of the Company) _____

(Address of the Company) _____

Pin code _____

I/We _____ residing at _____
_____ the holder(s) of the

securities, particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) Particulars of Nominee

Name:	Date of Birth: ____/____/____	Please affix recent passport size photograph of the Nominee signed across
Father's/Mother's/ Spouse's name:	Occupation:	
E-mail id:	Nationality:	
Phone No :	Relationship with the security holder:	
Address: _____		
Pincode _____	Signature of the Nominee _____	

3) In case Nominee is a Minor

Date of birth: ____/____/____	Date of attaining Majority ____/____/____	Name of guardian:
Address of guardian : _____		
Pincode: _____		
Name of the Security Holder(s)	Signature	
1.		
2.		
3.		
Name of witness	Signature of Witness with date	
Address of witness: _____		
Pin code _____		
Place:	Date: ____/____/____	

9.67.

Please fill this Nomination Form in Duplicate after carefully reading the instruction given below:

1. The nomination can be made by individual's only holding shares singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta or Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per Section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in duplicate, should be lodged with the Registrar and Share Transfer Agent of the Company i.e. M/s. Link Intime India Pvt Ltd, C-13 Pannalal Suk Mills Compound, L B S Marg, Bhandup West, Mumbai - 400078. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder(s) of the shares is registered with the company before the death of the registered holder(s) of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the Date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. Affixing photograph of the Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

Monsanto India Limited

(CIN: L74999MH1949PLC007912)

Registered Office: Ahura Centre, 5th Floor, 96 Mahakali Caves Road, Andheri (East), Mumbai – 400 093

Tel No. 022 2824 6450; Fax No. 022 2824 4707

Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

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ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*

Master Folio No.

Client ID*

I hereby record my presence at the 66th Annual General Meeting held at the Y B Chavan, Rangaswar Auditorium, Fourth floor, Gen. Jagannath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai 400021 on Wednesday, August 10, 2016 at 11:00 a.m.

Name of the Proxy / Representative (in BLOCK Letter)
(To be filled in if the Proxy attends instead of the Member)

Signature of the member or proxy / representative _____

* Applicable for investors holding shares in electronic form



Cut along this line

Monsanto India Limited

(CIN: L74999MH1949PLC007912)

Registered Office: Ahura Centre, 5th Floor, 96 Mahakali Caves Road, Andheri (East), Mumbai – 400 093

Tel No. 022 2824 6450; Fax No. 022 2824 4707

Website: www.monsantoindia.com; email: investorcare.india@monsanto.com

PROXY FORM

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

Name of the member(s):	E-mail ID :
Registered address	Folio No/ DP ID-Client ID :

I/ We, being the member (s) of shares of the above named company, hereby appoint

- (1) Name: _____ of _____ having e-mail ID: _____
- (2) Name: _____ of _____ having e-mail ID: _____
- (3) Name: _____ of _____ having e-mail ID: _____

As my/ our proxy to attend and vote (on poll) for me/us and on my/ our behalf at the 66th Annual General Meeting held at the Y B Chavan, Rangaswar Auditorium, Fourth floor, Gen. Jagannath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai 400021 on Wednesday, August 10, 2016 at 11:00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No.	Resolutions	Optional	
		For	Against
1	Adoption of Financial Statements for the year ended March 31, 2016		
2	Reappointment of Mr. Sekhar Natarajan who retires by rotation		
3	Ratification of Appointment of Statutory Auditors and fixing their remuneration		

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MONSANTO INDIA LIMITED (CIN: L74999MH1949PLC007912)
STATEMENT OF ASSETS AND LIABILITIES AS AT 30th SEPTEMBER 2018

(Rupees in Lakhs)

Particulars	As at (current six months ended) 30th September, 2018 (Unaudited)	As at (previous year ended) 31st March, 2018 (Audited)
I Assets		
1 Non current assets		
(a) Property, plant and equipment	11,447	11,547
(b) Capital work-in-progress	228	81
(c) Other intangible assets	55	47
(d) Financial assets		
(i) Other financial assets	108	107
(e) Deferred tax assets (net)	608	562
(f) Non current tax assets (net)	10,975	10,948
(g) Other non-current assets	1,140	1,216
Total non current assets	24,561	24,508
2 Current assets		
(a) Biological asset	8	499
(b) Inventories	15,879	19,082
(c) Financial assets		
(i) Investments	32,653	31,105
(ii) Trade receivables	7,039	3,091
(iii) Cash and cash equivalents	1,220	1,394
(iv) Other bank balances	139	134
(v) Other financial assets	-	2
(d) Other current assets	4,548	3,755
Total current assets	61,486	59,062
Non-current assets classified as held for sale	432	432
Total assets	86,479	84,002
II Equity and liabilities		
1 Equity		
(a) Equity share capital	1,726	1,726
(b) Other equity	67,704	62,313
Total equity	69,430	64,039
Liabilities		
2 Non current liabilities		
(a) Provisions	705	664
Total non current liabilities	705	664
3 Current liabilities		
(a) Financial liabilities		
(i) Trade payables	10,316	13,383
(ii) Other financial liabilities	2,633	1,941
(b) Provisions	817	861
(d) Other current liabilities	2,578	3,114
Total current liabilities	16,344	19,299
Total equity and liabilities	86,479	84,002



Certified True Copy
For Bayer CropScience Limited

Rajiv Wani
Head – Law, Patents & Compliance
and Company Secretary



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MONSANTO INDIA LIMITED (CIN: L74999MH1949PLC007912)							
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2018							
(Figures in Lakhs)							
Sr. No.	Particulars	Three Months ended on 30.09.2018 (Unaudited)	Preceding Three Months ended on 30.06.2018 (Unaudited)	Corresponding Three Months ended in the previous year 30.09.2017 (Unaudited)	Year to date figures for the current period ended on 30.09.2018 (Unaudited)	Year to date figures for the previous period ended on 30.09.2017 (Unaudited)	For the year ended 31.03.2018 (Audited)
I	Revenue from operations	12,836	26,064	9,600	38,900	33,153	67,212
II	Other income	513	377	422	890	898	1,722
III	Total income (I + II)	13,349	26,441	10,022	39,790	34,051	68,934
IV	Expenses						
	(a) Cost of materials consumed and other inputs	5,472	10,381	5,650	15,853	13,777	34,261
	(b) Changes in stock of finished goods, work-in-progress and biological assets	340	3,033	33	3,378	3,948	(4,943)
	(c) Employee benefits expense	1,279	1,311	1,591	2,590	2,725	5,486
	(d) Finance costs	33	29	29	52	56	135
	(e) Depreciation and amortisation expense	295	300	276	595	509	1,299
	(f) Other expenses	3,479	4,199	3,509	7,678	8,148	15,502
	Total expenses (IV)	10,898	19,253	11,088	30,151	29,164	51,740
V	Profit before exceptional items and tax (III - IV)	2,451	7,188	(1,066)	9,639	4,887	17,194
VI	Exceptional Items - Employee severance costs (net)	-	-	-	-	130	130
VII	Profit before tax (V - VI)	2,451	7,188	(1,066)	9,639	4,757	17,064
VIII	Tax expense						
	(a) In respect of current year	97	578	(150)	675	262	952
	(b) In respect of prior years	-	-	-	-	-	294
	(c) In respect of prior years towards Minimum Alternate Tax	-	-	-	-	-	(307)
	(d) Deferred tax charge / (credit) excluding Minimum Alternate Tax	(55)	8	(277)	(47)	(313)	(231)
	Total tax expense	42	586	(427)	628	(51)	608
IX	Profit for the period / year (VII - VIII)	2,409	6,602	(639)	9,011	4,808	16,456
X	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of the net defined benefit plans	(7)	(7)	(69)	(14)	(115)	421
	- Tax relating to items that will not be reclassified to profit or loss	0	0	4	0	7	(26)
	Other comprehensive income for the period / year (X)	(7)	(7)	(65)	(14)	(108)	395
	Total comprehensive income for the period / year (IX + X)	2,402	6,595	(704)	8,997	4,700	16,851
	Paid up capital	1,726	1,726	1,726	1,726	1,726	1,726
	Earnings per equity share of face value of Rs 10/- each (In Rs.) (not annualised for the quarters) :						
	(a) Basic & Diluted (Refer note 5)	13.95	38.25	(3.70)	52.21	27.86	95.34
	Other equity						62,313

- The financial results for the quarter ended September 30, 2018 have been duly reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 29, 2018 and have been subjected to a Limited Review by the Statutory Auditors of the Company.
- Revenue from operations for periods upto June 30, 2017 includes Excise Duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind-AS 18 "Revenue", GST is not included in Revenue from operations. In view of the aforesaid change, Revenue from operations for the half year ended September 30, 2018 are not comparable with previous periods. The following information is provided to facilitate such comparison :-

Sr No	Particulars	Three Months ended on 30.09.2018 (Unaudited)	Preceding Three Months ended on 30.06.2018 (Unaudited)	Corresponding Three Months ended in the previous year 30.09.2017 (Unaudited)	Year to date figures for the current period ended on 30.09.2018 (Unaudited)	Year to date figures for the previous period ended on 30.09.2017 (Unaudited)	For the year ended 31.03.2018 (Audited)
I	Revenue from operations	12,836	26,064	9,600	38,900	33,153	67,212
II	Excise duty	-	-	-	-	916	916
	Revenue from operations excluding Excise Duty (I - II)	12,836	26,064	9,600	38,900	32,237	66,296

- In view of the seasonal nature of the Company's business, the performance is dependent on the mix of products sold in the respective quarters.
- The Company has one primary business segment namely "Agriculture Inputs".
- There is no dilution to the basic EPS as there are no outstanding potentially dilutive shares.
- The Board of Directors has approved payment of interim dividend of Rs 25/- per share, of face value of Rs. 10/- each, for the half year ended September 30th, 2018.
- Effective April 1, 2018, the Company has adopted Ind-AS 115 "Revenue from Contracts with Customers". The application of Ind-AS 115 did not have any material impact on the financial results of the Company.



Mumbai: October 29th, 2018

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For Bayer CropScience Limited

Rajiv Wani
RAJIV WANI

For MONSANTO INDIA LIMITED
RAVISHANKAR CHERUKURI
(DIN : 06755061)
MANAGING DIRECTOR

Rajiv Wani
Head - Law, Patents & Compliance
and Company Secretary