



Farmers Progress Through Innovation

Creating Value
Through
**Innovative
Farm
Solutions**

2017-18

Sowing TRUST Harvesting SUCCESS Yielding SMILES

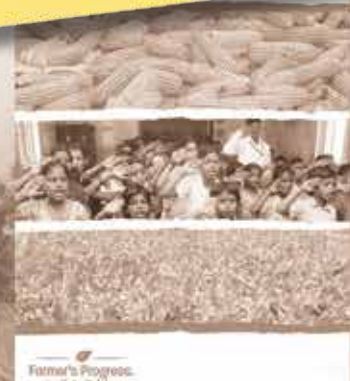
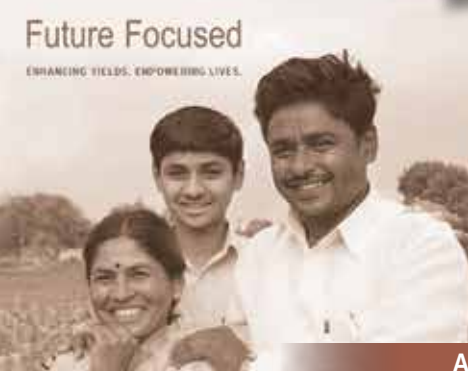


Enriching Lives,
Empowering Communities.

Solutions



Thank you!
From all of us,
to each of you...



40
Years of
Commitment
to
AGRICULTURE



ANNUAL REPORT 2018 - 19



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Forward-looking statement

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 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's long-term growth story is inextricably tied to agriculture. When farmers' income improves, rural communities progress, food security strengthens and the country marches ahead.

At Monsanto India Limited (MIL), we remain committed to partnering our farmers, boosting their income, thereby improving their lives.

With farmer-centricity a way of life for us, we have been:

- Proactively leveraging technologies to provide farmers with high-yielding seeds and the best crop protection solutions
- Driving the use of digital solutions to empower farmers with accurate agronomic information
- Passionately supporting sustainable agriculture and interventions in education, nutrition, healthcare and sanitation to enrich rural communities

Our focussed efforts have enabled us to achieve considerable success towards our goal of bettering farmers' lives and advancing Indian agriculture. And yet, none of this would have been possible without the contributions of multiple stakeholders.

This Annual Report is a tribute to these valuable partnerships – with our farmers, channel partners, communities, government agencies, suppliers, financial institutions, employees and our shareholders.

Your support and trust has made it possible for us to remain focussed on our mission.

Thank you!
From all of us,
to each of you...



Monsanto India Limited

Established in 1975, MIL works on the philosophy of helping farmers produce more and earn more while conserving natural resources. Over the last 40 years, we have empowered India's farmers through our high-yielding hybrid maize seeds, crop protecting glyphosate-based herbicide and farm services to promote better agronomic practices.

At MIL, we endeavour to boost crop productivity through advanced research in maize cultivation, access to a wide library of global maize germplasm, breeding technology and techniques, new high-yielding hybrid seeds, best-in-class manufacturing facilities, extensive agronomic activities and on-farm technology and development.



Highlights for the year

Revenue from Sales of Product

₹669.58 Cr.

EBITDA

₹181.60 Cr.

PAT

₹151.66 Cr.

Employees

252

Market Capitalisation

₹4,470.28 Cr.

Net Worth

₹706.90 Cr.

All figures as of 31st March, 2019



Robust geographic presence

- Headquartered in Mumbai
- 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

Agricultural solutions

- **DEKALB®** - India's highest selling hybrid maize seeds
- **Roundup®** - World's highest selling glyphosate-based herbicide
- **Dr. DEKALB®** - IT-based mobile platform providing farmers agronomic advice to help improve their crop yields and quality

Stock Ticker

BSE code: **524084**

NSE code: **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 needs to become increasingly productive and sustainable in order to keep pace with rapidly changing 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 MIL is all about.

Producing more

MIL works with farmers 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 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.



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 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 those values, we are committed to:



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.

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.



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.



Benefits

We will use sound & innovative science and thoughtful & effective stewardship to deliver high-quality products that are beneficial to our customers and to the environment.



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.

Looking Back with Pride

"The journey of a thousand miles begins with one step." - Lao Tzu

We retrace some of the defining steps of our journey, which helped us to not only go far but also spread smiles and joy amongst all our stakeholders. In the pages to follow, we also relive and revisit this journey through reflections shared by some of our senior people at MIL, many of whom have been associated with this Company for a considerable length of time.

We trust that the experiences that they have narrated will make an enriching and informative read for all our stakeholders.

1975

Commenced our journey in India's agricultural sector



1989

Listed on the BSE
Listed on the DSE
First Annual Report published and sent to shareholders



2000

Listed on the NSE



1979

Launched Roundup®, a glyphosate-based herbicide



September 20

1989

First Annual General Meeting held





2001

Launched DEKALB®, our high-yielding maize hybrids



2010

Launched Dr. DEKALB®, an IT-based mobile platform providing agronomic information



2011

Launched DEKALB® Margdarshak, a programme encouraging progressive farmers to share best practices with their peers

2017

Launched DEKALB® Advantage, our retailer loyalty programme

Launched FarmRise app, a mobile application using audio-visual aids to share relevant agronomic advisories



Chairman's Review

Dear Shareholders,

India's agriculture sector has grown impressively in the past few decades. But with a burgeoning population, demanding consumer preferences and with vagaries of the weather, keeping up with the increasing need for food and feed has been a challenge.



Most of the growth till date in our farms have come from a focussed effort to increase productivity. This has essentially been possible due to adoption of technologies and improved farming practices. The changes range from mechanisation, to soil and weather data analysis, to accessing markets in a timely manner and creating niche segments for agricultural produce.

Farmers today encounter varied challenges in their farms all through the farming season. As an industry, it is therefore essential that we come together and provide them with holistic solutions. Several industry players have contributed immensely to improve the on-farm experiences for our farmer partners. Your Company too has played its role, contributed effectively and remains committed towards improving India's agriculture sector.

Over the last several decades, your Company's products and services have helped the country's farmers handle their issues effectively and prosper. Be it our hybrid maize seeds from the DEKALB® portfolio, our glyphosate-based herbicide Roundup® that helps in curbing weeds or solutions from our IT-based mobile platforms, our farmer partners have whole-heartedly embraced us and appreciated our efforts.

While we have never distracted ourselves from our key business growth objectives, we also continue to give back to society through our focussed CSR activities, especially amongst the country's rural communities. As you are aware, our CSR activities have been focussed on the areas of sustainable agriculture, health, sanitation and education.

As I look back and reflect on my almost four decade-long association with your Company, I feel fortunate that, we, as a Company have had the opportunity to make a significant difference to Indian agriculture over these years. I also have the pleasure of having been associated with the public shareholders of your Company since the IPO and listing in 1989 and have seen the transformation of our Company from being a traditional and niche herbicide – only player to becoming a trusted seed, technology and solution-provider to our farmers. But the most satisfying aspect has been the recognition that we have been successful in creating value and a positive impact in the lives of numerous stakeholders, including you as shareholders.

Trust is very fragile. It has therefore been our constant endeavour to reciprocate the trust bestowed upon us through transparent, professional and open communication with all our stakeholders.

The acquisition of Monsanto by Bayer brings together two companies with diverse strengths but with a common commitment to both, Indian farmers and Indian agriculture. While Monsanto has domain expertise in the areas of seeds, biotech traits and digital agriculture, Bayer provides effective solutions for the same through plant protection chemicals and biologicals. The combination, I believe, will provide a strong foundation to develop customised and effective solutions that will benefit farmers not just in India but across the globe.

I would like to take this opportunity to thank each one of you for the confidence and trust that you have reposed in us over the years. We are proud of this association and I am also confident that our Company's merger with Bayer CropScience Limited, will be a fruitful one too.

Yours sincerely,

Sekhar Natarajan
Chairman



Managing Director's Message

Dear Shareholders,

At MIL, we have always believed that the Company's progress has a direct correlation to the progress of our farmers. In our farmers' success lies our growth. When a farmer gets a bountiful harvest, he not only meets the dreams and aspirations of his family, he also provides the nation with hope.



The unstinted support and the trust that farmers have reposed in us year after year, have been the foundation of our growth. It has helped us overcome challenges that have come our way.

MIL continues to remain committed to improving India's agriculture scenario by enhancing farmer incomes through high-quality products and services.

The year 2018 was a mixed bag for corn farmers with a sub-optimal monsoon in many states and farmers realising low commodity prices. We focussed on serving them with the best hybrids and agronomic advisories through digital solutions like Dr. DEKALB®. The tide is turning on commodity prices, but we continue to be alert to new challenges.

For decades, India's farmers have reposed their trust in the DEKALB® brand. Various on-ground campaigns have struck an emotional chord with farmers across the country, who remember hybrids like 900M, 9081, 9133 and so on as close friends and partners in success. Our engagement does not stop with just selling the seed. We help our farmer customers throughout the crop cycle by not just providing the best hybrid options, but also advising them on the correct planting and crop management practices. We are right there with them when they face challenging times.

IT tools have dramatically intensified our ability to connect with farmers and enhance their experience. Our new digital platform Dr. DEKALB® ResolveIT brings together farmers, channel partners and team members on one platform thereby ensuring faster resolution of agronomic queries and concerns. Through Dr. DEKALB® Advantage, we have been able to track 65 percent of corn volumes sold between September 2017 to August 2018.

Weeds impact yields significantly and it is essential for farmers to have a solution to counter this challenge. For the last many years, farmers across India have preferred Roundup® to counter challenges from weeds in their fields. Roundup®, a broad spectrum, post emergent, systemic herbicide has consistently provided farmers with a safe, affordable and effective weed control solution. Despite multiple challenges like low acid prices and competition from China-based imports, the Roundup® brand remains a highly trusted choice.

This collective effort to deliver superior farmer value is visible in the financial results of your Company. During the year, your Company achieved a Revenue from Sales of product of ₹ 669.58 crore, while the Profit After Tax (PAT) stood at ₹ 151.66 crore.

Giving back to our communities is fundamental to the way we work. Partnering with rural communities, our CSR efforts focus on thematic areas of education, health and nutrition. Through our flagship programmes DISHA and SHARE, we touch the lives of more than 50,000 children and over 1 lakh farmers respectively.

As I reminisce over the last decade with Monsanto, fond memories come flooding back. I was fortunate to lead the creation of Dr. DEKALB®, our mobile agronomy service and the highlight of that experience was being invited home for lunch by our farmer customers. Our efforts at speedier deployment of new products have created many choices under the DEKALB® brand. We also invested in making our supply chain of high reliability and quality, and more responsive to farmer needs. I am personally thankful for these opportunities over the years.

All this would not have been possible if we did not have the support of our partners and shareholders. We remain grateful to each one of you for having stuck with us through thick and thin. The trust you reposed in us has enabled us to pursue our mission of empowering farmers and creating value for them.

Yours sincerely,

C. Ravishankar
Managing Director



AJIT KUMAR

Enabling a prosperous and progressive future



Ajit Kumar, India Marketing Lead at MIL, shares a few memories as he looks back at his journey and expresses gratitude towards all our growth partners.

DEKALB® has been the trusted partner in the growth of over a million farmer partners in the country for more than two decades now. With over 40 high-yielding hybrids catering to India's diverse agro-climatic conditions, it is a promise of a prosperous and progressive future that has been delivered to millions of farmers across India.

The continued focus on innovative products and solutions to deliver superior customer experiences and enabling a prosperous future is amply exemplified by the numerous happy faces and the uncountable smiles spread across the fields of the country.

While the human interface is extended by a large field team, new and innovative digital interventions have enabled the teams to connect and collaborate better and communicate wider. With various touchpoints like DEKALB®, FarmRise and DEKALB® Advantage, we have been successfully delivering superior value to our customers, believes Ajit.





"We deployed tools like DEKALB® Advantage to enable inventory visibility across the value chain, channel loyalty and account planning process to ensure more effectiveness in the sales team which in turn ensures that the team spends more time with customers and delivers the right experiences. We also launched the FarmRise App that benefited the farmers by providing customised agronomic advisory" **Ajit affirms.**

The success on ground was achieved by equally strategic customer engagement initiatives like DEKALB® Margdarshak, DEKALB® "Seed your Success" campaign and the DEKALB® Scholarship Program, a few memorable experiences that will remain forever etched in Ajit's memory. "Our aim was to forge deeper connections with our farmer customers, and these initiatives / campaigns achieved that," **he expresses his satisfaction.**

My Journey – Embracing Challenge and Change

"My association with MIL dates back to April 2000 when I joined in a field role with the sales team. Today, I cherish each moment of the glorious 19 years spent in various commercial roles," Ajit remembers.

"Having traversed a journey from frontline sales to leading marketing for MIL and Customer Strategy for Asia Africa, I treasure all the different experiences that helped me to grow personally and professionally," **he adds.**

Talking about the changing landscape, Ajit adds, "The competitive landscape and customer preference has changed a lot during this period. We faced many challenges and an equal number of successes. Over the many years, couple of things have helped me and the teams. These include flexibility to adapt to changes, the inherent culture of risk-taking that allowed individuals across levels to experiment and a diverse pool of talent that helped bring diversity of thought and ideas."

Ajit is particularly proud of the rapid ramp-up of new products in the maize business that he spearheaded.

Not just that, the DEKALB® portfolio saw a complete transformation between 2014 to 2018, when the entire

maize portfolio was re-evaluated, older hybrids phased out and replaced with newer ones.

"We hit many significant milestones in the Roundup® business and it grew year after year to scale newer heights," **Ajit elucidates proudly.**

"The strength of character displayed by the team during rough patches enabled the turnaround," maintains Ajit when talking about the challenging years.

All this was possible only with a strong motivation of creating a positive and progressive impact in the lives of farmers which kept Ajit going and making a difference.

"My exposure to the markets across India, Asia and Africa, has helped me grow not just in terms of learnings that help the business but personally as well," **reminisces Ajit.**

Achievements belong to all

Our product portfolio, innovative campaigns and efforts through digital initiative have all contributed towards making a difference in the lives of the farmers. This has been possible due to the efforts of our R&D and Product Development teams, the Supply chain team, bringing new products to farmer and Sales and marketing team engaging with farmers through innovative farmer outreach programmes.

"Everyone at MIL is part of our bigger purpose, and I thank them all for their efforts through all these years. I would also like to thank our channel partners and all stakeholders as they are an integral part of this incredible journey,"
Ajit humbly signs off.



GAURAV KATYAL

*Empowering lives has been
our raison d'être*



Nothing succeeds like success itself, and who better to understand this than the farmers who sow the seeds that hold within themselves the key to the future. As the vagaries of weather extend across our planet, there is an increasing need for precision-led farming and better agronomic practices. And no one understands this more than the man who leads from the front and who has his ears to the ground, listening, hearing and understanding the needs of these farmers. Gaurav Katyal, Sales Lead MIL, has been an integral part of the Company since 2004. During this significantly long stint, he has seen the highs and lows, the challenges and the conquests, the setbacks and the success. He shares this eventful journey that is interspersed with his personal experiences as well as certain cultural uniqueness of the Company which are close to his heart.



It's all about the 'purpose'

There is a beautiful, newly constructed house in a little village in Maharashtra that belongs to DEKALB® 9141! Wondering why? The house has been meticulously constructed by this farmer who believes that he owes all his success to the corn hybrid DEKALB® 9141.

"Empowering lives has been our raison d'être," explains Gaurav sharing this incident when his team recently visited the village in Maharashtra and was told by the farmer that the house belonged to DEKALB® 9141. "By trusting this hybrid year after year, the farmer has earned good profits even during challenging conditions. This house is testimony to the seed of success having delivered smiles to our farmer partners," **Gaurav says while narrating an inspirational incident.**

How we do it

"We use every experience to learn and grow," insists Gaurav. This mantra has helped the Company weather the tough years. The work culture amply reflects this philosophy. "Mistakes are not penalised; instead confidence is shown in people to help them perform. Cross-functional working is supported, and the leadership team always has time to share feedback. Helping employees achieve their aspirations is as important as driving organisational goals. People development and succession planning are achieved through best practices in talent management. To put it succinctly, your Company has provided a great platform for driving professionalism and realisation of shared objectives," **he says.**



Doing things differently

While the launch of new products and campaigns are a regular activity, there are a few that stand out for Gaurav.

He distinctly remembers the launch of DEKALB® 9108 in the year 2011 when a series of campaigns were pursued. "In 15 days, we did close to 8 launch meetings and in every meeting, there were 500-700 farmers, which was huge for us. Further, we did away with the practice of launching our products only before retailers and distributors. The manner in which the internal team organised launches of this scale enabled DEKALB® to gain significant brand visibility," he recalls. The year 2010 was also a high point in your Company's history as its spring hybrids drew a phenomenal response in the first year of its launch itself. "I was the Zonal Manager when MIL catapulted from being a fresh entrant in this category to establish itself as a strong player," **he mentions.**

The importance of digitisation is not lost in this pursuit of on ground success. Digital initiatives like Dr. DEKALB®, ResolveIT, DEKALB® Advantage, IDEA and so on, now form the core of the farmer engagement activities that the teams focus on. "Your Company's digital transformation is also inspired by the purpose to help farmers succeed. This has helped us to leverage internal efficiencies, which in turn flows down to benefit channel partners and ultimately our farmers," **he emphasises.**

Gratitude for growth partners

"We deeply value the trust shown by our channel partners," mentions Gaurav while accepting that the journey has been made possible through multiple contributions. "At our end, we have always endeavoured to acknowledge this support by coming up with commercial policies that are mutually favourable," he says. I would also like to thank my team members for believing and living our purpose. Finally, our sincere gratitude to the farming community for their continued trust and loyalty towards our products," expresses Gaurav.

H B HEMAREDDY

Improving lives through better harvests



The gap between demand and supply in terms of food production is getting increasingly skewed, with population rapidly precipitating while land yields shrink to all-time lows. In these tough times, with the twin challenges of hunger and malnutrition dominating the narrative globally, Research and Development of products that can survive erratic climatic conditions, can yield more for less, and assure our farmer customers better returns on investments, can be the key differentiator.

Helming the R&D and Breeding efforts of MIL, H B Hemareddy (Hema) knows how by leveraging new tools and technologies each season, MIL has progressed its breeding efforts over the years from conventional breeding to a much more evolved precision breeding. The Result: Better products that have successfully created a positive impact in the lives of millions of farmers across India.

“But it took me time to understand the ecosystem,” admits Hema humbly. “I was fresh out of college with ample theoretical knowledge. But I realised quickly that theory would help to some extent. My interactions with the farmers taught me how we need to look at breeding from a more practical point of view,” and that is something that helped Hema emerge as a well-rounded scientist.

And that’s how the over two-decade-long journey has transpired for Hema.



Different phases, same goal

The continuous deployment of advanced methods, from germplasm to marker technology to predictive analytics, ushered in Breeding 3.0 in 2015. This, Hema says, was the game-changer. However, the implementation of Breeding 3.0 was not without challenges. "Adoption of new technology is always faced with resistance; in this case even more as it was completely different. We had to collaborate closely with the commercial and supply teams to make them see the benefits," **he says.**

Over the years, field testing has become mechanised through use of planters and combines, while data collection is completely automated with all captured digitally. "I remember, that earlier, data return would take three weeks – now it takes few hours!" he marvels at the efficiency improvement. And yet, he reminds, all the technology initiatives had only one common goal: **Improve lives through better harvests.**

Outstanding efforts to outshine

During the 62nd Annual Maize Workshop Institute of Maize Research (IIMR) presented The Best Private Partner Award to MIL for Outstanding contribution towards Maize Research and Development for the years 2017-18 and 2018-19.

Grateful for strong associations

At MIL, we have worked closely with the State Agricultural Universities (SAU's) Indian Institute of Maize Research (IIMR) for testing our hybrids. "IIMR has been very supportive, and we truly appreciate this collaboration," he mentions. The most important are our people for us, farmer customers in the fields, and he is grateful to them and the farming communities for the pivotal role they have played in enabling us to develop the right products and place them in the right markets.



SAURABH DILIP VAIDYA

A journey underpinned by our growing significance



A “Seed” within itself holds the beginning and the continuity of the future. And it is the importance of this “seed” that taught Saurabh Vaidya, MIL’s Chief Financial Officer, the most existential lesson of his journey with your Company.

And here is how: Like most millennia, Saurabh’s understanding of agriculture was limited; even less was his knowledge on the importance of the “seed”. But that completely changed after joining MIL. “All of us here imbibe a deep-rooted responsibility as we recognise that we are not simply selling a product; we are fulfilling a need. A farmer’s survival depends on what we supply,” he explains. “Quality seed is the most critical input for agriculture. Within this seed lies the promise of a better and prosperous future for our farmer partners. Amongst the various resources that enable farmers to grow their crops, the seed is at the core,” explains Saurabh on the impact a seed has on the life of a farmer.

The same seed is also the genesis of MIL.

And Saurabh would know since he has been closely monitoring the value created by the Company for its shareholders. Over the last 10 years, profits have doubled and market capitalisation has increased by more than seven times. And while one would be inclined to think that for Saurabh all that matters are the numbers, nothing could be further from the truth. More than your Company’s consistent growth trajectory, he finds greater satisfaction in our higher purpose: improving the lives of farmers.

Going beyond the financial metrics, he also takes immense pride in the cultural growth of the organisation. Read ahead to glean his nifty insights on your Company’s evolution and what makes make us different.



Growing in significance

Over the past several decades, we have transformed ourselves from a seed manufacturer to emerge as India's leading agro-solution provider. A company that is always ahead of its time. "It has been a remarkable journey. Instead of merely being successful, our journey is underpinned by our growing significance. We are today partnering farmers towards sustainable agriculture by providing them diverse inputs, right from the best choice of seeds, state-of-the-art crop management practices, to getting the best value for their yields," **says Saurabh.**

Culture, a comforting factor

"Our culture provides the comfort and confidence to bounce back from the lows. Every employee is treated with respect. The informal setting reflected in the absence of hierarchy in day-to-day workings, freedom to express opinions without fear, and strong development focus with change in roles every two-three years to widen the breadth of experience are some more people policies which are unique to MIL," he adds. "Overall, this has been a happy place to work because of the kind of work we do, whom we work with and the working environment," **he states.**

Growth with all

"I want to thank our Board of Directors and investors, our farmers, financial institutions, Central and State government bodies, channel partners, employees, and last but not the least, our farming community. Our growth has been the outcome of the confidence and support received from all," he signs off.



UNNIKRISHNAN NAIR

*Data is the fuel for
the future*



With an ever-increasing population and erratic climatic conditions globally, mankind's need for food and feed is ever increasing. Given that, to interject technological solutions into everyday needs of our farmer customers is not just the necessity of the hour, but pivotal in helping them grow more for less. Tools and technologies that can enable our farmer partners enhance productivity, get better predictivity and be able to sell at a profit, are just a few things that Unnikrishnan Nair (Unni), IT Lead at MIL, and his team has achieved and continue to drive.

Coming on board in 2016 to create awareness on the positive impact of technological solutions and enhance deployment of the same, Unni has been instrumental in your Company reaching out to more than half a million farmers and sharing agronomic advice on for 12 crops and providing prices of 65 crops across India via its digital platform FarmRise. The 'Track and Trace' technology, has enabled real-time tracking and monitoring of approximately 95 percent of the seeds sold by your Company throughout our supply chain and beyond.

For Unni, the bigger satisfaction comes when he sees the impact of the tools and technological interventions in the lives of our happy farmers. Here he shares with us a few special moments in his journey at MIL and expresses his gratitude towards our growth partners.



Going digital to solve distress

It was a warm summer day at a non-descript village in the state of Maharashtra, when Unni met this farmer in his field who asked him one simple question, "Can your app solve my plant disease?"

It was an eye-opener for Unni whose experience in technology spanned global markets. He never expected a farmer to be so open about technology; on the contrary, he thought they needed time to understand and implement.

"The question made me realise that farmers were far more open to adopting technology than what we ever believed. The virtual agronomist can reach out to every farmer digitally and provide customised information," he says while explaining why digitisation is the way forward and will go a long way in solving farmer distress. On an average, 10,000 farmer visits are recorded daily on FarmRise, and it is already amongst the leading apps downloaded in rural areas. What makes FarmRise so popular? "Reliability," he says unequivocally. "Our teams meet farmers to understand their problems and devise relevant solutions. The prices we share are not merely taken from the internet; instead, every day, our team visits 350 mandis to check prices before it is published on our platform," **he explains.**

Making it simple and seamless

Unni points out that technological interventions undertaken for organisation efficiency have had a cascading effect to ultimately benefit farmers. "QR code-based seed packs provide critical information on the movement of our products and where efforts need to be stepped up to ensure products reach the farmers," he highlights. "Digitisation has enabled segmentation of channel partners on a scientific basis, which ensures that every retailer and distributor gets adequate attention. Digital data on sales and customer touchpoints has also helped simplify internal processes, resolve claims faster and increase our reach," **he adds.**

Data for better decision-making

*The years with MLL have been an enriching experience for Unni at a personal and professional level. His work has taken him across Asia and Africa and of course, to India's hinterland, enabling him to gain an in-depth understanding of the farmer ecosystem and the prevailing complexities. "At the crux of agronomic solutions, I believe, is data. It is the fuel for the future. The faster we can capture it, the more we can capture it, the better will be our decisions and our ability to provide relevant solutions," he states on the way forward. "We have come a long way in our digital journey to serve farmers, and I would like to thank my fellow team members for their leadership, guidance and support for making this possible. I would also like to express our gratitude to farmers for being proactive in adopting our technology solutions. Their support inspires us on the path of continuous technology innovation," **he concludes.***



JAIDEEP IYENGAR

Staying sensitive to employees' needs



Early in his decade-long career with MIL, Jaideep Iyengar, Human Resources Lead, learnt from none other than Sekhar Natarajan, the Chairman of MIL, that the best way to learn about the business is to be out in the fields and travel.

"Whatever part of the organisation one is in, the best way to learn about the business is to be where the business actually takes place, where we touch our customers. And that moment of truth takes place on the farmers' fields." A powerful lesson that Jaideep believes gave him a whole new perspective and something that is so ingrained in him till today. The initial years of rigour, where he travelled to the heartlands of the country, has had a lasting impression on him, enabling him to perceive and understand requirements from the customer's perspective.

"We work in an organisation that is flexible and extremely sensitive towards the needs of our employees," Jaideep muses. His musings are a result of the many ups and downs that he has seen during his tenure at MIL. "We have gone through some great times and some tough and challenging times, but through good times or bad, it is this equivocal ability of the organisation to take care of the needs of its employees that is not just unique to MIL, but has stood us in good stead," he adds.





Through good times and bad

It is this innate ability of the organisation to adapt to changes and overcome challenges that helped the team tide over some of the biggest challenges. One such big event was the announcement of the acquisition in September 2016. Jaideep highlights that during this period, the leadership rose to the occasion, shared qualitative and quantitative inputs and projected a vision that the employees could trust. This level of collaboration, he believes, enabled the HR team to co-create solutions to keep the teams engaged and retain key talent. "I remember our very energised leadership meetings; it underpinned the resilience of our organisation to deal with ambiguity and simultaneously make the transition," **he adds.**

Partnering for success

The endearing "power of three" assets of ownership of one's work, collaboration and a steadfast care and concern for our employees have been the key to MIL's recognition as one of the "Best Places to Work". Digitisation, in that sense, has been a great enabler. Special emphasis has also been given to promote digital learning. For instance, he points out, to serve customers better in an ever-evolving world, the HR team has been partnering with the sales team for digitising various processes. "Interventions were planned by the HR team to help the sales team understand the importance of a digital approach to drive business growth and effective customer interaction," **he adds.**



Gratitude to all, past and present

"Agriculture was a completely new sector for me. I am grateful for the opportunity given to me to learn about this sector and work in the US and the Asia-Pacific to further build on my knowledge and skills. Cross-geography experiences have made me a more well-rounded professional. This is also an opportune time to remember the efforts of past employees, each one of them being an ambassador of the spirit of MIL. Finally, I would like the entire team at MIL to take pride in all that we have achieved together. We have worked with great integrity and collaboration to create value for our farmers and business partners in our own small way, and we will strive to continue to do so," he emphasises.



DHANALAKSHMI RAMACHANDRA

The satisfaction of giving back



Supporting the development of rural communities and making a significant difference has been the mainstay of MIL's corporate social responsibility initiatives for the past five years. Focussed on the areas of health, education, nutrition, sanitation, sustainable agriculture and women empowerment, your Company's multi-pronged CSR approach has enabled the employees to grow the communities around which they live and work, as well as themselves. We encapsulate this journey through the eyes of Dhanalakshmi Ramachandra (Dhanu), the Corporate Social Responsibility & Sustainability Lead at MIL.

It was a visit to a school in the hinterlands of Bihar that Dhanu met this young child, a boy, not more than 11 years old. The boy was a student of one of the schools that was part of the educational intervention being conducted by MIL in association with Deshkal, our NGO partner, to promote learning. "I want to be a teacher and help other children like me who may not be as fortunate to get an opportunity to learn and grow," the boy had cheerfully and confidently pointed out to Dhanu.

"Here was a small child with profound thoughts far beyond his age. Moments like these humble you, touch your soul," Dhanu fondly recalls even today.





This incident is one among the many that Dhanu holds dear to her heart. Several such stories she has gathered from different parts of the country, give her the satisfaction that what she and her NGO partners are doing, do make a difference to each individual, to the community and the society as a whole. And perhaps, this reinstates her belief that the shift from a Research & Development role to leading the CSR & Sustainability initiatives at MIL has been one of the best decisions in her career.

"I truly appreciate the flexibility given to employees to diversify their skill sets. I started working with NGO partners and connecting with communities. I grew as a person, as did many others in the team," opines Dhanu who is not new to community work, as she did "indulge in community outreach right from her school days". The new role gave wings to her passion and the opportunity to follow her inner calling of giving back to the society.

Grateful to the Partners who make it possible

To execute our CSR projects, we have partnered with multiple on-ground implementation partners across the country. "Our partners have built that trust and connect with the community, made inroads into the communities and seamlessly executed projects" says Dhanu, as she reflects on the successful relationships that have been nurtured over the years. "Our strategies are designed to ensure that it resonates with the community requirement while taking care of their daily needs," **explains Dhanu.**

Empower, Enrich and Enable

We believe that people need to be empowered to take charge of their lives. The same is elucidated with our continued focus on children, women, and farm families. From the very basic requirement like clean water and sanitation, to skill-training women and enabling them to be self-reliant. And we see the impact of the same on ground.

Take for example, Nivdunga, a small village in Jalna district of Maharashtra, which had this non-functional Dairy unit.

A group of women from the village saw this as an opportunity here and took charge of the defunct unit.

The results are sweeter than the products that has finally come out. The women, in addition to selling milk, also started preparing khoya, a value-added product from milk. Not just that, they have sourced markets for its sale in nearby towns. "It is heartening to see these women come out of their shell and take charge of their lives while they also contribute towards their livelihood and family needs. It is indeed a privilege to be able to make even a small change to their lives," **Dhanu reminisces.**

Together we transform

Our journey of partnering the progress of the rural community has been a fulfilling experience. "I thank all our NGO partners for their unflinching support and commendable work. I am grateful to our internal teams for their outstanding commitment towards transforming communities and empowering them with sustainable solutions. Collectively and passionately we and our NGO partners, have worked to take CSR to the next level. The true reward of this journey is the smiles and the satisfaction of seeing communities continue to avail the facilities provided," signs off Dhanu.



Board of Directors



Sekhar Natarajan
Chairman

Sekhar Natarajan has been associated with MIL for over three decades now and has been instrumental in guiding your Company 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 your Company and represents the organisation at industry forums.

Prior to his stint as the Chairman, he has performed various roles like the 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.



Ravishankar Cherukuri
Managing Director

Ravishankar Cherukuri has a Bachelor's Degree in Chemical Engineering from the prestigious Indian Institute of Technology (IIT) Kharagpur and has completed his Master's Degree in Business Administration from Indian School of Business, Hyderabad.

In a career spanning over two decades, Ravi has extensive and diverse career experience at Boston Consulting Group, Accenture, KPMG and Unilever. His experience spans across multiple functions (Commercial, Strategy and Supply Chain) as well as multiple industries (Agriculture Inputs, Consumer Products, Consumer Durables, Retail Banking, Steel and Cement). He has managed roles of increasing complexity and impact over his tenure with Monsanto that included responsibilities across geographies.

Prior to taking over as the Managing Director of MIL, Ravi was the Asia Africa Supply Chain Lead and a member of Monsanto's Asia Africa Hub Leadership Team. In this role, he was instrumental in helping build capabilities and improve performance across Sub-Saharan Africa and South-East Asia, while driving transformational projects across the hub.



Shilpa Shridhar Divekar
Non-Executive Director

Shilpa is an accomplished professional with over 23 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 MIL for 12 years in varied roles where 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.



Bangla Bose
Radhakrishna Malipeddi
Non-Executive Director

Bangla Bose joined Monsanto 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 organisation across Corn, Sunflower and Hybrid Rice crops and lead entire row crop production as Row Crop Production Manager, India.

He relocated to Singapore and was responsible for various roles in Supply Chain including planning, manufacturing and leading supply chain operations for the Asia-Pacific region. Subsequently, he moved to St Louis, USA to lead the North America pre-commercial production organisation. Bangla returned to India in October 2017, and in his current role is handling Supply Chain operations. A Master in Agronomy, he has extensive and diverse career experience of over 22 years across manufacturing and supply chain operations in multiple global geographies.



H. C. Asher
Independent Director

H.C. Asher is an M.A. and an 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

Pradeep Poddar is a Chemical Engineer from UDCT, Mumbai, and an MBA from IIM, Ahmedabad having extensive knowledge and experience in the consumer goods industry. He has been on MIL's Board since January 2006. He recently retired from the Tatas as Global President Water & Functional Beverages.

Prior to this, he as Managing Director & CEO ran Heinz in India and South Asia for over a decade, starting his career at Glaxo. He is on the Board of the Welspun Group, Uflex Limited & Polycab India 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.



Aarti Arun Sathe
Independent Director

Aarti Sathe is an independent counsel specialising in direct tax litigation matters.

She has a Master's Degree in Law specialising in Constitutional & Administrative Laws from the University of Mumbai (India) and is a qualified Solicitor from the United Kingdom & Wales. With an extensive and diverse career experience of over 19 years, she has represented both Indian and international firms for local and international tax matters.

Ms. Sathe has regularly appeared before various quasi-judicial bodies like Income Tax Appellate Tribunal (ITAT), C.I.T (A), Authority of Advanced Rulings (AAR), Securities Appellate Tribunal (SAT), Securities Exchange Board of India and as an independent counsel before the Customs, Excise and Service Tax Appellate Tribunal and before the tax bench of the Bombay High Court for tax Appeals, writs etc. She also assists and briefs senior tax counsels in the Bombay High Court, AAR and Supreme Court.

Prior to being an independent counsel, she worked with one of India's foremost tax law firms – BMR Advisors as an Associate. Her areas of specialisation included international tax matters & other tax disputes, vetting documents for setting up of private equity funds and regulatory work under FEMA & RBI.

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Notice

Notice is hereby given that the 69th Annual General Meeting of the Members of Monsanto India Limited (CIN - L74999MH1949PLC007912) will be held on Thursday, July 4, 2019 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:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019, comprising the audited Balance Sheet as at March 31, 2019 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. Bangla Bose Radha Krishna Mallipreddi (DIN- 07999286), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Ravishankar Cherukuri (DIN: 06755061), who was appointed as Additional Director with effect from September 22, 2018, by the Board of directors and holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 (“the Act”) read with Article 115 of the Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company be and is appointed a Director of the Company.”

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 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 accorded to the appointment of Mr. Ravishankar Cherukuri (DIN - 06755061) as the Managing Director of the Company for a period of three years with effect from September 22, 2018, not liable to retirement by rotation.”

“RESOLVED FURTHER THAT approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Principal Agreement, as amended, entered into by the Company with Mr. Ravishankar Cherukuri for his appointment and, as set out in this Notice, with authority to the Board of Directors of the Company to alter and/or vary the terms and conditions of the said appointment in accordance with the applicable provisions of the Act and/or any schedules thereto.”

“RESOLVED FURTHER THAT in event of loss or inadequacy of profits in any financial year during the period of appointment, remuneration, perquisites, benefits and amenities as provided in the Principal Agreement referred to in the Explanatory Statement shall be made available to Mr. Ravishankar Cherukuri.”

“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 Mr. Ravishankar Cherukuri, 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.”

“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 therewith or incidental thereto.”

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

“RESOLVED THAT Ms. Aarti Arun Sathe (DIN: 06925030), who was appointed by the Board of Directors as an Additional Director of the Company and is acting as Independent director with effect from April 1, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and Article 115 of the Articles of Association of the Company but who is eligible for appointment and has consented to act as a Director of the Company be and is appointed a Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Rules framed there under read with Schedule IV to the Act, as amended from time to time and in compliance with Regulation 17(1)(a) of revised Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, Ms. Aarti Arun Sathe, a Non-executive Director of the Company, who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is appointed an Independent Director of the Company, not liable to retire by rotation, for a term of one year, with effect from April 1, 2019.”

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 Board of Directors of the Company (including a Committee thereof) 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 intermediate holding company, i.e. Monsanto Company, USA, for its Roundup business, of an aggregate value not exceeding ₹ 200 crore (Rupees Two Hundred crore) for the financial year ending March 31, 2020;
- ii. payment of royalty to the Company’s intermediate 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) for the financial year ending March 31, 2020;
- iii. payment of charges for product development for corn seeds, to the Company’s intermediate holding company, i.e. Monsanto Company, USA of an aggregate value not exceeding ₹ 50 lakh (Rupees Fifty lakh) for the financial year ending March 31, 2020;

- iv. testing of samples of IPA Salt and K-Salt with the Company’s intermediate 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, manufacturing, Information Technology function, etc. from the Company’s intermediate holding company, i.e. Monsanto Company, USA of an aggregate value not exceeding ₹ 2 crore (Rupees Two crore) for the financial year ending March 31, 2020;
- vi. re-imbursement of expenses to and by the Company’s intermediate 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 the financial year ending March 31, 2020;
 - ii. ₹ 3 crore (Rupees Three crore) charged by the Company for the financial year ending March 31, 2020.

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 and the Management of the Company (including a Committee thereof) 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.”

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the resolution passed by the Members at the 64th Annual General Meeting held on August 22, 2014 and pursuant to the provisions of

Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Article 118 of the Articles of Association, the Company be and is hereby authorised to pay to its Directors (other than the Managing Director(s), Whole Time Director(s) and Directors nominated by Monsanto Company, USA), for a period of two years commencing from April 1, 2019 to March 31, 2021, in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of directors and/or a Committee thereof may determine from time to time, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013 from time to time and computed in the manner provided under Section 198 of the Companies Act, 2013, and the amount of commission be paid at anytime in the relevant year on the basis of profit earned during that part of the year."

"RESOLVED FURTHER THAT the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

9. To ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020 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, 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, 2020 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 for implementing and giving effect to this resolution."

10. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of section 12(5) and any other provisions of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 as amended from time to time, and any other applicable provisions if any, the Registered office of the company be and is hereby shifted from its present location at 'Ahura Centre, 5th Floor, Mahakali Caves Road Andheri (East), Mumbai-400 093, Maharashtra' to 'Bayer House, Central Avenue, Hiranandani Estate, Thane (West) 400 607, Maharashtra' with effect from July 10, 2019."

"RESOLVED FURTHER THAT, any directors of the Company or the Company Secretary be and are hereby authorized to sign, execute any deeds, documents and file with the Registrar of Companies and any other statutory body, the required e-form/s, or if required verification of the situation of the registered office of the company."

By Order of the Board of Directors

Monika Gupta
Company Secretary &
Compliance Officer

Mumbai: April 30, 2019

Registered Office:

Ahura Centre, 'B' Wing, 5th Floor, 96,
Mahakali Caves Road, Andheri (East),
Mumbai – 400 093. India.

Tel No.: +91-22-2824 6450

Fax No.: +91-22-2824 4707

IMPORTANT NOTES:

1. 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 (ten) percent of the total share capital of the Company carrying voting rights 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.

2. 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.
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 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 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.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, June 12, 2019 to Friday, June 14, 2019 (both days inclusive) for annual closing and determining the entitlement of the members whose name appear in the Register of Members as on July 4, 2019, to the final dividend for the year ended March 31, 2019.
6. The dividend of ₹ 25/- per Equity Share, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be made on or after July 4, 2019 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, June 11, 2019.**
- 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, June 11, 2019.**

7. 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.
8. 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.

9. 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.
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 28, 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 for the financial year 2010-11, as on date of the 68th Annual General Meeting held

on August 28, 2018, 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.

12. Members, who have not encashed their final dividend warrants for the year 2011-12 or thereafter, are requested to write to the Company or the Registrars and Transfer Agents. 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 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 |
| Spl 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 | 28-10-2021 |
| Interim Dividend 2014-15 | 18 | 03-11-2014 | 09-01-2022 |
| Final Dividend 2014-15 | 18 | 03-08-2015 | 09-10-2022 |
| 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 | 15 | 03-11-2016 | 09-01-2024 |
| Final Dividend 2016-17 | 15 | 10-08-2017 | 16-10-2024 |
| Interim Dividend 2017-18 | 15 | 23-11-2017 | 29-01-2025 |
| Final Dividend 2017-18 | 15 | 28.08.2018 | 02.11.2025 |
| Interim Dividend 2018-19 | 25 | 29.10.2018 | 03.01.2025 |

13. 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 2011-12 (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.com |
| 2011-12 (Final) to 2018-19 | Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083. | Request letter on plain paper. |

14. 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 electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Further, as per SEBI Circular dated 20.04.2018 all securities holders holding securities in physical form should submit their PAN and Bank account details to the RTA.
15. The Members may kindly note that as per the amended Regulation 40 of SEBI (LODR) Regulations, 2015, w.e.f December 5, 2018, transfer of securities would be carried out in dematerialized form only. Accordingly, members holding shares in physical mode are advised to demat their physical share holdings at the earliest.
16. 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 ICSI, the Company is pleased to provide its Members the facility to exercise their right to vote at the 69th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Link Intime India Private Limited (LI IPL):
- 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 to e-Voting system of LI IPL: <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 LI IPL: <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).

The instructions for e-voting are as under:

- i. Visit the e-voting system of LI IPL. Open browser by typing the following URL: <https://instavote.linkintime.co.in>.

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). <ul style="list-style-type: none"> 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 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. <ul style="list-style-type: none"> 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.
- x. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. 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.
- xii. 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.
- xiii. Click on the "VIEW RESOLUTIONS' FILE LINK" if you wish to view the entire resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xvi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.
- xvii. The general guidelines for shareholders are:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.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 folios/demat account shall choose the voting process separately for each of the folios/demat account.
 - In case the Members have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in.
17. The voting period begins on **Sunday, June 30, 2019 at 09.00 a.m. and ends on Wednesday, July 3, 2019 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 **Friday, June 28, 2019**, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.
18. 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 **Friday, June 28, 2019**.
19. Mr. Nadkarni, 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.
20. 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.

21. 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 Limited and NSE.
22. Electronic copy of the Notice of the 69th 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 69th 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.
23. 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 69th Annual General Meeting of the Company.
24. 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.
25. Members may also note that the Notice of the 69th Annual General Meeting and the Annual Report for F.Y. 2018-19 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.

26. 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 69th Annual General Meeting, forms integral part of the notice as Annexure. The Directors have furnished the requisite declarations for their appointment/re-appointment.
27. 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. 4 to 10 of the accompanying Notice:

ITEM NO. 4

Mr. Ravishankar Cherukuri was appointed as an Additional Director of the Company, as recommended by the Nomination and Remuneration Committee ("NRC"), with effect from September 22, 2018, by the Board of Directors under Section 161 of the Act. In terms of Section 161(1) of the Act, Mr. Ravishankar Cherukuri holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director.

Mr. Ravishankar Cherukuri leads Monsanto India Limited's business across India, Bangladesh and Sri Lanka. Having joined Monsanto through the Global Commercial Emerging Leaders Programme (GCELP) in 2009, Mr. Ravishankar has successfully led teams in both strategy and commercial leadership roles. Prior to his current role, Mr. Ravishankar was leading efforts as the Asia-Africa hub supply chain lead, helping build capabilities and improve performance across Sub-Saharan Africa and South-East Asia, while driving transformational projects across the hub.

In a career spanning over two decades, Mr. Ravishankar has extensive and diverse career experience at Boston Consulting Group, Accenture, KPMG and Unilever. He has a Degree in Chemical Engineering from the prestigious Indian Institute of technology (IIT), Kharagpur and a Post Graduate Diploma in Management from Indian School of Business (ISB).

Your Directors recommend the appointment of Mr. Ravishankar Cherukuri as a director of the Company.

Except Mr. Ravishankar Cherukuri, 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.

ITEM NO. 5

The Board of Directors at its meeting held on September 21, 2018, appointed Mr. Ravishankar Cherukuri as an Additional Director with effect from September 22, 2018, pursuant to

Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. The Board at the said meeting also appointed Mr. Ravishankar Cherukuri as Managing Director from September 22, 2018 for a period of 3 (three) years.

The Board of Directors at its said meeting held on September 22, 2018 also approved the salary and all other terms and conditions of appointment of the said Managing Director, subject to approval of the Members in a general meeting. Further, the Board at its meeting held on March 28, 2019, has also approved increase in remuneration payable to Mr. Ravishankar Cherukuri, the Managing Director with effect from April 1, 2019 vide the Principal Agreement dated September 28, 2018, subject to approval of the Members in the general meeting.

The material terms and conditions of appointment of Mr. Ravishankar Cherukuri, as contained in the Principal Agreement between the Company and Mr. Ravishankar Cherukuri are as follows:

| | | |
|--------|---|--|
| (i) | Basic Salary | : ₹ 55,00,000/- per annum |
| (ii) | Special Allowances | : ₹ 35,29,176/- 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. Previous incentive amount paid is ₹ 33,00,000/- per annum |
| (iv) | House Rent Allowance (HRA) | : As per Company's Policy (₹ 27,50,000/- 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 ₹ 6,000/- per annum. |
| (vi) | Leave Travel Allowance | : ₹ 4,58,328/- 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 | : ₹ 6,60,000/- as Car Substitution Allowance |
| (xii) | Communication facility | : Mobile phone 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 holding Company from time to time. |
| (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) | The Agreement may be terminated by either party giving the other party ninety (90) days' notice. | |
| (xvi) | The Managing Director shall not be entitled to receive any fees for attending meetings of the Board. | |

* As per the Gratuity Act/ Company policy.

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration set out in the Principal Agreement, as amended, as minimum remuneration to the Managing Director subject to such approvals as may be required under the applicable provisions of the Companies Act, 2013 and/or any other applicable laws. Also, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration, perquisites, benefits and amenities in terms of the Principal Agreement, the terms of which are appended in the table above. In addition to the above, upon the recommendation of the Nomination and Remuneration Committee, the Managing Director will be eligible for annual incentive. The said annual incentive compensation will be variable and does not guarantee a minimum payment to the Managing Director. The funding of annual incentive plan is at the sole discretion of the Nomination and Remuneration Committee and the Board and may be amended in whole or in part or be terminated at any point of time.

The Principal Agreement 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 between 9:00 a.m. and 5:00 p.m. on any working day of the Company up to the date of this Annual General Meeting.

Information such as brief resume, nature of expertise in specific functional areas and details of Directorships and Committee memberships, as required to be furnished under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is also provided in the relevant section on Corporate Governance.

Except Mr. Ravishankar Cherukuri, 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

Ms. Aarti Arun Sathe (DIN: 06925030) was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors under Section 161 of the Act and Article 115 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Ms. Sathe holds office only upto the date of the ensuing Annual General Meeting but is eligible for appointment as a Director.

Ms. Aarti is an independent counsel specializing in direct tax litigation matters. She has a Master's Degree in Law specializing in Constitutional & Administrative Laws from the University of Mumbai (India) and is a qualified Solicitor from United Kingdom & Wales. With an extensive and diverse career experience of over 19 years she has represented both Indian and international firms for local and international tax matters. Ms. Sathe has regularly appeared before various quasijudicial bodies like Income Tax Appellate Tribunal (ITAT), C.I.T (A), Authority of Advanced Rulings (AAR), Securities Appellate Tribunal (SAT), Securities Exchange Board of India and as an independent counsel before the Customs, Excise and Service Tax Appellate Tribunal and before the tax bench of the Bombay High Court for tax Appeals, writs etc. She also assists and briefs senior tax counsels in the Bombay High Court, AAR and Supreme Court. Prior to being an independent counsel, she worked with one of India's foremost tax law firms – BMR Advisors as an Associate. Her areas of specialization included international tax matters & other tax disputes, vetting documents for setting up of private equity funds and regulatory work under FEMA & RBI.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Also, pursuant to regulation 17(1)(a) of the revised Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, the Board of directors of the Company shall have atleast one independent woman director. The matter regarding appointment of Ms. Sathe as Independent Director was placed before the Nomination & Remuneration Committee and the Board, which commends her appointment as Independent Director for a term of 1 (one) year with effect from April 1, 2019.

Ms. Sathe is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received declaration from Ms. Sathe that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Copy of the draft letter of appointment to be issued to Ms. Aarti Arun Sathe setting out the terms and conditions of her appointment as Independent director is available for inspection by the members at the registered office of the Company between 9:00 a.m. and 5:00 p.m. on any working day of the Company up to the date of this Annual General Meeting.

Ms. Sathe fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Non-executive Director of the Company.

Having regard to the experience and qualifications of Ms. Sathe the Board of directors of the Company has accepted the recommendation of the Nomination and Remuneration committee for appointment of Ms. Sathe as an Independent director. The Board of directors recommends the Ordinary resolution set out in Item No. 6 in relation to the appointment of Ms. Aarti Sathe as Non-Executive Independent Director for a period of one year commencing from April 1, 2019.

Except Ms. Aarti Arun Sathe, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

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, for the financial year ending March 31, 2020, is 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, 2019. Accordingly, these transactions proposed for the financial year ending March 31, 2020 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 year 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 Roundup®, from the Company's intermediate 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 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. 2018-19 was ₹ 125.08 crore (Rupees One Hundred Twenty-five crore and

eight lakh). For the financial year ending March 31, 2020, the estimates stand at an aggregate value not exceeding ₹ 200 crore (Rupees Two Hundred crore). 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.

Royalty on Import of Germplasm

Your Company leverages a global germplasm pool of its intermediate 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 profits of the Company. The germplasm is initially supplied 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 this 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 hybrids.

The total value of royalty paid on germplasm import for the year ending March 31, 2019 was ₹ 10.33 crore (Rupees Ten crore thirty-three lakh). 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) for the financial year ending March 31, 2020. 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.

Product Development

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 year ending March 31, 2019 was NIL. For the financial year ending March 31, 2020, the estimates stand at an aggregate value not exceeding ₹ 50 lakh (Rupees Fifty lakh). These proposed transactions are in the ordinary course of business and at arm's length basis.

Testing of samples of IPA Salt and K-Salt

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 processes. The testings are done by Monsanto in its own laboratories against strict analytical standards through processes which are certified as best in class testing practices. Such testing's 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") in its functioning. These equipments are designed and manufactured by the Engineering Department of Monsanto Company USA exclusively for internal usage by the Group companies. Neither the unique designs of these equipments nor anything similar to it is available outside the Group. Various parts of the equipments are

procured by 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. Similar to breeding activities, your Company also imports certain specialized equipments in other functions such as manufacturing, Information technology, etc. 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. The 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, 2019 was NIL. The estimated cost of all equipments to be procured for the year ending March 31, 2020 will not exceed ₹ 2 crore (Rupees Two crore).

Reimbursement of expenses

Your Company provides and receives products, services from its intermediate 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 actual cost of such technical support is being debited to/by your Company.
- **Training** - As part of development of global talent pool, Monsanto Company conducts trainings and seminars for its employees and bears such cost of training.

These proposed transactions are in the ordinary course of business and at arm's length basis. For the financial year ending March 31, 2020, the reimbursements have been as follows:

- Expenses charged to your Company - ₹ 0.64 crore (Rupees Sixty-four lakh)
- Expenses charged by your Company - ₹ 1.73 crore (Rupees One crore and seventy-three 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:

- ₹ 3 crore (Rupees Three crore) charged to the Company for the financial year ending March 31, 2020;
- ₹ 3 crore (Rupees Three crore) charged by the Company for each of the financial year ending March 31, 2020.

Pursuant to Explanation 3 of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the following particulars of the transactions with Monsanto Company, USA –Holding Company, related party are given below:

| Particulars | Purchase of IPA salt of Glyphosate Technical | Royalty Payment on Import of Germplasm | Product Development Charges | Testing of samples of IPA Salt and K-Salt | Import of miscellaneous equipment | Reimbursement of expenses |
|---|--|--|-----------------------------|---|-----------------------------------|---------------------------|
| Name of the director(s) or key managerial personnel who are related | None | None | None | None | None | None |

| Particulars | Purchase of IPA salt of Glyphosate Technical | Royalty Payment on Import of Germplasm | Product Development Charges | Testing of samples of IPA Salt and K-Salt | Import of miscellaneous equipment | Reimbursement of expenses |
|-----------------------|---|--|--|---|--|--|
| Nature of transaction | <p>Purchase of IPA Salt of Glyphosate technical</p> <p>For its Roundup business MIL imports one of the key raw material (IPA Salt of Glyphosate technical) to maintain quality standards and reliability of supplies from Monsanto Company.</p> <p>Under The Insecticide Act, 1968, source from which IPA Salt of Glyphosate technical is procured is required to be registered with Government of India, Ministry of Agriculture. Our current source of purchase from Monsanto company USA is approved source for purchase of IPA Salt of Glyphosate technical by Government of India, Ministry of Agriculture</p> | <p>Non-exclusive license to Germplasm technology</p> <p>MIL leverages global germplasm pool for development of new hybrids for Indian operations. The germplasm is supplied by Monsanto Company free of cost.</p> <p>MIL uses such germplasm for development of new hybrids for India market.</p> <p>On successful commercialization of hybrids containing imported germplasm, MIL pays royalty to Monsanto company at 4% of the net sales of the Company.</p> | <p>MIL sends its germplasm lines to Monsanto Company.</p> <p>Monsanto Company does trait integration on germplasm lines sent by MIL and sends it back to MIL.</p> <p>This is charged to MIL on per hybrid basis.</p> | <p>MIL is required to test samples of IPA Salt and K-Salt (ingredients of Glyphosate) with Monsanto Company, pursuant to regulatory requirements in the USA and in India. The testings are done by Monsanto in its own laboratories against strict analytical standards through processes which are certified as best in class testing practices. Such testings assure best quality products produced by MIL for the farmers.</p> <p>Monsanto Company does not charge MIL for any of these testing processes. Only shipping and other incidental charges are borne by MIL and no payments are made to Monsanto Company. The proposed transactions do not involve the payment of price or consideration by the Company. Monsanto Company provides this service to other Monsanto entities in other regions of the world, without charging any cost for this service from such Monsanto entities. Accordingly, arm's length pricing is not applicable in the transactions</p> | <p>MIL has a specialized corn breeding program which aids development of several varieties of corn hybrids, manufacturing, IT function, etc. for commercialization. The corn breeding program is required to use these specialized equipments, tools, apparatus, devices, gadgets (together referred as "equipments") for in its functioning. These equipments are designed and manufactured by the Engineering Department of Monsanto USA exclusively for internal usage by the 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 region requests, including requests from the corn breeding team of MIL. Similar to breeding activities, MIL also imports certain specialized equipments in other functions such as manufacturing, information and technology etc. The prices to be charged by Monsanto Company for these equipments to MIL and charged to other Monsanto regions in the past have been the same. The proposed transactions are in the ordinary course of business and at an arm's length basis.</p> | <p>Reimbursement of Expenses at cost on ongoing basis.</p> <p>Expenses charged to MIL It includes 1) Stock option/other equity based awards - As a part of its global effort to retain employees, Monsanto Company operates stock options scheme/other equity based awards for employees, all over the globe above specific category, the cost pertaining to MIL employees is debited to MIL.</p> <p>2) Manpower Cost- In order to leverage global talent pool of employees, certain employees are deputed from time to time to other company including MIL. All expenses relating to these specific employees for their period of deputation is debited to MIL. Currently there is no employee deputed, Hence there is no cost.</p> <p>3) Technical support-As a part of global initiative MIL leverages some of the global competencies/ process/IT system for improving it operations. This also includes testing of corn samples for ensuring quality standards. The cost of such technical support is being debited to MIL.</p> <p>4) Samples - As a part of research undertaken by Breeding, MIL get some samples from Monsanto Company. Samples are at free of cost.</p> <p>Expenses charged by MIL It includes- 1) Manpower Cost- In order to leverage global talent pool of employees, certain employees are deputed from time to time to other company from MIL. All expenses relating to these specific employees for their period of deputation is debited to Monsanto Company by MIL</p> <p>2) Technical support-As a part of global initiative Monsanto Company leverages some of the global competencies/ process/ IT system for improving it operations. The cost of such technical support is being debited by MIL.</p> |

| Particulars | Purchase of IPA salt of Glyphosate Technical | Royalty Payment on Import of Germplasm | Product Development Charges | Testing of samples of IPA Salt and K-Salt | Import of miscellaneous equipment | Reimbursement of expenses |
|---|--|--|--|---|--|---|
| Nature of transaction | | | | | | 3) As a part of development of global talent pool Monsanto Company conducts various training and seminars for its employee and bears such cost of training even if such employee belong to MIL. |
| Material terms of the contract/ arrangement/ transactions | Price Negotiated Price based on exchange rate parity reviewed on periodic basis. B. Payment Terms : Payment to be made by the Company within 60 days of receipt of invoice. Period: 1 year | Price - To be determined on an arm's length basis. Payment Terms: Payment to be made by the Company within 30 days from finalisation of audited financial statements for the financial year. Period : 1 year | 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: 1 year | Price Free of cost | A. Price To be determined on arm's length basis. Payment Terms: Payment to be made by the Company within 30 days of receipt of invoice. Period: 1 year | A. Price On actuals Payment Terms : Payment to be made by the Company within 30 days of receipt of invoice. Period: 1 year |
| Actual Payments from April 2018 to March 2019 | ₹ 125.08 Crore (Rupees One hundred twenty-five crore and Eight lakh) | ₹ 10.33 Crore (Rupees Ten crore and thirty-three lakh) | None | None | None | Expenses charged to MIL- ₹ 0.64 crore (Rupees Sixty-four lakh) Expenses charged by MIL- ₹ 1.73 crore (Rupees One crore and seventy-three lakh) |
| Monetary value | Not exceeding ₹ 200 crore (Rupees Two Hundred crore) for financial year ending on March 31, 2020. | Not exceeding ₹ 15 crore (Rupees Fifteen crore) each for financial year ending on March 31, 2020. | Not exceeding ₹ 50 lakh (Rupees Fifty lakh) for financial year ending March 31, 2020 | Not Applicable Shipping and other incidentals are borne by MIL which are not payable to the intermediate holding company | Not exceeding ₹ 2 Crore (Rupees Two crore) for financial year ending March 31, 2020 | Expenses to be charged to and by the Company - ₹ 3 Crore (Rupees Three crore) for financial year ending March 31, 2020 |
| Are the transactions in the ordinary course of business | Yes | Yes | Yes | Yes | Yes | Yes |
| Are the transactions on an arm's length basis | 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 Company, USA are in the ordinary course of the Company's business and at an arm's length basis. The Audit Committee has recommended the same to the Board of Directors and the Board of Directors have approved the proposed resolution which is being placed before the Members for their approval.

It is in the interest of the Company to continue these transactions 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.

ITEM NO. 8

The members of the Company at their 64th Annual General Meeting held on August 22, 2014 approved by way of a Special Resolution under Section 197 of the Companies Act, 2013, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 2013, for a period of two years commencing April 1, 2019, and that the amount of commission be paid at anytime in the relevant years on the basis of profit earned during that part of the year.

In view of Sections 149, 197 of the Companies Act, 2013 ("the Act") and taking into account the roles and responsibilities of the directors, it is proposed that the Directors (excluding Managing Director, Whole Time Director and Directors nominated by Monsanto Co., USA) be paid for each of the two financial years of the Company commencing from April 1, 2019, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This remuneration will be distributed amongst the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the Directors for attending meetings of the Board or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors of the Company excluding Managing Director, Whole Time Director and Directors nominated by Monsanto Co., USA, for a period of two financial years commencing from April 1, 2019 as set out in the Resolution at Item No. 8 of the Notice.

The Key Managerial Personnel of the Company and their relatives are not concerned or interested, in the resolution set out at Item No. 8 of the Notice. Directors other than the Managing Director and the Directors nominated by Monsanto Co., USA may be deemed to be concerned or interested in the resolution set out at Item No. 8 of the Notice to the extent of the remuneration that may be received by them.

ITEM NO. 9

Proposal for appointment of Cost Auditor for 2019-20 was recommended by the Audit Committee to the Board of Directors in its meeting held on April 30, 2019. 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 Holidays upto and including the date of the 69th 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 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, financially or otherwise, in the resolution set out at Item No. 9, except as a member of the Company.

ITEM NO. 10

Pursuant to provisions of Section 12(5) of Companies Act, 2013, ("the Act") the change of Registered office of the Company outside the local limits of any city, town or village can only be effected by virtue of a special resolution passed by the Company.

The Registered Office of the Company is presently situated at Ahura Centre, 5th Floor, Mahakali Caves Road, Andheri (East), Mumbai-400 093, Maharashtra'. With a view to improving administrative and operational efficiency, the Board of directors at its meeting held on April 30, 2019 decided that the registered office of the Company be shifted to 'Bayer House, Central Avenue, Hiranandani Estate, Thane (West) 400 607, Maharashtra' with effect from July 10, 2019.

The Board recommends the proposed special resolution to the members of the Company for their consideration and approval.

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.10, except as a Member of the Company.

By Order of the Board of Directors

Monika Gupta

Company Secretary &

Compliance Officer

Mumbai: April 30, 2019

Registered Office:

Ahura Centre, 'B' Wing, 5th Floor,
96, Mahakali Caves Road, Andheri (East),
Mumbai – 400 093. India.
Tel No.: +91-22-2824 6450
Fax No.: +91-22-2824 4707

Annexure

Details of Directors retiring by rotation or seeking appointment / re-appointment in the ensuing Annual General Meeting

| Name of Director | Mr. Ravishankar Cherukuri | Mr. Bangla Bose MRK | Ms. Aarti Arun Sathe |
|--|--|---|---|
| Director Identification No. | 06755061 | 07999286 | 06925030 |
| Date of appointment | 22/09/2018 | 23/11/2017 | 01/04/2019 |
| Date of Birth | 05/04/1974 | 09/04/1971 | 19/07/1977 |
| Expertise in specific functional areas | He has rich and diverse experience of over two decades in commercial, strategy and supply chain | He has extensive and diverse career experience over 22 years across manufacturing and supply chain operations in multiple global geographies. | She is an independent counsel specializing in direct tax litigation matters with an extensive and diverse career experience of over 19 years. |
| Qualifications | B.Tech (Hons)-Chem Eng, IIT KGP, PGDM-ISB | Masters in Agronomy | Masters in Law, Qualified Solicitor from UK & Wales |
| Directorship as on March 31, 2019* | <ul style="list-style-type: none"> • Monsanto India Limited (L) • Mahyco Monsanto Biotech (India) Private Limited (U) | Monsanto India Limited (L) | <ul style="list-style-type: none"> • Monsanto India Limited (L) • BF Utilities Limited (L) • BF Investments Limited (L) |
| Committee Chairmanship/ Membership as on March 31, 2019* | Monsanto India Limited <ul style="list-style-type: none"> • Audit Committee (M) • Stakeholders' Relationship Committee (M) | - | Monsanto India Limited <ul style="list-style-type: none"> • Audit Committee (M) • Stakeholders' Relationship Committee (M) |
| | | - | BF Utilities Limited <ul style="list-style-type: none"> • Audit Committee (M) BF Investments Limited <ul style="list-style-type: none"> • Audit Committee (M) |
| Shareholding in Monsanto India Limited | - | - | - |

* Directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Stakeholders' Relationship Committee of Public Companies have been included in the aforesaid table.

(M) – Member, (C) – Chairman, (L) – Listed, (U) – Unlisted

By Order of the Board of Directors

Monika Gupta

Company Secretary & Compliance Officer

Mumbai: April 30, 2019

Registered Office:

Ahura Centre, 'B' Wing, 5th Floor, 96,
Mahakali Caves Road, Andheri (East),
Mumbai – 400 093. India.

Tel No.: +91-22-2824 6450

Fax No.: +91-22-2824 4707

FINANCIAL SUMMARY FOR 10 YEARS

(₹ in crores)

| | Ind-AS * | | | Previous GAAP | | | | | | |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018 - 19 | 2017 - 18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
| Statement of Profit and Loss | | | | | | | | | | |
| Revenue from operations | 669.58 | 672.12 | 645.80 | 536.41 | 546.63 | 576.49 | 436.54 | 367.98 | 358.26 | 410.14 |
| Other Income | 21.98 | 17.22 | 12.87 | 19.34 | 31.06 | 19.54 | 22.79 | 20.94 | 13.50 | 12.54 |
| Total Income | 691.56 | 689.34 | 658.67 | 555.75 | 577.69 | 596.03 | 459.33 | 388.92 | 371.76 | 422.68 |
| Profit Before Depreciation, Interest & Tax | 181.60 | 186.28 | 174.43 | 122.05 | 137.31 | 158.04 | 86.56 | 70.42 | 61.38 | 69.53 |
| Depreciation | 11.79 | 12.99 | 9.06 | 9.32 | 7.92 | 11.89 | 10.89 | 9.00 | 10.81 | 11.48 |
| Profit Before Interest & Tax (PBIT) | 169.81 | 173.29 | 165.37 | 112.73 | 129.39 | 139.25 | 75.67 | 61.42 | 50.57 | 58.05 |
| Interest | 1.13 | 1.35 | 1.10 | 0.68 | 0.41 | 0.51 | 0.70 | 1.28 | 0.28 | 0.29 |
| Profit Before Exceptional Items & Tax | 168.68 | 171.94 | 164.27 | 112.05 | 128.98 | 138.74 | 74.97 | 60.14 | 50.29 | 57.76 |
| Exceptional Items | - | 1.30 | 1.29 | 2.89 | - | - | - | - | - | - |
| Profit Before Tax (PBT) | 168.68 | 170.64 | 162.98 | 109.16 | 128.98 | 138.74 | 74.97 | 60.14 | 50.29 | 57.76 |
| Tax | 17.02 | 6.08 | 11.54 | 7.91 | 22.68 | 15.85 | 7.63 | 9.95 | 7.46 | 3.95 |
| Profit After Tax (PAT) | 151.66 | 164.56 | 151.44 | 101.25 | 106.30 | 122.89 | 67.34 | 50.19 | 42.83 | 53.81 |
| Dividend | 69.05 | 51.79 | 25.89 | 51.79 | 62.14 | 158.82 | 37.99 | 34.52 | 17.26 | 15.10 |
| Dividend - ₹ per share | 40.00 ⁽¹⁰⁾ | 30.00 ⁽⁹⁾ | 15.00 ⁽⁸⁾ | 30.00 ⁽⁷⁾ | 36.00 ⁽⁶⁾ | 92.00 ⁽⁵⁾ | 22.00 ⁽⁴⁾ | 20.00 ⁽³⁾ | 20.00 ⁽²⁾ | 17.50 ⁽¹⁾ |
| Balance Sheet | | | | | | | | | | |
| Fixed Assets (Net) | 122.03 | 116.75 | 106.51 | 95.05 | 87.85 | 88.50 | 89.16 | 91.99 | 92.72 | 115.60 |
| Investments | 235.48 | 311.05 | 347.93 | 157.49 | 189.48 | 266.73 | 250.94 | 195.78 | 151.36 | 80.72 |
| Net Current/Non Current other Assets | 349.39 | 212.59 | 79.35 | 160.71 | 97.00 | (10.73) | 67.32 | 96.62 | 130.24 | 155.26 |
| Total Assets | 706.90 | 640.39 | 533.79 | 413.25 | 374.33 | 344.50 | 407.42 | 384.39 | 374.32 | 351.58 |
| Share Capital | 17.26 | 17.26 | 17.26 | 17.26 | 17.26 | 17.26 | 17.26 | 17.26 | 8.63 | 8.63 |
| Reserves and Surplus (as per Ind-As now this is called Other Equity) | 689.64 | 623.13 | 516.53 | 395.99 | 357.07 | 327.24 | 390.16 | 367.13 | 365.69 | 342.95 |
| Net Worth (Shareholders' Fund) | 706.90 | 640.39 | 533.79 | 413.25 | 374.33 | 344.50 | 407.42 | 384.39 | 374.32 | 351.58 |
| Key Ratios | | | | | | | | | | |
| On Sales(PBT) % | 25 | 26 | 25 | 20 | 24 | 24 | 17 | 16 | 14 | 14 |
| On Capital Employed(PBIT) % | 24 | 27 | 31 | 27 | 35 | 40 | 19 | 16 | 14 | 17 |
| On Shareholders' Funds(PAT) % | 21 | 26 | 28 | 25 | 28 | 36 | 17 | 13 | 11 | 15 |
| Per Share (PAT) ₹ | 87.87 | 95.34 | 87.74 | 58.66 | 61.59 | 71.20 | 39.01 | 29.07 | 49.62 | 62.36 |

* The Company has transitioned from previous GAAP to Ind-AS effective April 1, 2016

⁽¹⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 7.50⁽²⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 10⁽³⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 10⁽⁴⁾ Interim dividend of ₹ 10 and Final dividend of ₹ 12⁽⁵⁾ Including Special dividend of ₹ 50, Interim Dividend of ₹ 12 and Final dividend of ₹ 30⁽⁶⁾ Including Interim Dividend of ₹ 18 and Final proposed dividend of ₹ 18⁽⁷⁾ First Interim Dividend of ₹ 15 and Second Interim Dividend of ₹ 15⁽⁸⁾ Interim Dividend of ₹ 15⁽⁹⁾ Final dividend of ₹ 15 for FY 2016 - 17 and Interim Dividend of ₹ 15 for FY 2017 - 18⁽¹⁰⁾ Final dividend of ₹ 15 for FY 2017 - 18 and Interim Dividend of ₹ 25 for FY 2018 - 19

Directors' Report

To the Members,

Your Directors have pleasure in presenting their 69th Annual Report on the business and operations of the Company and the financial results for the Financial Year ended March 31, 2019.

Financial Highlights

The financial performance of your Company, for the year ended March 31, 2019 is summarized below:

(₹ in crores)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|-----------------------------------|------------------------------|------------------------------|
| Total Revenue from operations | 669.58 | 672.12 |
| Other Income | 21.98 | 17.22 |
| Profit Before Taxes | 168.68 | 170.64 |
| Taxation | 17.02 | 6.08 |
| Profit After Tax | 151.66 | 164.56 |
| Other Comprehensive Income | 2.79 | 3.95 |
| Total Comprehensive Income | 154.45 | 168.51 |

FINANCIAL & OPERATIONAL HIGHLIGHTS

During the financial year (F.Y.) 2018-19, your Company posted a Profit After Tax (PAT) of ₹ 151.66 crore as compared to previous year's PAT of ₹ 164.56 crore (lower by 8%). Total Comprehensive Income decreased by 8% from ₹ 168.51 crores in 2017-18 to ₹ 154.45 crores in 2018-19.

Revenue from sale of products for the year under review decreased to ₹ 657.91 crore compared to ₹ 667.44 crore for the previous F.Y. (lower by 1%).

Your Company's seeds' (DEKALB®) sale is lower at ₹ 449.99 crore in the F.Y. 2018-19 vis-à-vis ₹ 481.78 crore in the F.Y. 2017 - 18, (lower by 7%) due to a challenging Rabi and Spring season.

Net Sales of Roundup® during the year stands at ₹ 207.92 crore (increase of 12%) compared to the previous year net sales of ₹ 185.66 crore (including excise duty) driven by higher volumes. Revenues for 2017-18 includes 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.

Details and status of merger of your Company and Bayer CropScience Limited forms a part of this report.

DIVIDEND & SHARE CAPITAL

During the financial year 2018-19, your Company had declared an interim dividend of ₹ 25/- (Rupees twenty-five only) per equity share. In addition, your Directors are pleased to recommend a payment of ₹ 25/- (Rupees Twenty-five only) per equity share as the final dividend for the financial year ended March 31, 2019.

If approved by the members at the Annual General Meeting to be held on July 4, 2019, the total dividend (interim and final dividend) for the financial year 2018-19 would be ₹ 50/- (Rupees Fifty 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 dividend on Ordinary Shares is subject to the approval of the shareholders at the Annual General Meeting (AGM) scheduled on July 4, 2019. The Register of Members and Share Transfer Books will remain closed from **Wednesday, June 12, 2019 to Friday, June 14, 2019** (both days inclusive) for the purpose of payment of the dividend for the Financial Year ended March 31, 2019.

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 and is in compliance with the Dividend Distribution Policy of the Company.

There has been no change in the capital structure of the Company.

TRANSFER TO RESERVES

The Company has not transferred any amount to general reserve.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Shilpa Shridhar Divekar, erstwhile Managing director resigned from the Company w.e.f. September 21, 2018 as she moved on to a Senior Leadership position at the parent Company, Bayer. She however continues to remain as a Non- executive Director of the Company

On recommendation of the Nomination and Remuneration Committee, the Board of directors have appointed Mr. Ravishankar Cherukuri as the Managing Director and Key Managerial Personnel of the Company w.e.f. September 22, 2018 for a period of three years subject to the approval of the shareholders in the ensuing general meeting.

Your directors on the recommendation of the Nomination and Remuneration Committee have appointed Ms. Aarti Arun Sathe as an Independent Woman Director of the Company w.e.f. April 1, 2019 for a period of one- year subject to the approval of the shareholders in the ensuing general meeting. This is in pursuance and in compliance with Regulation 17(1)(a) of revised SEBI LODR (Amendment) Regulations, 2018, wherein top 500 listed entities by market capitalization, shall appoint at least one-woman independent director on the Board. The terms and conditions of her appointment as entered into with Ms. Sathe has been uploaded on the website of the Company.

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bangla Bose, Non-executive Director 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. Ravishankar Cherukuri and Ms. Aarti Arun Sathe and the details of directorship held by them, forms a part of the Notice convening the 69th 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.

The Board of directors as on the date of report comprises of three Independent Non-executive Directors, three Non-Independent Non-executive Directors and one Executive Director.

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. The evaluation process focussed on 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

pre-scheduled, 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.

The notice of Board meeting is given well in advance to all the Directors. 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 8 (eight) Board Meetings and 7 (seven) 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 within the time limit as prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD

Currently, there are seven (7) Committees of the Board, namely

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Share Transfer Committee
6. Independent Directors Committee
7. Risk Management Committee (w.e.f April 1, 2019)

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.

Your directors have also constituted a Risk Management Committee pursuant to Regulation 21(2) and 21(5) of the SEBI LODR, 2015 with effect from April 1, 2019.

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 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.

RISK MANAGEMENT POLICY

Pursuant to the requirement of LODR, the Company has constituted a Risk Management Committee.

A 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 and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's tolerance level for risk. The Committee shall also ensure 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 shall oversee formal reviews of activities associated with the effectiveness of risk management, internal control processes, cyber security and to ensure that risks are mitigated and that the Company's objectives are attained.

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 i.e., until the conclusion of 72nd Annual General Meeting. Pursuant to the notification of the Companies Amendment Act, 2017, the requirement of annual ratification of the Statutory Auditors is no longer required.

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 under review, directly or indirectly, any of the services enumerated under Section 144(1) of the Companies Act, 2013.

COST AUDITORS

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained. 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 2018-19 to conduct the audit of the cost records of the Company. The Auditors' Report for the financial year under review does not contain any qualification, reservation or adverse remark.

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 April 30, 2019, has reappointed M/s ABK & Associates, (Registration no. 000036) as the Cost Auditors of your Company for the financial year 2019-20 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 69th 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 2018 - 19 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 adverse remark. During the audit period, your Company has

complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. except for filing of certain forms with Investor Education and Protection Fund Authority (IEPF) due to delay in receipt of relevant data from the Bank and your Company is in the process of filing of certain e-forms with IEPF Authority for the period under review.

The Board has appointed M/s. Vinod Kothari & Co., Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2019 - 20.

GLOBAL ACQUISITION OF MONSANTO COMPANY, USA BY BAYER AG

The global acquisition of Monsanto Company, a company incorporated under the laws of Delaware, United States of America ("Monsanto Co.") by Bayer Aktiengesellschaft, Germany ("Bayer AG" or the "Acquirer") was completed on June 7, 2018 (the "Primary Transaction"). Upon the completion of the Primary Transaction Monsanto Co. became a wholly owned subsidiary of Bayer AG. Prior to the completion of the Primary Transaction, Monsanto Co. directly as well as indirectly held 72.14% voting share capital in Monsanto India Limited ("MIL"). As a consequence of the completion of the Primary Transaction on June 7, 2018, the Acquirer indirectly acquired 72.14% of the fully diluted voting rights in MIL, resulting in change in control of MIL.

Pursuant to the indirect acquisition of voting rights and control by the Acquirer over MIL as a result of the Primary Transaction, it was mandatory for the Acquirer to make an open offer to the minority shareholders of MIL under the relevant regulations of SEBI (Substantial Acquisition of Shares & Takeover Regulations, 2011) (the "SAST"). Consequently, the Acquirer and Bayer CropScience Limited ("BCSL"), a publicly listed Indian company (as a Person acting in Concert) jointly made an Open Offer (the "Open Offer") to all the public shareholders of MIL to acquire upto 4,488,315 (Four Million, Four Hundred and Eighty Eight Thousand Three Hundred and Fifteen) equity shares representing 26% of the voting share capital of MIL at the price of INR. 2,926.87. Based on the tender offer submissions by the minority shareholders of MIL, Bayer CropScience Limited (BCSL), an indirect subsidiary of Bayer AG, acquired and now holds 7.82% shareholding in MIL. Bayer AG holds 8.8% shareholding in MIL. As a result, both MIL and BCSL are commonly controlled subsidiaries of Bayer AG Germany. Due to the tender submissions, the promoter shareholding of your Company has increased to 81.87%.

MERGER OF MONSANTO INDIA LIMITED (MIL) AND BAYER CROPSCIENCE LIMITED (BCSL)

In order to attain efficiencies and create a unified platform for growth, the Board of Directors of MIL as well as the Board of Directors of BCSL considered and approved the amalgamation of MIL with BCSL on November 14, 2018. MIL and BCSL, both being listed entities, the process of merger is long drawn and complex as it involves approvals from various authorities. Both the Companies have received in-principal approval from the Stock Exchange Board of India to enable the Company to file the scheme with the National Company Law Tribunal (NCLT). On February 21, 2019, the Company has filed the application seeking NCLT's approval for the merger of MIL with BCSL vide an Order dated April 22, 2019, the Hon'ble National Company Law Tribunal, Bench at Mumbai ("NCLT") has directed a meeting to be held of the equity shareholders of your Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Monsanto India Limited (the Transferor Company) with Bayer CropScience Limited (the Transferee Company) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ("Scheme"). In pursuance of the said Order of NCLT, further notice has been given to the equity shareholders of the Transferor Company that a meeting is scheduled to be held on June 4, 2019.

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 shall be annexed as **(Annexure 3)**.

A copy of the annual return shall be placed on the website of the company after the same is filed with the Registrar and can be accessed at <http://www.monsantoglobal.com/global/in/whoweare/Pages/agm-2019.aspx>

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 shall be 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 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 and is available on <http://www.monsantoglobal.com/global/in/whoweare/pages/policies.aspx>.

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 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, read with the applicable rules thereto and Clause 49 under the Listing Agreement with the Stock Exchanges.

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/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>. None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

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:

- 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; 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.

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 8)** 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.

Having regard to the provisions of the first proviso to Section 136(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 working hours 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, 2019 is 252 as compared to 257 as on March 31, 2018.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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 forms part of this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of earnings and expenditure in foreign currency are annexed to this Report.

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as transactions on these items during the year under review:

1. There are no material changes and commitments affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report.
2. Details relating to deposits covered under Chapter V of the Act.
3. Issue of equity shares with differential rights as to dividend, voting or otherwise.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
5. Voting rights not exercised directly by the employees as per Section 67 (3) of Companies Act, 2013

6. There has been no non-acceptance of any recommendation of Audit Committee by the Board as required under Section 177 (8) of Companies Act, 2013.
7. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
8. There has been no fraud reporting under Section 143(12) of the Companies Act, 2013
9. Particulars of Loans given, Investments made, Guarantees' given, and Securities provided under Section 186 of Companies Act, 2013

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 Bayer AG 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

Sekhar Natarajan
Chairman
DIN: 01031445

Mumbai: April 30, 2019

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 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.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. March 23, 2017.

PURPOSE, OBJECTIVES AND SCOPE

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.

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-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 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.

C. OTHER FINANCIAL PARAMETERS

In addition to the aforesaid parameters such as realized 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 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.

Age of the Company and its product/market

The age of the Company and its product or 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.

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 financial impact on the Company will also impact the dividend disbursement 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 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, majorly 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 shall consider 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.

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 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.

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 ON MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration 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 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 March 31, 2019 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 March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 ("the Act") 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - 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;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
6. Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as 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, Seed 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

- j. Biological Diversity Act, 2002 read with Biological Diversity Rules, 2004
- k. The Protection of Plant Varieties and Farmers' Rights Act, 2001
- l. Public Liability Insurance Act, 1991
- m. Environmental (Protection) Act, 1986 read with Environmental Protection Rules, 1986;
- n. The Hazardous Wastes (Managements Handling and Transboundary Movement) Rules, 2008;
- o. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
- p. Water (Prevention and Control of Pollution) Cess Act, 1977;
- q. The Air (Prevention & Control of Pollution) Act, 1981 read with Water (Prevention & Control of Pollution) Rules, 1982.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1, 2 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 except for filing of certain eforms with Investor Education and Protection Fund (IEPF) Authority during the period under review due to delay in receipt of relevant data from the Bank.

Management Responsibility:

1. 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;
2. 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;

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 regulation and happening of events etc;
5. 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;
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.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, 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 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 and Committee 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.

Majority decision is carried through while dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.

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 undertaken any specific event/action that can have

a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as under:

i. Change in control from Monsanto Company, USA to Bayer AG

During the period under review, Monsanto Company, USA, the promoter of the Company was acquired by Bayer Aktiengesellschaft, Germany (Bayer AG) which resulted in indirect acquisition of 72.14% of the Company.

Consequently, Bayer AG and Bayer Cropscience Limited (as a Person acting in Concert) made an open offer to the minority shareholders of the Company to acquire 44,88,315 (Forty Four lakhs Eighty Eight thousand Three hundred and Fifteen) equity shares representing 26% of the Company. The Open offer opened on August 24, 2018 and was closed on September 6, 2018.

Post completion of open offer, the promoter holding stands at 81.84%. The Company is now a commonly controlled subsidiary of Bayer AG.

ii. Scheme of Amalgamation with Bayer Cropscience Limited

The Board of Directors of the Company at their meeting held on November 14, 2018 approved the Scheme of Amalgamation between the Company and Bayer Cropscience Limited and their respective shareholders, inter alia for amalgamation of the Company with Bayer Cropscience Limited w.e.f. the Appointed Date of April 1, 2019. The Scheme is pending for approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

For **M/s Vinod Kothari & Company**
Company Secretaries in Practice

Vinita Nair

Partner

Membership No: A31669

CP No.: 11902

Place: Mumbai

Date: April 30, 2019

ANNEXURE I

LIST OF DOCUMENTS

1. Corporate Matters
 - 1.1 Minutes books of the following meetings were provided in original
 - 1.1.1 Board Meeting;
 - 1.1.2 Audit Committee;
 - 1.1.3 Nomination and Remuneration Committee;
 - 1.1.4 Corporate Social Responsibility Committee;
 - 1.1.5 Annual General Meeting;
- 1.2 Annual Report 2017-18;
- 1.3 Memorandum and Articles of Association;
- 1.4 Disclosures under Act, 2013 and Listing Regulations;
- 1.5 Policies framed under Act, 2013 and Listing Regulations;
- 1.6 Documents pertaining to Listing Regulations compliance;
- 1.7 Documents pertaining to proof of payment of Dividend;
- 1.8 Forms and returns filed with the ROC & RBI;
- 1.9 Checklists duly filled for specific laws;
- 1.10 Registers maintained under Act, 2013;
- 1.11 Documents under SEBI (Prohibition of Insider Trading) Regulations, 2015
- 1.12 Disclosures under SEBI (Substantial Acquisition & Shares Takeover) Regulations, 2011.

Annexure 3

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

| | |
|---|--|
| 1. CIN | 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, 96, Mahakali Caves Road, Andheri (East), Mumbai – 400 093. Tel No.: +91-22-6702 9851 |
| 6. Whether listed company | 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, Vikhroli (West), Mumbai – 400 083. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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 | Pesticides/Herbicides | 20211 | 31.60% |
| 2 | Hybrid Seeds | 01119 | 68.40% |

*pursuant to NIC code 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| 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 | 58.72 | 2(87)(ii) |

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

i. Category-wise Share Holding

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change during the year |
|-------|---|--|----------|-------|-------------------|--|----------|-------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change during the year |
|-------|---|--|------------|-----------------|-------------------|--|------------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Bodies Corporate | 12454044 | 0 | 12454044 | 72.14 | 14127828 | 0 | 14127828 | 81.84 | 9.70 |
| | Sub Total (A)(2) | 12454044 | 0 | 12454044 | 72.14 | 14127828 | 0 | 14127828 | 81.84 | 9.70 |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 12454044 | 0 | 12454044 | 72.14 | 14127828 | 0 | 14127828 | 81.84 | 9.70 |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 393094 | 800 | 393894 | 2.29 | 32323 | 800 | 33123 | 0.19 | (2.09) |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0.00 | 120 | 0 | 120 | 0.00 | 0.00 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Foreign Portfolio Investor | 603869 | 0 | 603869 | 3.50 | 524665 | 0 | 524665 | 3.04 | (0.46) |
| (f) | Financial Institutions / Banks | 8384 | 0 | 8384 | 0.05 | 9046 | 0 | 9046 | 0.05 | 0.00 |
| (g) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | Foreign Mutual Fund | 99622 | 0 | 99622 | 0.58 | 0 | 0 | 0 | 0.00 | (0.58) |
| | Sub Total (B)(1) | 1104969 | 800 | 1105769 | 6.41 | 566154 | 800 | 566954 | 3.28 | (3.12) |
| [2] | Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | Central Government / State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto ₹ 1 lakh | 1706252 | 95880 | 1802132 | 10.44 | 1488365 | 84168 | 1572533 | 9.11 | (1.33) |
| (ii) | Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 610490 | 15000 | 625490 | 3.62 | 65198 | 15000 | 80198 | 0.47 | (3.16) |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0.00 | 3775 | 0 | 3775 | 0.02 | 0.02 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | IEPF | 229 | 0 | 229 | 0.00 | 464 | 0 | 464 | 0.00 | 0.01 |
| | Trusts | 2760 | 0 | 2760 | 0.02 | 2760 | 0 | 2760 | 0.02 | 0.00 |
| | Hindu Undivided Family | 97581 | 0 | 97581 | 0.57 | 445507 | 0 | 445507 | 2.56 | 2.06 |
| | Non Resident Indians (Non Repat) | 30744 | 0 | 30744 | 0.18 | 34848 | 0 | 34848 | 0.20 | 0.02 |
| | Other Directors | 800 | 0 | 800 | 0.01 | 800 | 0 | 800 | 0.01 | 0.00 |
| | Non Resident Indians (Repat) | 26742 | 0 | 26742 | 0.15 | 24704 | 0 | 24704 | 0.14 | (0.01) |
| | Clearing Member | 22042 | 0 | 22042 | 0.13 | 11920 | 0 | 11920 | 0.07 | (0.06) |
| | Market Maker | 1396 | 0 | 1396 | 0.01 | 13 | 0 | 13 | 0.00 | (0.01) |
| | Bodies Corporate | 1092759 | 260 | 1093019 | 6.33 | 390244 | 200 | 390444 | 2.26 | (4.07) |

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change during the year |
|-------|--|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | Sub Total (B)(3) | 3591566 | 111140 | 3702706 | 21.45 | 2468598 | 99368 | 2567966 | 14.88 | (6.57) |
| | Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3) | 4696764 | 111940 | 4808704 | 27.86 | 3034752 | 100168 | 3134920 | 18.16 | (9.70) |
| | Total (A)+(B) | 17150808 | 111940 | 17262748 | 100.00 | 17162580 | 100168 | 17262748 | 100.00 | 0.00 |
| | (C) Non Promoter - Non Public | | | | | | | | | |
| | [1] Custodian/DR Holder | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | [2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Total (A)+(B)+(C) | 17150808 | 111940 | 17262748 | 100.00 | 17162580 | 100168 | 17262748 | 100.00 | |

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 Investments India Private Limited | 10137124 | 58.72 | - | 10137124 | 58.72 | - | - |
| 2 | Monsanto Company | 2316920 | 13.42 | - | 2316920 | 13.42 | - | - |
| 3 | Bayer CropScience Limited | - | - | - | 1350000 | 7.82 | - | 7.82 |
| 4 | Bayer AG | - | - | - | 323784 | 1.88 | - | 1.88 |

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 17262748 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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 | 12454044 | 72.14 | 12454044 | 72.14 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): 14/08/2018 (Pursuant to tender submissions in open offer) | 1673784 | 9.70 | - | - |
| | At the end of the year | 14127828 | 81.84 | 14127828 | 81.84 |

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|--------|-------------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No.Of shares held | % Of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| 1 | GOVERNMENT PENSION FUND GLOBAL | 440812 | 2.5535 | | | 440812 | 2.5535 |
| | Transfer | | | 22 Jun 2018 | (1300) | 439512 | 2.5460 |
| | Transfer | | | 30 Jun 2018 | (2785) | 436727 | 2.5299 |
| | Transfer | | | 01 Mar 2019 | (6069) | 430658 | 2.4947 |
| | Transfer | | | 08 Mar 2019 | (3030) | 427628 | 2.4772 |
| | Transfer | | | 22 Mar 2019 | (308) | 427320 | 2.4754 |
| | Transfer | | | 29 Mar 2019 | (4124) | 423196 | 2.4515 |
| | AT THE END OF THE YEAR | | | | | 423196 | 2.4515 |
| 2 | ROMESH CHANDRA KHANNA | 389976 | 2.2591 | | | 389976 | 2.2591 |
| | AT THE END OF THE YEAR | | | | | 389976 | 2.2591 |
| 3 | HDFC LIFE INSURANCE COMPANY LIMITED | 471731 | 2.7327 | | | 471731 | 2.7327 |
| | Transfer | | | 06 Apr 2018 | 30000 | 501731 | 2.9064 |
| | Transfer | | | 13 Apr 2018 | (1133) | 500598 | 2.8999 |
| | Transfer | | | 11 May 2018 | (7526) | 493072 | 2.8563 |
| | Transfer | | | 18 May 2018 | (3355) | 489717 | 2.8368 |
| | Transfer | | | 25 May 2018 | 250 | 489967 | 2.8383 |
| | Transfer | | | 01 Jun 2018 | (3046) | 486921 | 2.8206 |
| | Transfer | | | 08 Jun 2018 | (5000) | 481921 | 2.7917 |
| | Transfer | | | 15 Jun 2018 | (36554) | 445367 | 2.5799 |
| | Transfer | | | 30 Jun 2018 | (2667) | 442700 | 2.5645 |
| | Transfer | | | 13 Jul 2018 | (840) | 441860 | 2.5596 |
| | Transfer | | | 20 Jul 2018 | 255 | 442115 | 2.5611 |
| | Transfer | | | 03 Aug 2018 | (25000) | 417115 | 2.4163 |
| | Transfer | | | 31 Aug 2018 | 6162 | 423277 | 2.4520 |
| | Transfer | | | 14 Sep 2018 | (232732) | 190545 | 1.1038 |
| | Transfer | | | 29 Sep 2018 | (657) | 189888 | 1.1000 |
| | Transfer | | | 26 Oct 2018 | (75) | 189813 | 1.0996 |
| | Transfer | | | 02 Nov 2018 | 765 | 190578 | 1.1040 |
| | Transfer | | | 23 Nov 2018 | (1732) | 188846 | 1.0940 |
| | Transfer | | | 30 Nov 2018 | (420) | 188426 | 1.0915 |
| | Transfer | | | 11 Jan 2019 | (6814) | 181612 | 1.0520 |
| | Transfer | | | 01 Feb 2019 | (267) | 181345 | 1.0505 |
| | Transfer | | | 15 Feb 2019 | (2428) | 178917 | 1.0364 |
| | Transfer | | | 22 Feb 2019 | (725) | 178192 | 1.0322 |
| | Transfer | | | 01 Mar 2019 | (614) | 177578 | 1.0287 |
| | Transfer | | | 29 Mar 2019 | 8672 | 186250 | 1.0789 |
| | AT THE END OF THE YEAR | | | | | 186250 | 1.0789 |
| 4 | UMKA KHANNA | 20900 | 0.1211 | | | 20900 | 0.1211 |
| | AT THE END OF THE YEAR | | | | | 20900 | 0.1211 |
| 5 | PAHARPUR COOLING TOWERS LIMITED | 40000 | 0.2317 | | | 40000 | 0.2317 |
| | AT THE END OF THE YEAR | | | | | 40000 | 0.2317 |

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|--------|--------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No.Of shares held | % Of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| 6 | UTI - CCF -SAVINGS PLAN | 292352 | 1.6935 | | | 292352 | 1.6935 |
| | Transfer | | | 18 May 2018 | 20450 | 312802 | 1.8120 |
| | Transfer | | | 15 Jun 2018 | 33163 | 345965 | 2.0041 |
| | Transfer | | | 20 Jul 2018 | 3720 | 349685 | 2.0257 |
| | Transfer | | | 27 Jul 2018 | (13251) | 336434 | 1.9489 |
| | Transfer | | | 14 Sep 2018 | (290178) | 46256 | 0.2680 |
| | Transfer | | | 21 Sep 2018 | (10592) | 35664 | 0.2066 |
| | Transfer | | | 05 Oct 2018 | 79 | 35743 | 0.2071 |
| | Transfer | | | 12 Oct 2018 | (4222) | 31521 | 0.1826 |
| | AT THE END OF THE YEAR | | | | | 31521 | 0.1826 |
| 7 | SHREE CAPITAL SERVICES LIMITED | 27516 | 0.1594 | | | 27516 | 0.1594 |
| | AT THE END OF THE YEAR | | | | | 27516 | 0.1594 |
| 8 | MV SCIF MAURITIUS | 45058 | 0.2610 | | | 45058 | 0.2610 |
| | Transfer | | | 06 Apr 2018 | (416) | 44642 | 0.2586 |
| | Transfer | | | 27 Apr 2018 | (3368) | 41274 | 0.2391 |
| | Transfer | | | 04 May 2018 | (1994) | 39280 | 0.2275 |
| | Transfer | | | 11 May 2018 | (1547) | 37733 | 0.2186 |
| | Transfer | | | 15 Jun 2018 | (824) | 36909 | 0.2138 |
| | Transfer | | | 22 Jun 2018 | (134) | 36775 | 0.2130 |
| | Transfer | | | 30 Jun 2018 | (1644) | 35131 | 0.2035 |
| | Transfer | | | 27 Jul 2018 | 410 | 35541 | 0.2059 |
| | Transfer | | | 21 Sep 2018 | (472) | 35069 | 0.2031 |
| | Transfer | | | 29 Sep 2018 | (4587) | 30482 | 0.1766 |
| | Transfer | | | 16 Nov 2018 | (95) | 30387 | 0.1760 |
| | Transfer | | | 23 Nov 2018 | 704 | 31091 | 0.1801 |
| | Transfer | | | 28 Dec 2018 | 599 | 31690 | 0.1836 |
| | Transfer | | | 15 Mar 2019 | (3822) | 27868 | 0.1614 |
| | Transfer | | | 22 Mar 2019 | (7162) | 20706 | 0.1199 |
| | Transfer | | | 29 Mar 2019 | (138) | 20568 | 0.1191 |
| | AT THE END OF THE YEAR | | | | | 20568 | 0.1191 |
| 9 | T SIVA SUBRAMANIAN | 0 | 0.0000 | | | 0 | 0.0000 |
| | Transfer | | | 30 Nov 2018 | 24718 | 24718 | 0.1432 |
| | Transfer | | | 07 Dec 2018 | (799) | 23919 | 0.1386 |
| | Transfer | | | 04 Jan 2019 | (816) | 23103 | 0.1338 |
| | Transfer | | | 25 Jan 2019 | (500) | 22603 | 0.1309 |
| | Transfer | | | 01 Feb 2019 | (500) | 22103 | 0.1280 |
| | Transfer | | | 15 Feb 2019 | (1000) | 21103 | 0.1222 |
| | Transfer | | | 08 Mar 2019 | (970) | 20133 | 0.1166 |
| | Transfer | | | 29 Mar 2019 | (935) | 19198 | 0.1112 |
| | AT THE END OF THE YEAR | | | | | 19198 | 0.1112 |
| 10 | SAFINA TOWERS PVT LTD | 20683 | 0.1198 | | | 20683 | 0.1198 |
| | Transfer | | | 13 Apr 2018 | (2683) | 18000 | 0.1043 |
| | Transfer | | | 20 Apr 2018 | (2000) | 16000 | 0.0927 |
| | Transfer | | | 11 May 2018 | (16000) | 0 | 0.0000 |
| | Transfer | | | 29 Sep 2018 | 1543 | 1543 | 0.0089 |
| | Transfer | | | 05 Oct 2018 | 1327 | 2870 | 0.0166 |
| | Transfer | | | 12 Oct 2018 | 730 | 3600 | 0.0209 |

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|--------|-------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No.Of shares held | % Of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| | Transfer | | | 19 Oct 2018 | 949 | 4549 | 0.0264 |
| | Transfer | | | 26 Oct 2018 | 503 | 5052 | 0.0293 |
| | Transfer | | | 02 Nov 2018 | 350 | 5402 | 0.0313 |
| | Transfer | | | 09 Nov 2018 | 100 | 5502 | 0.0319 |
| | Transfer | | | 16 Nov 2018 | 278 | 5780 | 0.0335 |
| | Transfer | | | 23 Nov 2018 | 2300 | 8080 | 0.0468 |
| | Transfer | | | 30 Nov 2018 | 1020 | 9100 | 0.0527 |
| | Transfer | | | 07 Dec 2018 | 2900 | 12000 | 0.0695 |
| | Transfer | | | 14 Dec 2018 | 1342 | 13342 | 0.0773 |
| | Transfer | | | 21 Dec 2018 | 658 | 14000 | 0.0811 |
| | Transfer | | | 08 Mar 2019 | 2000 | 16000 | 0.0927 |
| | AT THE END OF THE YEAR | | | | | 16000 | 0.0927 |

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 | 800 | 0.005 | 800 | 0.005 |
| | At the beginning of the year | | | | |
| | 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 |

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:

(in lakh)

| Sl. No. | Particulars of Remuneration | Name of MD/MTD/ Manager | | Total Amount |
|---------|---|--|--|---------------------|
| | | Ms. Shilpa Shridhar Divekar (MD and KMP) | Mr. Ravishankar Cherukuri (MD and KMP) | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 526.19 | 93.02 | 619.21 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.14 | NIL | 0.14 |
| | (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 Incentive Accrued ² Superannuation ³ | 3.95 NIL NIL | 6.48 NIL NIL | 10.43 NIL NIL |
| | Total (A) | 530.28 | 99.50 | 629.78 |
| | 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) | 775.25 | | 775.25 |

¹ Paid in Government PF fund² 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

(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 | 8.75 | 8.75 | 17.50 |
| 2 | Commission | 16.50 | 16.50 | 33.00 |
| 3 | Others, please specify | - | - | - |
| | Total (B)(1) | 25.25 | 25.25 | 50.50 |
| | Ceiling limit as per the Companies Act, 2013 | 155.05 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. Bangla Bose Mallipedi | Ms. Shilpa Shridhar Divekar | |
| | Fee for attending Board/ Committee Meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (B)(2) | - | - | - | - |
| | 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. Sauarbh 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 | 146.83 | 20.84 | 167.67 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL | NIL |
| | (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 | NIL | NIL | NIL |
| | - others, specify | | | |
| 5 | Others, please specify Co's Contribution to PF ¹ | 5.90 | 1.22 | 7.12 |
| | Total | 152.73 | 22.06 | 174.79 |

¹ paid in Government PF fund

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 | | | | | |
| Punishment | | | NONE | | |
| 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 (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 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/whoweare/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, 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 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), United Way of Mumbai to

- enhance **food and nutritional security of children** via the mid-day meal program;
- build scientific temperament** in children by setting up Mini Science Centers;
- Prepare children for formal education by **promoting Early Childhood Education**;
- improve learning levels of children** through infrastructure support in schools, facilitating teachers' training programs and
- provide access to **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 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 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 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. Promoting Science through establishment of Mini Science Centres (Nanded, Maharashtra)

Project Tenure: : August 2017 to August 2019

In partnership with United Way of Mumbai we have established 20 Mini Science Centres in government schools across Nanded district. This project has created an experiential learning opportunity for over 9000 children and enabled understanding of concepts in science and mathematics. Forty-eight teachers have been trained on using the models to teach basic concepts in Math and Science.

Accomplished in 2018-19

- Nine Mini Science Centres, each having 65 table top working models, backdrops and manuals in the local language have been set up in government schools.

- Thirty-two teachers have been trained over four training sessions with focus on operating the models and using them to teach science in a creative way.

Impact: The Mini Science Centers provide experiential learning opportunities to the children, enabling learning basic concepts in Math and Science. 47% of children access the centres on a weekly basis and 75% children find learning Science and Math easy.

2. Promoting School Readiness through Early Childhood Education (Aurangabad, Maharashtra) –

In partnership with United Way of Mumbai 30 Anganwadi centres have been refurbished benefitting over 1200 children. Learning material has been provided to improve the motor and cognitive skills of the children and prepare them for formal education. In alignment with the defined curriculum, 30 Anganwadi sevikas have been trained on creative teaching techniques. A child friendly, learning and safe environment has been created by improving infrastructural facilities.

Project tenure: August 2017 to August 2019

Accomplished in 2018-19

- Facilities in fourteen Anganwadi centres has been improved with provision of water purifiers, soft floor mats, storage cupboards, fans and lights; walls have been repainted with murals. Sanitation facilities have also been provided.
- Learning and play material including Balancing blocks, sorters, charts, alphabet cut outs, books, dolls, puppets, puzzles, counting material, art material has been provided.
- Conducted capacity building sessions for 14 Anganwadi sevikas based on the "Aakar" curriculum specified for early childhood development and education.
- Monthly Palak shalas have been conducted for parents promoting their engagement at the centers and building their capacity.

Impact: Trained Anganwadi sevikas guide and structure the learning opportunities for over 1200 children. Enrolment of children in Anganwadis and community engagement in the Anganwadis has improved.

3. **Improving learning levels of children from agricultural communities (Purnia, Bihar)** – This project in partnership with Deshkal Society has been executed in the Kirtiyanand block of Purnia district, Bihar. Activity Based Learning (ABL) has been introduced in 165 primary and upper primary schools benefiting over 48,000 children. This has helped address multi-grade classrooms and made learning inclusive and participatory. ABL trainings for teachers at the cluster resource centers (CRCs) have been facilitated. The School Education Committees (SECs) have been strengthened for increased participation of parents and teachers and effective management.

Project Tenure: June 2017 - May 2018

Accomplished in 2018-19

- Over 200 school education committee meetings and over 200 parent teacher meetings have been conducted to discuss progress of children and improve engagement of the community in school management.
- Over 25 training sessions on ABL at CRC (Cluster resource center) have been conducted for over 250 teachers using audio visual aids
- Two block, one district and one state level workshop with teachers, CRC coordinators, Block Education Officer have been completed.

Impact - Teachers have appreciated implementation of Activity Based Learning fostering learning concepts in maths and basic word formation for the primary children. Retention of children in schools has increased by 17 per cent; Learning efficiency has improved by 18 per cent and the ability to do simple Math has increased by 9 per cent. There is increased participation from the community and awareness on the importance of education.

4. **School Nutrition project (Lucknow, Uttar Pradesh; Vishakapatnam and Vijayawada, Andhra Pradesh)** - We are partnering with NGO Akshaya Patra Foundation to provide nutritious mid-day meals to 12,000 children across 122 schools in Lucknow and 36 schools across Vishakapatnam and Vijayawada.

Project tenure: June 2018 - May 2019

Accomplished in 2018-19

Mid-Day meals have been served to 12,000 children across 158 schools on every school working day.

5. **Sanitation Project (East Champaran, Bihar), Phase II** – In partnership with AFPRO (Action for Food Production), 250 household sanitation units have been constructed in East Champaran district of Bihar. Community has been trained on aspects of health and hygiene.

Project tenure: Jan 2018 – Dec 2018

Accomplished in 2018-19:

- 250 individual household sanitation units have been constructed
- 24 training sessions on health & hygiene have been conducted for the community

Impact: Community has access to sanitation facilities and the utility of these facilities is at 100 per cent. The intervention has resulted in the village reaching a 60% open defecation free status. Training sessions to the community have resulted in a positive behavioral shift in the attitude of the community towards sanitation and hygiene.

2. The Composition of the CSR Committee

- Mr. Sekhar Natarajan – Chairman, Non-Executive director
- Mr. Ravi Shankar – 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 – ₹ 148.19

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 2.96 crore

5. Details of CSR spent during the financial year

(a) **Total amount to be spent for the financial year – ₹ 2.96 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 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 the reporting period | Amount spent: Direct or through implementing agency |
| 1 | Program DISHA | Education Promoting Science through establishment of 20 Mini Science Centres in government schools | Other area: Nanded (Maharashtra) | 0.37 | 0.37 | 0.73 | Through implementing partner NGO: United Way of Mumbai |
| 2 | Program DISHA | Education Promoting School Readiness through Early Childhood Education | Local area: Aurangabad (Maharashtra) | 0.69 | 0.69 | 1.4 | Through implementing partner NGO: United Way of Mumbai |
| 3 | Program DISHA | Education Improving learning levels of children from agricultural communities | Local Area: Purnia, Bihar | 0.19 | 0.19 | 0.49 | Through implementing partner NGO: Deshkal Society |
| 4 | Program DISHA | Health & Nutrition Mid-Day meal support to 12,000 children | Other area: Lucknow (UttarPradesh); Vishakapatnam & Vijayawada (Andhra Pradesh) | 1.14 | 1.14 | 1.14 | Through implementing partner NGO: AkshayaPatra Foundation |
| 5 | Program DISHA | Swachh Bharat Abhiyan: Bihar Sanitation project- Construction of 250 household sanitation units and enhance community awareness on health & hygiene through trainings | Other area: East Champaran, Bihar | 0.38 | 0.38 | 0.78 | Through implementing partner NGO: Action for Food Production (AFPRO) |
| | TOTAL | | | 2.77 | 2.77 | 4.54 | |
| | ADMIN COSTS | | | | 0.14 | | |
| | GRAND TOTAL | | | | 2.91 | | |

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

The company has spent 99% of the statutory spend requirement. There has been a minor shortfall due to revision in budget.

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 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
- 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 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

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.

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 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.

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

Annexure 6

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in 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, 2019 can be found on page no. 167 to 169.

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, Intermediate Holding Company.

(d) Salient 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 2018 to March 2019 | Approved for full year (2018-19) |
| 1. Purchase of IPA Salt of Glyphosate technical | 125.08 | 200 |
| 2. Royalty on import of Germplasm | 10.33 | 15 |
| 3. Reimbursement of Expenses | | |
| - Expenses charged to MIL | 0.64 | 3 |
| - Expenses charged by MIL | 1.73 | 3 |

(e) Date(s) of approval by the Board, if any – May 15, 2018. The above transaction has also been approved by the shareholders, vide ordinary resolution passed at the Annual General Meeting held on August 28, 2018.

(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*

(b) Nature of contracts/arrangements/transactions –

- Purchase of Raw Material** - Purchase of key raw material (IPA Salt of Glyphosate technical) from Monsanto Company, USA, for Roundup® business the Company.
- Royalty on import of Germplasm** – Your Company leverages a global germplasm pool of its Intermediate holding company i.e. Monsanto Company, USA for development of new hybrids more suited to Indian operations.
- Reimbursement of Expenses** – Your Company provides and receives products, services from its Intermediate 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

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 of Directors

Sekhar Natarajan

Chairman

DIN : 01031445

Mumbai: April 30, 2019

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, 2019 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, 2019, 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

Chartered Accountants

Firm Registration No. 105047W

Yogesh Sharma

Partner

Membership No. 211102

Place: Mumbai

Date: April 30, 2019

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:

| | |
|--|-----------|
| ● Ravishankar Cherukuri, Director | 11.21 : 1 |
| ● H C Asher, Independent Director | 2.58 : 1 |
| ● Pradeep Poddar, Independent Director | 2.58 : 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 | - |
| Ravishankar Cherukuri, Managing director | NIL* |
| H C Asher, Independent Director | - |
| Pradeep Poddar, Independent Director | - |
| Piyush Nagar, Non-Executive Director | - |
| Saurabh Vaidya, Chief Financial Officer | NIL* |
| Monika Gupta, Company Secretary | NIL* |

(iii) Percentage increase in the median remuneration of employees in the financial year :

Not Applicable. *

(iv) Number of permanent employees on the rolls of company:

252 as on March 31, 2019.

(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;

This is not applicable. *

(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.

**No increase in remuneration for employees has been recommended during the financial year 2018-19. Annual Increase in remuneration for all employees has been made effective April 1, 2019.*

For and on behalf of the Board of Directors

Sekhar Natarajan

Chairman

DIN 01031445

Mumbai : April 30, 2019

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 conventional CFL lights with LED lights as a step to reduce electric energy consumption at Silvassa, Shamirpet and Nandigama Farm sites. |
| (b) Steps taken by the Company for utilizing alternate sources of energy | We have replaced one diesel operator forklift with Electric battery-operated forklift at Silavassa. This has helped in reducing CO2 emission, noise level and maintenance cost. The safety interlocks makes the operation user friendly. |
| (c) Capital investment on energy conservation equipments | ₹ 4.24 lakh |

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

- Incorporation of GWS-DH: Genome wide selection-Di-haploid process for inbred development with rapid genetic gain, mechanization of nursery planting, mechanization of agronomy operations, acclimatization of Di-haploid material under shade-net
- Improved induction technology in Di-haploid program, automation of trial kit packaging, labelling and shipment, centralization of nursery program for efficiency.
- Developed process for screening of major corn diseases for North India.
- Finalized data points for hybrids and inbred for North India
- Developed IT applications for recording data, capturing GPS coordinates and diseases screening, Mapping of Cold Storage
- Creation of macro environments based on digital soil maps, GDU's and weather parameters to facilitate better germplasm exchange with other regions and to optimize product testing.
- Artificial intelligence, data science and analytics driven auto product advancement process is being developed
- Initiated genotyping of germplasm locally for diagnosing and maintaining the purity.

- Native traits for faster dry down, fusarium stalk rot tolerance and southern rust are in advanced stage of validation.
- Planet impact: All bio mass materials generated in the research farms are utilized for making compost and recycling back to fields.
- Created awareness to avoid plastic usage and replaced plastic water bottles with steel bottles

(iii) Imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- the details of technology imported:** Germplasm, upgradation of field equipment's and mechanization.
- the year of import:** Germplasm import is a continuous process; NSP, COMBINE, Planter with tractor & GPS, seed counter, single ear sheller, in 2017-18 & 2018-19;
- whether the technology been fully absorbed:** Yes
- 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 lakh) |
|-----------------------------|----------------|
| a) Capital (including CWIP) | 312.61 |
| b) Recurring | 3187.50 |
| TOTAL | 3500.11 |

(C) 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 are as follows:

| Value of Imports calculated on C.I.F. Basis | (₹ in crores) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
| Raw Materials | 126.97 | 121.85 |
| Components and spare parts | 0.30 | 0.88 |
| Capital goods | - | - |

| Earnings in foreign currency | (₹ in crores) | |
|------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
| FOB Value of Exports | 55.38 | 43.38 |

| Expenditure in foreign currency | (₹ in crores) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
| Travel Expenses | - | 0.12 |
| Consultancy Fees | - | 0.03 |
| Communication Expenses | 4.15 | 2.54 |
| Royalty expense | 10.33 | 11.37 |
| Others (including reimbursement of expenses) | 1.27 | 0.57 |

Remittance in foreign exchange on account of dividends to non-resident shareholders

| Dividend in respect of years | No. of Shares | No. of Shareholders | (₹ in crores) | |
|-------------------------------------|---------------|---------------------|--------------------------------------|--------------------------------------|
| | | | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
| 2017 – 18 (1 st Interim) | 23,16,920 | 1 | - | 3.48 |
| 2017 – 18 (1 st Interim) | 23,16,920 | 1 | - | 3.48 |
| 2018 – 19 (1 st Interim) | 23,16,920 | 1 | 3.48 | - |
| 2018 – 19 (2 nd interim) | 26,40,704 | 2 | 6.60 | - |

Report on Corporate Governance

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019.

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 and 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.

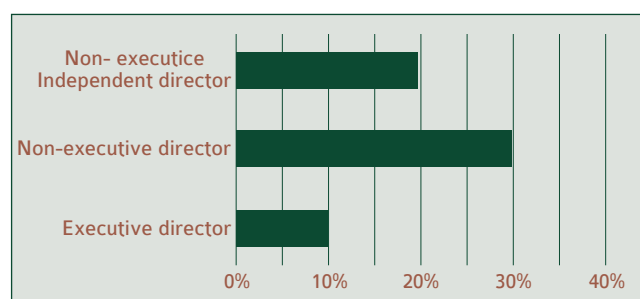
The Board consists of appropriate mix of Executive, Non-executive and Independent Directors. Our Board composition is in compliance with Companies Act, 2013 ("the Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI LODR") including any amendment from time to time. Ms. Shilpa Shridhar Divekar, a Woman Director, has been on the Board of the Company since September 1, 2014. Also based on the report of the Uday Kotak Committee, and Regulation 17(1)(a) of the revised SEBI LODR (Amendment) Regulations, 2018, Ms. Aarti Arun Sathe has been appointed as Woman Independent Director with effect from April 1, 2019.

As on March 31, 2019, the Board consisted of six members, one of whom was Executive (Managing Director) and five 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, 2019, eight (8) meetings of the Board of Directors were held on May 15, 2018, June 22, 2018, August 6, 2018, September 21, 2018, October 29, 2018, November 14, 2018, February 1, 2019 and

March 28, 2019. 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 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. Your Company has also complied with all the 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 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 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 | 01031445 | Non-Executive Chairman | 8 | YES | 3 | 2 | 3 | 2 |
| Mr. Ravishankar Cherukuri [%] | 06755061 | Managing Director | 4 | NA | 1 | 2 | - | 1 |
| Mr. H. C. Asher | 00024863 | Non-Executive, Independent | 8 | YES | 2 | 8 | 1 | 1 |
| Mr. Pradeep Poddar | 00025199 | Non-Executive, Independent | 8 | YES | 3 | 2 | 2 | 4 |
| Ms. Shilpa Shridhar Divekar ^{**} | 06619353 | Non-Executive | 6 | YES | 1 | - | - | - |
| Mr. Bangla Bose Radha Krishna Mallipeddi | 07999286 | Non-Executive | 6 | YES | 1 | - | - | - |
| Ms. Aarti Arun Sathe [#] | 06925030 | Non-Executive, Independent | NA | NA | 3 | - | - | 4 |

1) Directorship other than in foreign/non-profit organizations.

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.

[%] Mr. Ravishankar Cherukuri was appointed as Managing Director by Board of Director with effect from September 22, 2018.

^{**} Ms. Shilpa Shridhar Divekar resigned as Managing director w.e.f. September 21, 2018. She however continues to remain as Non-executive Director.

[#] Board in its meeting held on March 28, 2019, had appointed Ms. Aarti Arun Sathe as an Independent Director with effect from April 1, 2019.

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 well in advance 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 seven (7) Committees of the Board.

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility (CSR) Committee;
- Risk Management Committee (w.e.f. April 1, 2019);
- 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;
- Mr. Sekhar Natarajan – Member, Non-executive Director

The Company Secretary acts as Secretary to the Audit Committee. Ms. Aarti Arun Sathe, Non-executive Independent Director has been inducted as a member of the Audit Committee w.e.f. April 1, 2019.

The Managing Director, Chief Financial Officer, Head - Legal, Internal Auditors and Statutory Auditors are invited to the Audit Committee meetings.

The Audit Committee met during the Financial Year seven (7) times on May 15, 2018, August 6, 2018, September 21, 2018, October 29, 2018, November 14, 2018, February 1, 2019 and March 28, 2019. 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 | 7 | 7 |
| Mr. Pradeep Poddar | 7 | 7 |
| Mr. Sekhar Natarajan | 7 | 7 |

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 and on succession planning at Board and senior management level;
4. Identifying persons who are qualified to become directors' from senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. The quorum for the meeting shall be two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance.
6. Chairman of the Nomination and Remuneration Committee or any other member of the Committee shall be present at the Annual General Meeting, to answer the shareholders' queries.

The Nomination and Remuneration Committee (NRC) 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. Ms. Aarti Arun Sathe, Non-executive Independent Director has been inducted as a member of the NRC w.e.f. April 1, 2019.

During the Financial Year, the Committee met three (3) times on May 15, 2018, September 21, 2018, and March 28, 2019. 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 | 3 | 3 |
| Mr. Pradeep Poddar | 3 | 3 |
| Mr. Sekhar Natarajan | 3 | 3 |

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:

During the year under review, the Board is comprised of one Executive Director (Managing Director) and five 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 him and the Company for his appointment. No sitting fee is paid to him 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, he 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 his duties at any time during his 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. Bangle Bose do not/did not receive any salary, sitting fees or commission from the Company. Also, w.e.f. September 22, 2018, Ms. Shilpa Shridhar Divekar in her capacity as a Non-executive Director is not entitled to receiving any remuneration 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 | Share based payment | (₹ in lakhs) Total |
|--|--------------|----------------------|-----------------------|---------------------|-----------------------|
| Mr. Sekhar Natarajan | - | - | - | - | - |
| Mr. Ravishankar Cherukuri*** | - | 65.62 | - | 27.40 | 93.02* |
| Mr. H. C. Asher | 8.75 | - | 16.50 | - | 25.25 |
| Mr. Pradeep Poddar | 8.75 | - | 16.50 | - | 25.25 |
| Ms. Aarti Arun Sathe**** | - | - | - | - | - |
| Ms. Shilpa Shridhar Divekar** | - | 77.01 | 14.70 | 434.62 | 526.33* |
| Mr. Bangla Bose Radha Krishna Mallipeddi | - | - | - | - | - |

* The total remuneration excludes the amount paid by Company as contribution to Provident Fund of ₹ 6.48 lakh and ₹ 3.95 lakh to Shilpa Shridhar Divekar and Ravishankar Cherukuri respectively.

** Resigned as Managing Director with effect from September 21, 2018

*** Appointed as Managing Director with effect from September 22, 2018

**** Appointed as Non-executive Independent Director with effect from April 1, 2019

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 holding Company.

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. The evaluation process focussed on 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 and resolves the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. Pursuant to Regulation 21, 22(A) & 23(A) - SEBI (LODR) (Amendment) Regulations, 2018 the roles and responsibilities of the Committee was modified as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by the shareholders
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants

/ Annual Reports / statutory notices by the shareholders of the company.

The Stakeholders' Relationship Committee 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;
- Mr. Ravishankar Cherukuri – Member, Managing Director.

During the year under review, Ms. Aarti Arun Sathe, Non-executive Independent Director has been inducted as member of the Stakeholders' Relationship Committee w.e.f. April 1, 2019.

During the Financial Year, the Company received 7 (seven) 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;
- Mr. Ravishankar Cherukuri – Managing Director;
- Mr. Saurabh Vaidya – Chief Financial Officer;
- Mr. Ankit Nayyar – India Controller;
- 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. Shilpa Shridhar Divekar served as the member of the Committee till September 21, 2018. Mr. Ravishankar Cherukuri has been inducted as a member w.e.f. September 22, 2018. Mr. Ankit Nayyar, India Controller was inducted as a member w.e.f. May 17, 2018 in place of Ms. Madhuwanti Kale.

Corporate Social Responsibility (CSR) Committee:

Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 and the rules made thereto. The Committee is authorised to -

- a) formulate and recommends to the Board, a CSR Policy 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 referred to in clause (a); and
- c) 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;
- Mr. Ravishankar Cherukuri – Member, Managing Director;
- Mr. H. C. Asher – Member, Non-executive Independent Director;
- Mr. Pradeep Poddar – Member, Non-executive Independent Director

During the year under review, Ms. Aarti Arun Sathe, Non-executive Independent Director has been inducted as member of the Corporate Social Responsibility Committee. The Company Secretary acts as Secretary to the Corporate Social Responsibility Committee.

During the Financial Year, the Committee met five (5) times on May 15, 2018, August 6, 2018, October 29, 2018, February 1, 2019, and March 28, 2019. 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 |
| Mr. Ravishankar Cherukuri* | 5 | 3 |

*Mr. Ravishankar Cherukuri was appointed w.e.f. September 22, 2018

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 4 of the Directors' Report.

Risk Management Committee:

Pursuant to Regulation 21 of SEBI (LODR) (Amendment) Regulations, 2018, your Directors have constituted Risk Management Committee w.e.f April 1, 2019. It introduces as a function of the Risk Management Committee (RMC) to also specifically cover cyber security, given the increase in the use of cyber and digital technology. The terms of reference of the Committee are as follows:

- To assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- To monitor and review cyber security as a function;
- To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;
- To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;

- 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 and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's tolerance level for risk;
- To ensure 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;
- To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
- To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
- To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by the Audit Committee to the Board on all categories of identified risks facing the Company;
- To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures;
- To meet atleast once in a year;
- Any additional matter(s) that the Board may delegate to the Committee, from time to time, in the best interest of the Company.

The Risk Management Committee comprises of:

- Mr. Sekhar Natarajan – Chairman, Non-executive Director;
- Mr. Ravishankar Cherukuri – Member, Managing director;
- Mr. H. C. Asher – Member, Non-executive Independent Director;

- Mr. Pradeep Poddar – Member, Non-executive Independent Director;
- Ms. Aarti Arun Sathe – Member, Non-executive Independent Director;
- Mr. Saurabh Vaidya – Member, Chief Financial Officer; and
- Mr. Nabeel Saleem T. – Member, Legal Lead – India.

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 has come into effect from April 1, 2019.

In view of the above, the shareholders in their meeting held on August 28, 2018 confirmed continuation of Mr. H.C. Asher as a Non-executive Independent Director of the Company till the expiry of his term i.e., August 9, 2021.

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 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 twice.

- a) On June 22, 2018 to provide reasoned recommendations on the open offer received by the Company from Bayer Aktiengesellschaft (the "Acquirer") alongwith Bayer CropScience Ltd. (the "PAC") for the acquisition of 26% of the fully diluted voting equity share capital of the Company and
- b) On March 28, 2019 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 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 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 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.monsantoglobal.com/global/in/whoweare/Documents/RPT_policy_MIL.pdf.

Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2018-19 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 his/her complaint to the Internal 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 Sakaal. 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. 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(8) of LODR

As required by Regulation 17(8) 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 March 31, 2019. 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, Ravishankar Cherukuri, 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, 2019.

Mumbai: April 30, 2019

Ravishankar Cherukuri
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 (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 at http://www.monsantoglobal.com/global/in/whowere/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, no employee of the Company has been denied access to the Chairman of the Audit Committee during the year ended March 31, 2019.

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.

Brief Profile of Directors Proposed to be Appointed/Re-Appointed

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 Karimnagar, 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 relocated to Singapore and was responsible for various roles in Supply Chain including planning, manufacturing and leading supply chain operations for the Asia-Pacific region. Subsequently, he

moved to St Louis, USA to lead the 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, he 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 | - |

Mr. Ravishankar Cherukuri, Managing Director

Mr. C. Ravishankar has a Bachelors Degree in Chemical Engineering from the prestigious Indian Institute of Technology (IIT) Kharagpur and has completed his Masters Degree in Business Administration from Indian School of Business, Hyderabad.

In a career spanning over two decades, Ravi has extensive and diverse career experience at Boston Consulting Group, Accenture, KPMG and Unilever. His experience spans across multiple functions (Commercial, Strategy, and Supply Chain) as well as multiple industries (Agriculture Inputs, Consumer Products, Consumer Durables, Retail Banking, Steel and Cement). He has managed roles of increasing complexity and impact over his tenure with Monsanto that included responsibilities across geographies.

Prior to taking over as Managing Director of MIL, Ravi was the Asia Africa Supply Chain Lead and a member of Monsanto's Asia Africa Hub Leadership Team. In this role, he was instrumental in helping build capabilities and improve performance across Sub-Saharan Africa and South-East Asia, while driving transformational projects across the hub.

Ms. Sathe'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 Independent Director | Member- AC Member- SRC Member- NRC |
| 2. | BF Utilities Limited | Director | Member- AC |
| 3. | BF Investments Limited | Director | Member- AC |

Ac- Audit Committee

NRC- Nomination and Remuneration Committee

SRC- Stakeholder Relationship Committee

Mr. Ravishankar'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 | Member- SRC |
| 2. | Mahyco Monsanto Biotech (India) Private Limited | Director | - |

Ms. Aarti Arun Sathe, Non-Executive, Independent Director

Ms. Aarti is an independent counsel specializing in direct tax litigation matters. She has a Masters Degree in Law specializing in Constitutional & Administrative Laws from the University of Mumbai (India) and is a qualified Solicitor from United Kingdom & Wales. With an extensive and diverse career experience of over 19 years she has represented both Indian and international firms for local and international tax matters.

Ms. Sathe has regularly appeared before various quasi-judicial bodies like Income Tax Appellate Tribunal (ITAT), C.I.T (A), Authority of Advanced Rulings (AAR), Securities Appellate Tribunal (SAT), Securities Exchange Board of India and as an independent counsel before the Customs, Excise and Service Tax Appellate Tribunal and before the tax bench of the Bombay High Court for tax Appeals, writs etc. She also assists and briefs senior tax counsels in the Bombay High Court, AAR and Supreme Court.

Prior to being an independent counsel, she worked with one of India's foremost tax law firms – BMR Advisors as an Associate. Her areas of specialization included international tax matters & other tax disputes, vetting documents for setting up of private equity funds and regulatory work under FEMA & RBI.

Ms. Sathe has been appointed on the Board of your company w.e.f. April 1, 2019.

General Shareholders Information

| | | |
|----------------------------|---|---|
| Address for correspondence | : | Monsanto India Limited, Ahura Centre, 5 th Floor, 96, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel: 022-2824 6450 Fax: 022-2824 4707 e-mail: investorcare.india@monsanto.com |
|----------------------------|---|---|

Annual General Meeting and Dividend

| | | |
|-------------------------------------|---|---|
| Date and Time | : | Thursday, July 4, 2019 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 | : | Tuesday, July 2, 2019 before 11.00 a.m. |
| Date of Book Closure | : | Wednesday, June 12, 2019 to Friday, June 14, 2019 |
| Dividend Payment Date | : | On or after July 4, 2019 |

Annual General Meetings (AGM) held during the last three years

| Date | Venue | Time | Special Resolution Passed |
|---|--|------------|--|
| 66 th AGM August 10, 2016 | Rangaswar Hall, Y.B. Chavan, 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 | Rangaswar Hall, Y.B. Chavan, 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 |
| 68 th AGM August 28, 2018 | Rangaswar Hall, Y.B. Chavan, 4 th Floor, Gen. Jaganath Bhosale Marg, Nariman Point, Near Sachivalay Gymkhana, Mumbai - 400 021. | 11:00 a.m. | 1. Confirmation of continuation of Mr. H.C. Asher, Independent director for his remaining tenure i.e., August 9, 2021 |

Postal Ballots

During the financial year 2018-19, no approval of the members has been sought vide Postal Ballot.

Pursuant to Companies Amendment Act, 2017, and amendment to related Rules any item of business required to be transacted by means of postal ballot under Section 110(1) clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108 of the Act, in the manner provided in that section. In view of the said amendment, the proposal for change in the registered office of the Company from its current location at Mumbai to Thane, a place outside the local limits of Mumbai has been set out in Item No. 10 to the Notice dated April 30, 2019 convening the 69th Annual General Meeting of the Company, for approval of the members.

Financial Calendar

| Financial Year | April 1, 2019 to March 31, 2020 |
|--|---|
| Declaration of financial results for the quarter ending June 30, 2019 | : By 2 nd week of August, 2019 |
| Declaration of financial results for the quarter ending September 30, 2019 | : By 2 nd week of November, 2019 |
| Declaration of financial results for the quarter ending December 31, 2019 | : By 2 nd week of February, 2020 |
| Declaration of financial results for the quarter ending March 31, 2020 | : Last week of May, 2020 |
| AGM for the year ending March 31, 2020 | : In the month of July, 2020 |

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, 5 th 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) | : 524084 : MONSANTO : INE274B01011 |
| Listing Fees | : Listing fees of 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, L B S Marg, Vikhroli (West), Mumbai – 400 083. Tel: 022-491 86000, 022-491 86270 Fax: 022-491 86060 Email: rnt.helpdesk@linktime.co.in |
| Compliance Officer | : Ms. Monika Gupta, Company Secretary & Compliance Officer |
| Dematerialisation of shares and liquidity | : 99.42% of the paid-up capital of the Company has been dematerialised as on March 31, 2019. |
| 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, 2019

Shareholding Pattern

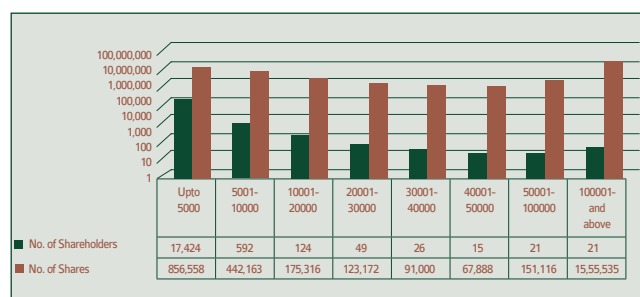
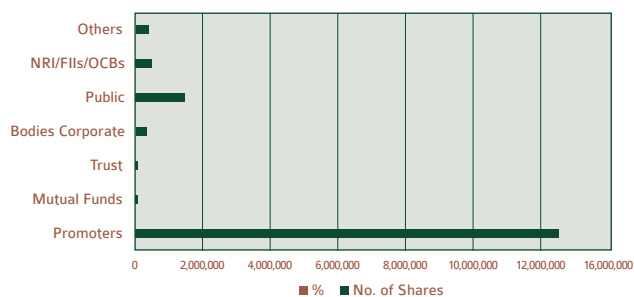
| Category | No. of Shares | % |
|----------------------------|--------------------|---------------|
| Promoters & Promoter Group | 1,41,27,828 | 81.84% |
| Mutual Funds | 33,123 | 0.19% |
| Trust | 2,760 | 0.02% |
| Bodies Corporate | 3,90,444 | 2.33% |
| Public | 16,52,731 | 9.57% |
| NRI/FIIs/OCBs | 5,84,217 | 3.41% |
| Others | 4,71,645 | 2.65% |
| TOTAL | 1,72,62,748 | 100.00 |

Distribution Schedule

| Category | No. of Shareholders | No. of Shares |
|------------------|---------------------|--------------------|
| Upto 5000 | 17,424 | 8,56,558 |
| 5001 – 10000 | 592 | 4,42,163 |
| 10001 – 20000 | 124 | 1,75,316 |
| 20001 – 30000 | 49 | 1,23,172 |
| 30001 – 40000 | 26 | 91,000 |
| 40001 – 50000 | 15 | 67,888 |
| 50001 – 100000 | 21 | 1,51,116 |
| 100001 and above | 21 | 15,55,535 |
| TOTAL | 18,272 | 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 | High Price (₹) | Low Price (₹) | Traded Qty (in cr.) |
| Apr-2018 | 2,823.65 | 2,643.00 | 39,411 | 2,794.90 | 2,645.00 | 1,57,529 |
| May-2018 | 2,870.05 | 2,670.05 | 19,576 | 2,874.70 | 2,670.00 | 2,67,307 |
| Jun-2018 | 2,899.00 | 2,775.25 | 9,989 | 2,908.70 | 2,775.10 | 2,31,505 |
| Jul-2018 | 3,075.35 | 2,850.00 | 12,152 | 3,100.00 | 2,855.00 | 1,79,825 |
| Aug-2018 | 2,968.00 | 2,774.00 | 22,915 | 2,924.00 | 2,871.20 | 3,71,140 |
| Sep-2018 | 3,358.00 | 2,630.70 | 32,279 | 3,371.00 | 2,625.15 | 2,65,370 |
| Oct-2018 | 2,723.55 | 2,424.00 | 12,190 | 2,714.95 | 2,441.10 | 90,593 |
| Nov-2018 | 2,790.00 | 2,450.00 | 7,136 | 2,845.85 | 2,438.95 | 48,246 |
| Dec-2018 | 2,828.95 | 2,546.00 | 4,610 | 2,837.90 | 2,554.95 | 36,928 |
| Jan-2019 | 2,917.65 | 2,489.70 | 14,287 | 2,917.00 | 2,521.00 | 1,14,447 |
| Feb-2019 | 2,680.00 | 2,502.00 | 7,448 | 2,678.20 | 2,477.00 | 47,925 |
| Mar-2019 | 2,745.00 | 2,548.80 | 7,809 | 2,699.50 | 2,533.70 | 91,780 |

Plant Locations

| | |
|-------------|---|
| Herbicides: | Survey No. 1, 4 & 5, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi, Silvassa - 396 240. Union Territory of Dadra & Nagar Haveli. |
| Seeds: | <ul style="list-style-type: none"> ● Survey N. 303, 303/2, 304, 309, Srivara Village, Moka Road, Bellary - 583 103, Karnataka. ● Survey No. 677-679, Village: Lalgadi 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 Village, Thondebavi Hobli, Gowribidnur Taluk, Chikkaballapura 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

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 electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Also, as per SEBI Circular dated April 20, 2018 all securities holders holding securities in physical form should submit their PAN and Bank account details to the RTA.

The Members may kindly note that as per the amended Regulation 40 of SEBI (LODR) Regulations, 2015, w.e.f December 5, 2018, transfer of securities would be carried out in dematerialized form only. Accordingly, members holding shares in physical mode are advised to demat their physical share holdings 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 - 400 013. 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

Management Discussion & Analysis

GLOBAL ECONOMY

After recording a strong growth in 2017 and early 2018, the global economic activity softened notably in the second half of the year. Escalating trade tensions between China and the United States (US), uncertainty about the Brexit outcome, subdued trade growth, geopolitical tensions and tightening financial conditions were the major challenges that impacted growth. Resultantly, the global economic growth moderated to 3.6% in 2018 as against 3.8% in 2017. These factors have also led to deceleration in growth across advanced economies and emerging markets. Further, growth is expected to remain softer at 3.3% in 2019 before picking up to 3.6% in 2020. Improved market sentiments, accommodative monetary policies, recovery in commodity prices, the waning of temporary bottlenecks in the Euro area and gradual improvement in conditions of stressed emerging economies are the factors anticipated to drive growth from the second half of 2019.

(Source: IMF World Economic Outlook, April 2019)

INDIAN ECONOMY

India's Gross Domestic Product (GDP) is estimated to grow at 7.3% in FY 2018-19, and an average of 7.5% in the following two years, according to the World Bank's forecasts. India will thus retain its ranking as the world's fastest-growing major economy. The pick-up in growth is attributed to an upswing in consumption and growth in investment activity with the dwindling effects of temporary disruptions associated with Goods and Services Tax (GST) and demonetization. The implementation of the landmark measure and its role in the formalization of the economy have enthused the industry.

Despite global headwinds, India's growth outlook remains robust. The most recent 'Ease of Doing Business Report' by the World Bank underlined India's significant progress on this front with the nation moving up 23 notches to be ranked 77th out of 190 nations. As of March 2019, the Nikkei India Manufacturing Purchasing Managers' Index stood at 52.6. This, along with the highest ever GST collections of ₹ 1.06 lakh crore in March 2019 indicates the expansion in manufacturing and construction. Private consumption is projected to firm up and investment growth is expected to continue as the benefits of recent reforms begin to materialize and credit rebounds. The Reserve Bank of India (RBI) slashed the benchmark repo rate by a quarter percentage point to 6.25% on account of benign inflation outlook in February 2019. This has been quite a welcome move for the industry and is expected to uplift economic growth.

(Source: IBEF)

Going forward, there are many other remarkable factors to propel the growth of the economy at an accelerated pace including moderate inflation, declining fuel prices, recapitalization of banks, insolvency resolution, simplified taxes, greater access to banking, and others. Expectations of a near-normal monsoon rainfall in 2019 as per the Indian Meteorological Department (IMD) forecast is expected to improve rural incomes and boost the performance of the agriculture sector. Further, reforms such as income support to farmers to alleviate agriculture distress, healthcare for the economically less privileged, and thrust on infrastructure development and construction are expected to bolster demand and improve the business climate.

OVERVIEW OF INDIAN AGRICULTURAL SECTOR

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. This strong multi-crop focus has made the agriculture sector the backbone of the Indian economy and a major contributor to the country's GDP, along with fisheries and forestry. Over 58% of the rural households depend on agriculture as their principal means of livelihood. Currently, India is also the world's fourth largest producer of agrochemicals.

As per the provisional estimates of Central Statistics Office (CSO), the share of agriculture and allied sectors, including agriculture, livestock, forestry and fishery is expected to be 14.39% of the Gross Value Added (GVA) during FY 2018-19 at 2011-12 prices. According to the estimates, the expansion in agriculture and allied sector activities is projected to increase to 2.7% in the current fiscal as compared to growth of 5.0% in FY 2017-18.

Indian agriculture witnesses 2 agricultural seasons- Kharif and Rabi.

| Cropping Season | Period of Year | Major Crops Grown |
|-----------------|------------------------|---|
| Kharif Season | July-October (Monsoon) | Rice, maize, sorghum, pearl millet/bajra, finger millet/ragi (cereals), arhar (pulses), soyabean, groundnut (oilseeds), cotton, fruits and vegetables |
| Rabi Season | October-March (Winter) | Wheat, maize, barley, oats (cereals), chickpea/ gram (pulses), linseed, mustard (oilseeds), rice, mustard, fruits and vegetables |

Agriculture is the engine of the country's economic growth and a key to farmers' success. India's population continues to grow at a brisk pace, while the amount of arable land remains limited. Besides, the increasing scarcity of natural resources and climate change threat intensify the loss in farming income. The need of the hour is to provide the right policy framework and infrastructure to farmers to facilitate growth and enhance productivity. For this to happen, agriculture needs deep reforms to boost productivity by reprioritizing crops sown, creating a new technological ecosystem, and revamping market distribution.

Given the importance of the agriculture sector, the government has been taking several steps for its sustainable development. India has embarked on an ambitious mission of doubling the farm income by 2022. The increasing investments in agriculture infrastructure and growing use of seed and crop technologies for improved yield will offer synergistic opportunities for the growth of Indian agriculture.

(Source: IBEF)

Production

The cumulative rainfall in the country during the monsoon season (June to September 2018) was 9% lower than Long Period Average (LPA) of 89 centimetres. However, most of the major crop-producing states witnessed normal monsoon rainfall. Resultantly, the Ministry of Agriculture (MoA) anticipates production of most of the crops for the agricultural year 2018-19 (July to June) higher than their normal production. The total foodgrain production in 2018-19 is estimated to rise significantly by 15.63 MT than the previous five years' (2013-14 to 2017-18) average foodgrain production. Second advance estimates of the Dept. of Agriculture forecast the foodgrain production in the country at record 281.37 MT for 2018-19.

The Ministry has pegged the rice production at a record 115.60 MT on account of substantial increase in production during the Kharif season. Also, sugarcane is expected to record new highs and touch 380 MT, indicating yet another year of higher sugar production. Oilseeds production is estimated at 31.50 MT, which is higher by 1.62 MT than the production of 29.88 MT recorded during the same period of the previous year.

Estimated production of major crops (In Million tonnes)

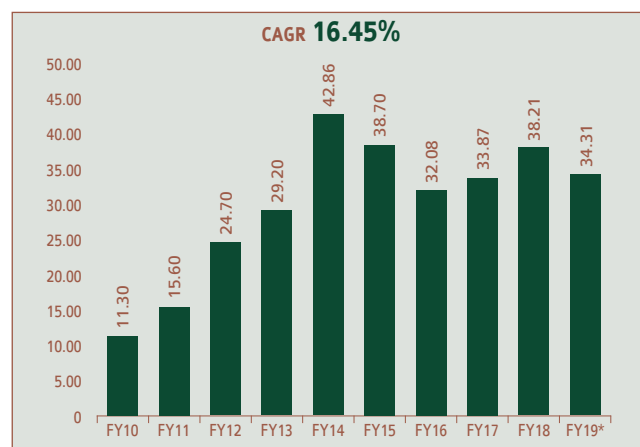
| Crop | 2018-19 (second advance estimates) | 2017-18 (fourth advance estimates) |
|----------------|------------------------------------|------------------------------------|
| Rice | 115.60 | 112.91 |
| Wheat | 99.12 | 99.70 |
| Coarse Cereals | 42.64 | 46.99 |
| Maize | 27.80 | 28.72 |
| Pulses | 24.02 | 25.23 |
| Oilseeds | 31.50 | 31.31 |
| Sugarcane | 380.83 | 376.90 |
| Cotton* | 30.09 | 34.89 |

*million bales of 170 kg each

(Source: Ministry of Agriculture)

Exports

India ranks among the 15 leading exporters of agricultural products in the world. Total agriculture exports from India grew at a Compounded Annual Growth Rate (CAGR) of 16.45% over 2010-18. Between April 2018-February 2019, agriculture exports touched USD 34.31 billion. The Agriculture Export Policy, 2018 was approved by the government of India in December 2018. The new policy is aimed at raising India's agricultural exports to USD 60 billion by 2022 and USD 100 billion in the next few years with a stable trade policy regime.



(Source: World Trade Organization, APEDA, DGCIIS)

Note: * Data pertains to April 2018- February 2019

According to the Agricultural and Processed Food Products Export Development Authority (APEDA), exports of agricultural and processed foods totaled USD 21.61 billion during April-October 2018. During this period, exports of marine products reached USD 4.18 billion, while that of basmati rice and spices touched USD 2.48 billion and USD 1.84 billion, respectively.

As per the report published by Food and Agriculture Organization (FAO) of the United Nations in December 2018, aggregate cereal exports in 2018-19 marketing year (April-March) are forecasted at 14.2 MT. India is a leading exporter of rice in the world. Rice exports in the 2018 calendar year are estimated at 12.2 MT, 9% above the five-year average, reflecting bumper availabilities and steady demand. Moreover, tea exports from India reached a 36 year high of 251.91 million kgs in the calendar year 2018.

(Source: IBEF)

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 USD 2,092.86 million and USD 472.14 million, respectively, during the period April 2000 to December 2018. During the same period, the FDI inflow in the food processing industry stood at USD 8,915.69 million.

SEASON-WISE REVIEW OF AGRICULTURE IN 2018-19

Kharif Season 2018

Favoured by decent monsoon rainfall in North West India, Central India and South Peninsula, the Union Ministry of Agriculture has estimated India's total acreage under Kharif crops in 2018-19 to be nearly 1% higher than the area covered last year. In July, the Centre approved the increase in the Minimum Support Prices (MSPs) for all Kharif crops for the 2018-19 season to ensure that the farmers receive a fair price more than their farming costs. Several parts of Bihar, Jharkhand and eastern Uttar Pradesh experienced drought in the initial months of the southwest monsoon season. (1st advance estimates).

India's foodgrain production during the rain-fed Kharif season is estimated to reach a record 142.27 MT in 2018-19. Production of rice, the main Kharif crop, is likely to increase to 101.96 MT in 2018-19, 4.46 MT higher than the previous year's record of 97.50 MT. Farmers, however, are expected to harvest a lower volume of pulses – 9.01 MT, compared to 9.34 MT last year. Sugarcane production is estimated at 380.83 MT in Kharif 2018-19, up 1% from 376.90 MT in 2017-18. (2nd advance estimates).

Kharif Crop Production

(In Million tonnes)

| Crop | 2018-19 (2 nd advance estimates) | 2017-18 (fourth advance estimates) |
|----------------|---|------------------------------------|
| Rice | 101.96 | 97.50 |
| Maize | 20.22 | 20.24 |
| Jowar | 1.92 | 2.10 |
| Coarse Cereals | 31.30 | 33.89 |
| Pulses | 9.01 | 9.34 |
| Sugarcane | 380.83 | 376.90 |

Rabi Season 2018

According to the Agriculture Ministry's data, the Rabi plantation area reduced in 2018-19, primarily due to rainfall and hailstorms in major parts of North India and drought-like situation in few states. Pulses and coarse cereal crops were the worst hit by the drought situation. The acreage for wheat cultivation also fell substantially compared to the acreage in the previous Rabi season. The shortfall was mainly on account of erratic rainfall during south-west monsoon this year and the resultant carry over of the ground water for the Rabi season.

Low monsoon and post-monsoon rains have pulled down post-Kharif and Rabi production. Meanwhile, India is expected to harvest a lower rapeseed and gram crop in this season on account of lower monsoon rainfall. India's wheat production in 2018-19 Rabi season is estimated to be 99.12 MT, marginally less than 99.70 MT in the previous year.

Rabi Crop Production

(In Million tonnes)

| Crop | 2018-19 (2 nd advance estimates) | 2017-18 (fourth advance estimates) |
|--------|---|------------------------------------|
| Wheat | 99.12 | 99.70 |
| Maize | 7.58 | 8.47 |
| Pulses | 15.02 | 15.89 |

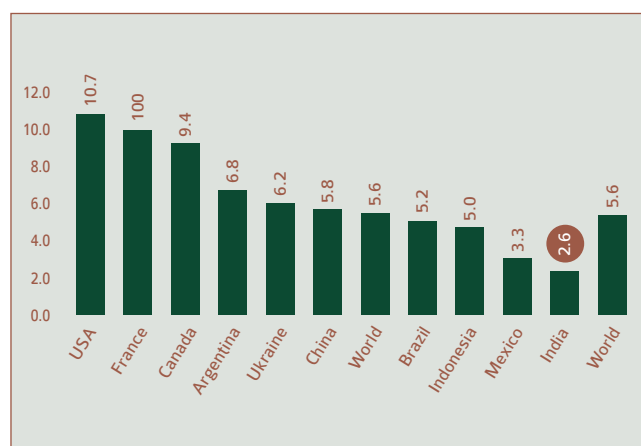
CHALLENGES IN THE INDIAN AGRICULTURAL SECTOR ADDRESSED BY MIL

Low Yields: India ranks among the top countries in the world in production of various food grains such as rice, wheat, sugarcane, fruits and vegetables. Despite this potential, the farm yields are 30-50% lower than that of developed nations as per the data of Ministry of Commerce and Industry. Fragmented land holdings, poor infrastructure, inadequate use of farm technologies and farming techniques, decrease of soil fertility and insufficient irrigation facilities are the leading contributors to low agricultural productivity. The net area under cultivation is close to 141 million hectares, out of which 73 million hectares are unirrigated and rainfall dependent.

(Source: <https://www.livemint.com/Opinion/OvstoyR3XDFE8KWlsm6XO/Opinion--Reforming-Indian-agriculture-by-sprinkles-and-drip.html>)

After rice and wheat, maize is the third most important field crop in India. Currently, Indian maize is performing comparatively low in terms of yield as compared to the world average, with the difference in yield between India and the world as much as 130%. This large gap in yield of maize production in India and the rest of the countries is a serious concern. Similarly, for other crops, India's productivity remains substantially lower than the rest of the world. It is imperative for India to increase yields given the huge area of available cultivable land and the expanding population.

Comparative analysis of average yield (T/ha) of key Maize producing countries:



(Source: Ministry of Agriculture)

Hybrid seed production is predominant in modern agriculture and one of the main contributors to the dramatic rise in agricultural output. Across the world, hybrid seeds are increasingly being used by the farming community. In addition to benefits such as pest resistance, drought tolerance, etc. the use of hybrid seeds also help farmers increase their yields. The Department of Agriculture and Co-operation is implementing a Central Sector Scheme known as 'Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds' since 2005-06 on an all India basis. The objective of the ongoing scheme is to ensure production and multiplication of high yielding certified/quality seeds of all crops in sufficient quantities and make the seeds available to farmers, including those in remote areas, not easily accessible by rail/road on time.

Over the years, Monsanto India Limited (MIL) has been empowering Indian farmers through its wide portfolio of high-yielding improved hybrid maize seeds. Developed through intense Research and Development (R&D) efforts, each seed variety has advanced characteristics to successfully meet the agronomic challenges of the concerned farming region, leading to higher and better-quality yields. Implementation of Breeding 3.0 to drive improvements in breeding methods and mechanize field testing, leveraging predictive analytics for data-driven decisions, and centralized operations are among the significant initiatives undertaken by the corn breeding team to deliver high-quality products, which eventually led to better returns for farmers.

Crop Losses: Weeds, insects and diseases are the three main biological factors causing economic losses to farmers. As per the data of the Agriculture Ministry, yield losses in India are estimated to be in the range of 15-25% due to pests. Weeds cause massive damage to crops and deplete the soil nutrients and moisture, thereby diminishing the crop yields.

Chemical crop protection solutions play a vital role in achieving sustainable agriculture and minimizing crop losses. Use of crop chemicals helps control pests and diseases and boosts farm productivity, resulting in higher profits in the hands of farmers.

The Company provides effective and superior quality weed management solutions through its high-quality glyphosate. Roundup®, one of the most trusted herbicide brands in the market, has been successfully addressing farmers' concerns relating to weed control and providing greater economic benefits to them.

Illiteracy and Skilled Labour: About 64% of the rural India population is illiterate as revealed by the Socio-Economic and Caste Census 2011. Illiteracy, lack of awareness about recent developments and poor socio-economic background of the farmers are the fundamental reasons for low agricultural productivity. In spite of the large-scale mechanization of agriculture, most of the agricultural operations are conducted using simple and conventional tools. Also, the improper training of farmers on use of modern techniques has translated into inefficiency and lower produce.

As a leading player in the agriculture sector, the Company remains deeply committed to deploying the best technologies for the welfare of the farmers. Leveraging the burgeoning mobile penetration rate in the rural areas, it provides context-based agronomic information via SMS to the country's farmers across

the entire agricultural cycle. The farmer connectivity platforms of the Company are aimed at educating the farmers with the right information for a successful harvest.

OTHER AGRICULTURAL INPUTS

Agriculture is one of the most important pillars of the Indian economy and indispensable for the economic prosperity of the farmers. Despite a conducive policy environment and healthy demand for agricultural produce, productivity is fairly low. India's burgeoning population and the rise of its middle-class have been fuelling the demand for better quality and quantity of food. With limited land availability and irregular climate, it is imperative for the country to give the farmers the right policies and technologies for improved output.

It is fundamental for farmers to aid their harvest with agricultural inputs in order to maximize yield. Farm inputs comprise seeds, fertilizers, crop protection chemicals, farm machinery and other allied services essential for a crop's success. Seed is the most basic and critical input for attaining higher crop yields and sustained growth in agricultural production. The usage of hybrid seeds has been growing exponentially due to their high yield and resistance to biotic and abiotic stress. According to Goldstein Research Report, the Indian hybrid seeds market is estimated to reach USD 6.9 billion by 2025, growing at a CAGR of 11% over 2017-2025.

Further, improved weed control with herbicides has the potential to increase crop productivity. Farmers need quality solutions to manage their seeds effectively. An increasing number of farm areas are facing labour shortage to control weed fields as millions of people move from rural to urban areas. This has led to a vast scope for rapid adoption of herbicides for enhanced farm output. A culmination of all these factors along with the use of innovative technology in agriculture will support the needs of a flourishing nation.

OPERATIONAL REVIEW

DEKALB® hybrid maize seeds

DEKALB® is MIL's globally recognized brand of high yielding hybrid maize seeds. It is renowned for its rich and diverse maize germplasm pool and breeding excellence and enjoys superior trust and confidence of the farming communities across the country. DEKALB® hybrid seeds have enabled farmers to increase their crop yield significantly and sustainably.

During the crop year 2018-19, the corn acreage for all three crop seasons (Kharif, Rabi and Spring) reduced across the country by over 10%. With the overall market for maize seeds remaining subdued, DEKALB® hybrids registered a volume de-growth in the year under review. Despite the challenging market environment, the Company continued to hold on to its market share driven by new product launches announced in the current as well as previous years. The Company also made encouraging progress towards widening its offerings in the key markets of Uttarakhand and Madhya Pradesh.

In the Kharif season, the Company performed very well as compared to the industry in the markets of Madhya Pradesh, Odisha and Rajasthan and DEKALB® became the topmost brand in the state of Karnataka during the year. Good performance in these markets was achieved despite the late onset of monsoons which resulted in delayed sowing of maize. While the overall market for maize seeds declined resulting in reduced sales of the Company's hybrids, the new launches have shown good traction during the season.

The Rabi season was extremely challenging, during which the overall demand for maize seeds fell by 15-20%. This was largely due to the emergence of the new pest, 'Fall Armyworm', in South India. The demand for Company's hybrids was also impacted due to this market development. The Spring season witnessed incessant rainfall in the month of February, resulting in shrinkage of overall market for maize seeds by over 15%. Nonetheless, the portfolio of new launches has been significantly contributing to growth even in this tough environment.

In addition to providing hybrid seeds, the Company focuses on strengthening connect with farmers by providing contextualized agronomic services. The Company's 'Dr. DEKALB®' platform offers important information to the farmers across the crop cycle, including real-time updates on market prices, weather alerts and other relevant support services, by sending them SMSs. These critical agronomic solutions facilitate improved farm productivity.

As on March 31, 2019, 1.115 million corn farmers were registered on the Dr. DEKALB® platform, as compared to 1.028 million on the same date in the previous year, signifying enrolment of 86,344 new farmers.

Keeping pace with the changing times, the Company also shares agronomic advice digitally. The FarmRise mobile application,

available free of cost, leverages the knowledge of skilled agronomists to provide farmers with easy access to agronomic information. An important development during the year was the launch of Dr. DEKALB® on the FarmRise mobile application, to automate the process of providing agronomic advisories to farmers. Thus, farmers will benefit from better and customized advice based on their location by simply sharing their location details on the application. With the 'DEKALB® ResolveIT' platform, the Company has been rapidly addressing farmers' concerns and offering them efficient after-sales solutions to ensure that right farmers have access to the right products.

The Company continues to leverage technology internally in pursuit of its goal of supply chain optimization, operational excellence, delivery of improved services to farmers and stimulating its product portfolio with new hybrids. Through DEKALB® Advantage, between September 2017 and August 2018, 65% of corn volume sold was tracked. Besides, this initiative saw healthy participation of 12,000 retailers during the year.

Moving ahead, the Company continued with its brand campaign 'Seed Your Success' across all crop seasons to sustain DEKALB®'s strong brand recall and presence. In Uttar Pradesh and Bihar, the Company successfully conducted the 'Child Education Program' in partnership with NGO partner United Way of Mumbai. Under this program, it launched exclusive scholarship programs for children of its farmer customers in its efforts to motivate and support them.

Another remarkable outcome for the Company was acquiring the leadership position in the Net Promoter Score (NPS) during the year. The NPS metric is a key measure of brand equity and awareness. This significant enhancement underpins the persistent faith and confidence reposed in the DEKALB® brand by the farmers. Further, the Company's breeding team has developed high-quality products and automated field testing leveraging advanced technologies and predictive analytics. Breeding 3.0 methodology has been instrumental in building a stronger pipeline and revolutionizing breeding methods. These efforts have played a pivotal role in delivering value and prosperity to farmers.

ROUNDUP®

Roundup® is an environmentally sustainable glyphosate herbicide that provides efficient post-emergent weed control.

Its use enables powerful and consistent weed control resulting in significant cost and resources (labour, time, fertilizer and water) savings. It is primarily used in tea plantations and pre-plant rice in agriculture and in non-agricultural places like roadsides, public spaces, alongside railway tracks and gardens. It has proved to be highly effective in controlling over 300 variants of weeds across 125+ countries.

In FY 2018-19, the Company's Roundup® business recorded excellent performance with sales of nearly 9.8 million litres. Driven by its exceptional quality, Roundup® is hugely accepted by farmers as a valuable tool for convenient and safer farming. Numerous promotional activities and campaigns were conducted by the Company to increase the market share and maintain its position for Roundup® in the current fiscal. Besides, the brand has been successfully establishing its presence in the tea gardens of eastern India for many years.

During the year, the Company organized the 'Display Contest' campaign, along with others to generate awareness about the brand's superior quality and extend its reach.

FINANCIAL REVIEW

During the financial year (F.Y.) 2018-19, your Company posted a Profit After Tax (PAT) of ₹ 151.66 crore as compared to previous year's PAT of ₹ 164.56 crore (lower by 8%). Total Comprehensive Income decreased by 8% from ₹ 168.51 crores in 2017-18 to ₹ 154.45 crores in 2018-19.

Revenue from sale of products for the year under review decreased to ₹ 657.91 crore compared to ₹ 667.44 crore for the previous F.Y. (lower by 1%).

Your Company's seeds' (DEKALB®) sale is lower at ₹ 449.99 crore in the F.Y. 2018-19 vis-à-vis ₹ 481.78 crore in the F.Y. 2017 - 18, (lower by 7%) due to a challenging Rabi and Spring season.

Net Sales of Roundup® during the year stands at ₹ 207.92 crore (increase of 12%) compared to the previous year net sales of ₹ 185.66 crore (including excise duty) driven by higher volumes. Revenues for 2017-18 includes 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.

OUTLOOK AND OPPORTUNITIES

A sharp increase in India's growth rate is expected on the back of implementation of dynamic reforms and appropriate fiscal policies. The ease of doing business has improved substantially and the country is on its way to robust development. Strengthening domestic demand is likely to offset weaker export growth. Strong consumption, driven by rising incomes, as well as subdued inflation will support the growth momentum. The government's major push is on providing relief to the middle class and lower middle class, digitalization of the economy, enhancing transparency and catalysing investments. Overall, the ingredients for sustainable economic expansion are in place.

The IMD has predicted near-normal rains during the four-month monsoon season in its April 2019 forecast. Monsoon rain is the lifeline of India's farm-dependent economy as nearly half of the country's farmland is deprived of irrigation. Quantitatively, the seasonal monsoon rainfall is likely to be between 96% of the LTA with an error of +/-5%. Normal monsoon rains are expected to augment agricultural and wider economic growth.

(Source: <https://www.livemint.com/industry/agriculture/imd-monsoon-forecast-offers-respite-for-indian-agriculture-economy-1555324396563.html>)

Further, the sector's favourable growth outlook, its contribution towards employment generation, its significance for rural population, and its role in ensuring food security has made the government more inclined towards bringing reforms across the sector. Some of the major government initiatives are discussed below:

The Interim Budget 2019-20 has identified agriculture sector as one of the key drivers of the Indian economy. Towards this, the government of India has introduced several reforms to address the farm distress.

Key takeaways from the Budget:

- Allocation for the agriculture sector jumped 144%, from ₹ 57,600 crore in the previous year's budget estimates to ₹ 1,40,764 crore in the interim budget.

(Source: https://www.business-standard.com/article/economy-policy/modi-govt-s-144-hike-in-agri-spend-not-enough-to-quell-india-s-farm-unrest-119021200139_1.html)

- The government announced the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, which will provide a guaranteed income of ₹ 6,000 per year to small and marginal farmers in three equal instalments of ₹ 2,000 each. This momentous reform will involve an outlay of ₹ 75,000 crore for the fiscal year 2020 and ₹ 20,000 crore has been allocated for disbursement in the current fiscal.
- Interest subvention of 2% was announced for farmers affected by natural calamities to improve the credit uptake and address farmers' loan-related stress.
- An additional subvention of 3% will be given in case of timely repayment of loans. This scheme has also been extended to farmers engaged in animal husbandry and fishery activities.
- All 22 crops have been put under MSP. This, along with various pro-farmer policies will support production of agricultural commodities.
- The government has earmarked ₹ 14,000 crore for the crop insurance scheme- Pradhan Mantri Fasal Bima Yojana for FY 2019-20, as against ₹ 13,000 crore a year ago.
- Total outlay for the Ministry of Food Processing Industries increased to ₹ 1,196 crore from ₹ 1,000 crore in the previous budget.
- To enhance the livelihood security of rural households, the government has envisaged allocation of ₹ 60,000 crore for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA).

(Source: https://www.business-standard.com/article/news-ians/interim-budget-2019-allocation-for-farm-rural-sector-up-43-119020101427_1.html)

Other Initiatives:

- The government announced ₹ 15,053 crore procurement policy named Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) in September 2018, with an aim to allow states to decide a compensation scheme and rope in private agencies to ensure fair prices to farmers.
- In May 2018, the Government released the Model Contract Act, including all the services in the agriculture value chain along with contract farming activity. The Act lays special emphasis on protecting the interest of the farmers.

- New export policy cleared by the Government in December 2018 to boost the agricultural exports.
- 100% FDI has been permitted in marketing of food products and in food product e-commerce under the automatic route.

(Source: IBEF)

Growth Drivers

Robust Demand: According to the United Nations forecast, India is the second largest populated country in the world accounting for 18% of the total global population. This rapidly growing population fuels the demand for quality agricultural products. Thus, it becomes imperative for farmers to adopt enhanced technologies, high-yielding seeds, plant growth nutrients, crop protection solutions and other agri-inputs to meet the diversified food needs of the people.

Rising Incomes: As per the CSO estimates, the per capita income of an average Indian has grown 45% over a period of five years, from FY 2014-15 to FY 2018-19. Strong growth in per-capita income is a key demand driver for food items. It has increased the purchasing power of individuals leading to higher consumption of agriculture and associated products.

Farm Mechanization: Mechanization has been identified as a vital tool to increase agricultural production. Farm mechanization helps in raising farm income by boosting productivity and limiting post-harvest losses. The country has been experiencing impressive growth in the mechanization of farms in recent years. Moreover, the government is also focusing on spreading its reach of farm mechanization in low mechanized areas through its flagship schemes such as Sub Mission on Agricultural Mechanization (SMAM).

Growing usage of hybrid seeds and other inputs: Conducive policy reforms and government subsidies have been spurring the use of hybrid seeds. Seeds of improved varieties and hybrids have the potential to enhance crop yields. Additionally, soaring usage of agricultural inputs such as fertilizers, herbicides, among others, has been supporting sectoral growth.

Contract Farming: The introduction of contract farming has been a game-changer for Indian agriculture, providing immense opportunities for its expansion. Private agro-industries provide farmers with specialized farm equipment and technologies. Also, the contract between farmers and buyers insulates farmers from

price risk and helps them open new markets, while the companies benefit from continued supply of farm output. The government is ensuring providing an enabling environment for contract farming through policies and incentives.

Increasing area under irrigation: Over the years, sustained efforts for the creation of irrigation infrastructure, coupled with rising investments in irrigation have minimized the dependence on monsoons for the rainfed areas. The government implemented the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) scheme with the objective of expanding the cultivable area under irrigation, improve water use efficiency and enhance adoption of precision irrigation and other water saving technologies (Per Drop, More Crop). These concerted initiatives augur well for the Indian agriculture sector.

OPPORTUNITIES SPECIFIC TO MAIZE

Extensively cultivated crop: In India, maize is extensively cultivated by farmers as it consumes fewer natural resources and can be grown throughout the year. With around 15 million farmers engaged in maize cultivation, it qualifies as a potential crop for doubling their income. Development of high-yielding hybrids suitable to local conditions are expected to augment corn production in the coming years, leading to better lives for farmers.

Diverse applications: Demand for corn has accelerated in recent years driven by its increasing application in poultry and starch industries as well as its usage as a staple food in many countries. Led by its nutritional value, corn feed is widely used by the poultry industries, thereby fuelling the demand for maize. Maize also finds application in the preparation of sweeteners and additives in the food processing industry. More than half the maize produced in India is consumed as poultry feed, while the rest is used as food, animal feed and industrial processing. At the same time, the increased use of maize starch for ethanol production for fuel and edible oils add further value to the crop. As per the industry reports, India would require 45 million metric tonnes (MMT) of maize by the year 2022 aided by the thriving demand and application of corn in various industries. The ever-expanding population coupled with the healthy growth of poultry and starch industries, and consequent demand from these sectors is likely to bolster maize production in India.

(Source : FICCI Report: Maize Vision 2022)

The opportunities, disruptions and changes that are taking place in the economy, will undoubtedly expedite the growth of the agricultural sector. Agriculture reforms, implemented well, have the potential to empower farmers' lives and place the economy on a higher sustainable growth trajectory. The Company is well-poised for an exciting phase of growth and expansion facilitated by the positive developments in the sector. Leveraging innovation and technology, the Company remains clearly focused on providing high-yielding hybrid seeds and predictive agricultural solutions to improve the crop productivity and drive value for the farming community.

OPPORTUNITIES SPECIFIC TO ROUNDUP®

Weeds are a constant challenge to crop yields. By providing effective and superior quality weed management solutions through its flagship brand Roundup®, your Company addresses farmers' concerns relating to weed control, thus improving their yields and income.

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. A best-in-class weed control solution, Roundup® is the most trusted herbicide brand in the Indian market.

We continue to take new strides into the markets where we have been wanting to be present.

RISKS, CONCERNS AND THREATS

Risks and challenges are an integral part of the day-to-day operations of any business. Effective management of these risks is vital for the continued development of a Company. MIL's dedicated risk management team has adopted a set of systems and processes to create awareness of the critical risks and manage them. In doing so, it also ensures safeguarding business opportunities and maximizing profitability. The Company strongly believes that the risks may have a significant impact on the business if not properly assessed and controlled, while the well-handled risks can boost the growth prospects. This section describes the major risks that affect the Company and the key measures adopted to mitigate such risks.

Weather Risks

Climate and weather are significant factors affecting agriculture industry around the world. Floods, droughts, irregular rainfall or natural calamities can lead to a poor harvest and impact crop

production. This, in turn, may negatively impact the demand for the Company's products. In India, this risk is intensified with close to 52% of the net sown area still unirrigated and dependent on rainfall.

(Source: <https://www.financialexpress.com/budget/economic-survey-2017-18-agriculture-climate-change-likely-to-lower-farmers-income-by-25/1035560/>)

Prudent and prompt measures are, therefore, imperative to minimize the impact of this risk. The Company has been making continued investments in R&D to develop a comprehensive portfolio of high-yielding hybrids to suit different seasons and conditions. Additionally, it disseminates relevant agronomic information to the farmers for better yields through its unique advisory services and platforms. Other notable services offered by the Company include toll-free number, customized mobile messages to the farming community to address the vagaries of weather and seasonality risks.

Macroeconomic Risks

Besides being dependent on the natural environment, the agriculture business is also affected by macro-economic environment. Volatility in macro-economic factors such as global demand and supply, inflation, interest rates, wholesale prices, credit policies, commodity prices, among others may impact the demand and supply of agricultural products.

MIL's over four decades of presence in the agriculture industry makes it one of the largest and most trusted players amongst the farming community. This coupled with its long-standing experience enhances its capability of overcoming the macro-economic challenges effectively. Moreover, the growing demand for maize driven by its increasing usage in the feed industry and other industrial applications offsets the risk of subdued demand for the Company's products significantly.

Production Risk

Since the Company's business is dependent on the sale of seeds and agrochemicals, it is highly susceptible to production risks. These risks arise, mainly due to adverse weather, pests, diseases, higher raw material prices, regulatory challenges, human/technological errors, and others.

The occurrence of 'Fall Armyworm', a dangerous pest from Africa, has been impacting agricultural production across the country. Maize has been the worst-affected crop as most of the maize-growing states in southern India were largely affected by

it. Resultantly, it had an adverse impact on the Company's maize seeds production.

To mitigate this risk, the Company has been cautiously exploring new production locations, automating and digitizing operations, strengthening seed processes and offering more stress-tolerant hybrids to farmers. More importantly, it is in constant engagement with them disseminating crucial information and providing recommendations for maximum yield using customized tools and solutions.

Competition Risk

Increasing competitive intensity, availability of substitute materials, rise in the supply of lower-priced products may lead to a decline in demand for MIL's products, resulting in loss of market share.

The three cutting-edge breeding stations of the Company in India are resolutely focused on developing high-yielding seeds through extensive research. This has enabled it to develop high-quality and successful hybrids after factoring in the difficult agro-climatic conditions and crop diseases.

This sharp commitment to offer highly-resistant and quality seeds at competitive prices has enabled the Company to circumvent competition efficiently. Further, its farm connect programs aimed to enhance farm productivity have boosted its relationship with farmers and strengthened brand presence. The favourable outlook for maize production in the coming years is expected to fuel demand for the Company's products going forward.

Institutional Risk

Aggressive regulatory interventions and changes in government policies and actions such as price support, food quality regulations, and subsidies may prove counterproductive for the Indian agriculture sector. Given the Company's primary business relating to manufacturing and marketing of hybrid seeds and herbicides, any adverse regulations to this effect such as ban on the sale, distribution and use of glyphosate in some states of the country may negatively impact its business.

Estimates suggest that the hybrid seed market is well-positioned for growth in the near future. The government has been taking encouraging steps to propel the use of hybrid seeds in cultivation and providing special incentives to private companies for R&D. That apart, hybrid seeds are evolving as the absolute solution to combat climate change and enhance productivity led by its

intrinsic qualities. All these factors collectively augur well for the hybrid seeds business of the Company. Further, Roundup® has become the most trusted herbicide brand in the Indian market with its high-quality weed management solutions, thus enhancing farmers' yield and income. The strong brand presence of Roundup® along with its growing acceptance by farmers facilitates the Company to withstand the risk involved in its Roundup® business.

Realization Risk

Glyphosate acid is the primary raw material used in the manufacture of glyphosate herbicides and is imported by our competitors from China. Its import price remains susceptible to market fluctuations. Besides, the industry has been witnessing various new entrants who are importing low-cost glyphosate and selling herbicides at marginally lower prices in the domestic market. Therefore, this fierce competition poses a threat to the margins of the Company for its Roundup® brand.

Numerous marketing and branding activities undertaken by the Company ensure strong brand positioning of Roundup®. This gives the Company a significant competitive advantage and enables it to avoid the commodity trap.

Foreign currency Risk

For the procurement of its raw material glyphosate, the Company relies on imports from its parent company. This makes it vulnerable to foreign currency risks. Currency depreciation may have an adverse impact on its margins.

Led by the positive macro-economic fundamentals of the country and strong performance of rupee, the Company has been successful in negating the impact of this risk.

ADEQUACY OF INTERNAL CONTROL SYSTEMS

The Internal Quality Control Systems of MIL are the best in the industry and are governed by detailed SOP's covering all aspects of the business. It ensures proper recording and reporting of every single transaction and stringent adherence to all the applicable rules, policies, statutes and laws. The Internal Auditor is an independent auditor mandated to conduct internal audit. Any observation, discrepancy or recommendation by the Internal Auditor is reported to the Audit Committee who reviews and takes necessary action on the same. The Company also strictly complies with the environment protection laws. Moreover, its employees diligently follow the Code of Conduct formulated for conducting the business in an ethical manner.

HUMAN RESOURCES

The Company recognizes employees as its biggest asset and believes that people are the key to the success of its business. With its products being used in the agricultural sector, it acknowledges that its people need to be equipped with necessary skills to reach out to the farming communities located in rural areas. Besides, constant enhancement of employee productivity and skills is required for them to keep pace with the ever-expanding technology.

The Company is focused on developing the skills and capabilities of its people by providing best-in-class training to them. Building a supportive and inclusive culture that fosters respect for all the employees is a stated objective of the Company. That apart, it constantly endeavours to improve the lives of all the people connected with it- employees, farmers and the local communities with its dedicated efforts. Empowering and enriching the employees through right skilling and guidance drives performance. Towards this philosophy, the Company places special emphasis on personal skill development of its people 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 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.

Business Responsibility Report FY 2018-19

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 (East), Mumbai - 400093, MH. |
| 4 | Website | www.monsantoindia.com |
| 5 | Email id | investorcare.india@monsanto.com |
| 6 | Financial Year reported | 2018-19 |
| 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 |
| a | Number of International Locations (Provide details of major 5) | 0 |
| b | Number of National Locations | <p>Herbicides: Sy. No. 1, 4 & 5, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi, Silvassa - 396 240.</p> <p>Union Territory of Dadra & Nagar Haveli.</p> <p>Seeds ● Sy. No. 303, 303/2, 304, 309, Srivara Village, Moka Road, Bellary - 583 103, Karnataka.</p> <ul style="list-style-type: none"> ● Survey No. 677-679, Village: Lalgadi 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, Chikkaballapura 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) | 657.91 crore |
| 3 | Total profit after taxes (INR) | 151.66 crore |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 2.91 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(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 | Directors' Identification Number | 01031445 |
| b | Name | Mr. Sekhar Natarajan |
| c | Designation | Chairman |
| 2 | Details of BR Head: | |
| a | Directors' Identification Number | 06619353 |
| b | Name | Ms. Shilpa Shridhar Divekar |
| c | Designation | Director |
| d | Telephone number | 022-28246450 |
| e | E-mail id | shilpa.divekar.nirula@monsanto.com |

Principle-wise (as per NVGs) BR Policy/Policies

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|----|----|----|----|----|----|----|----|
| 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? Is 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.monsantoindia.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 ¹ | Y | Y | Y | Y | Y | Y |

*ESH Policy and POSH Policy are displayed at our premises and on our intranet, but are not available on the website.

¹ 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 BRR 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 2016-17. This report serves as the third 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 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. Rain Water harvesting Phase-I & II
2. Silvassa plant has taken the initiative for conserving the resources by replacing all taps, pipelines and renovated toilets with the installation of energy sensor
3. Silvassa plant started purchasing its important raw material in 20 kl tankers instead of 200 litres HDPE drums, leading to reduced HDPE consumption

Shamirpet plant:

- The Hyderabad plant has taken the initiative for conserving the energy by replacing the conventional CFL lights with LED lights in Quality Assurance lab, parent seed plant & dryer.
- Replaced R-22 refrigerant air conditioners with R-410A refrigerant air conditioners to avoid ozone depletion.

Constructed Rain water harvesting system to collect the rain water to improve the ground water levels in the site, with this project we are expecting around 3500 KL of water recharge per year.

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?

Silvassa plant:

1. Plant team have implemented TMS for effective transportation arrangements of Finished Goods.
2. Replacement of diesel operator forklift with electrical battery operator forklift for noise level reduction and reduction of CO₂ emission

Shamirpet plant

- Electrical units saved per year in parent seed plant – 6840 Units
- Electrical units saved per year in Quality Assurance lab - 6725 Units

- b. Reduction during 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 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 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 (I), ESH Policy (I)

1. Please indicate the Total number of employees.
We have a total of 252 employees.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis.
We have 750 employees hired on temporary/contractual/casual basis.
3. Please indicate the Number of permanent women employees.
We have 21 permanent women employees.
4. Please indicate the Number of permanent employees with disabilities
We do not have any permanent employee with disabilities.
5. Do you have an employee association that is recognized by management?
We do not have any employee association that is recognized by the management
6. What percentage of your permanent employees is members of this recognized employee association?
Not applicable.

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.

| 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 | 0 | 0 |
| 3. | Discriminatory employment | None | None |

8. 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, 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, Government Affairs, Procurement, Finance and Supply Chain teams. The external stakeholders include NGOs (Non-Governmental Organizations), 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 DISHA 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 was satisfactorily resolved by the management?

No material stakeholder complaint has been received in the past financial year and none are pending as on March 31, 2019.

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.

Silvassa and Shameerpet sites have certified Safety Management System (OHSAS 18001) and Environment Management System (ISO 14001). The certifications are valid till August 2021 and May 2022, respectively. 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 and corresponding improvement plans at our sites are made in principle with Plan Do Check and Act of 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.

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 helps to save 100000 units of electricity per annum and over the last three years the unit has been able to save 258,064 units. As mentioned earlier, the Hydrerabad plant has replaced conventional CFL lights with LED lights.

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 Dadra and Nagar Haveli Pollution Control Committee (PCC) for Silvassa and Telangana State Pollution Control Board (TSPCB) for Hyderabad site. We are carry out monthly monitoring of air emissions through Ministry of Environment and Forest (MOEF) approved laboratory.

The hazardous waste generated is within the permissible limits as per Authorization for under the Hazardous Waste Rules granted by PCC/ TSPCB. We are member of Treatment Storage Disposal Facility (TSDF) called Gujarat Environment Protection & Infrastructure Limited for Silvassa site where we dispose-off our hazardous waste.

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 PCC/TSPCB and none are pending as on March 31, 2019.

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

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

Our vision for social commitment is “Improving lives by partnering with communities to deliver sustainable and lasting solutions”. We continue to engage in the areas of Sustainable Agriculture, Health & Nutrition and Education with key beneficiaries being farmers, farm families, women and children across the states of Maharashtra, Bihar, Uttar Pradesh and Andhra Pradesh. Our projects fall under the ambit of our flagship programs SHARE and DISHA.

SHARE (Sustainable Harvests – Agriculture, Resources & Environment)

The SHARE program is an end-to-end model aimed at sustainable agricultural livelihoods. The program focuses on helping farmers and farm families improve their livelihoods through access to better farm inputs, water conservation and management techniques, irrigation infrastructure, improving agronomic practices and building market linkages.

DISHA

The focus is on women and children in rural communities aiming to improve their health, nutrition and education. The projects include Early-Childhood education, building scientific temperament in children, improving learning effectiveness, supporting Mid-day meals in government schools, provision of sanitation facilities.

The table below describes the CSR Programs of the Company

| Sr. 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 over 9000 children | Nanded (Maharashtra) | United Way of Mumbai |
| 2 | DISHA | Education Promoting School Readiness through Early Childhood Education at 30 Anganwadi centres benefitting over 1200 children | Aurangabad (Maharashtra) | United Way of Mumbai |
| 3 | DISHA | Education Improving learning levels of children from agricultural communities – Reaching 48000+ children across 165 schools | Purnia, Bihar | Deshkal Society |
| 4 | DISHA | Health & Nutrition Mid-Day meal support to 12,000 children across 158 schools | Lucknow (Uttar Pradesh); Vishakapatnam & Vijayawada (Andhra Pradesh) | AkshayaPatra Foundation |
| 5 | DISHA | Health & Nutrition (Swachh Bharat Abhiyaan) Bihar Sanitation project- Construction of 250 household sanitation units and enhance community awareness on health and hygiene through trainings | East Champaran, Bihar | Action for Food Production (AFPRO) |

Accomplished in 2018-19

- Nine Mini Science Centres, each having 65 table top working models, backdrops and manuals in the local language have been set up in government schools
 - Facilities in fourteen Anganwadi centres have been improved with provision of water purifiers, soft floor mats, storage cupboards, fans and lights; walls have been repainted with murals. Sanitation facilities have also been provided.
 - Capacity building sessions on ABL (Activity Based Learning) have been conducted for over 250 teachers using audio visual aids
 - Mid-Day meals have been served to 12,000 children across 158 schools on every school working day
 - 250 individual household sanitation units have been constructed and training sessions on health & hygiene have been conducted 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, impact assessment was undertaken for two projects.
 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 Program | Focus Area | Project Expenditure (April 1, 2018 to March 31, 2019 (INR crore) |
|--------------------|---------------|--|--|
| 1 | Program DISHA | Education Promoting Science through establishment of 20 Mini Science Centres in government schools | 0.37 |
| 2 | Program DISHA | Education Promoting School Readiness through Early Childhood Education | 0.69 |
| 3 | Program DISHA | Education Improving learning levels of children from agricultural communities | 0.19 |
| 4 | Program DISHA | Health & Nutrition Mid-Day meal support to 12,000 children across 158 schools | 1.14 |
| 5 | Program DISHA | Swachh Bharat Abhiyan Bihar Sanitation project- Construction of 250 household sanitation units and enhance community awareness on health & hygiene through trainings | 0.38 |
| TOTAL | | | 2.77 |
| ADMIN COSTS | | | 0.14 |
| GRAND TOTAL | | | 2.91 |

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 from project inception, making it an inclusive approach and creating a sense of ownership. Extensive capacity building programs are undertaken for the community to create awareness of the project interventions and drive behaviour change. Ownership and maintenance of all assets created as part of the CSR programs lies with the community. Community involvement throughout the project tenure, ensures shared ownership and positively impacts project sustainability.

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.
There were no customer complaints pending as on the end of financial year FY 2018-19.
- 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 anticompetitive behaviour during the last five years and none are pending as on March 31, 2019.
- 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 assess the satisfaction levels of our customers.

Independent Auditor's Report

To the Members of
Monsanto India Limited

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Monsanto India Limited ("the Company"), which comprise the balance sheet as at 31st March, 2019, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recognition, Valuation and Presentation of Provisions and Contingent Liabilities:

Refer to note 9 and note 35 of the financial statements. The Company has number of significant outstanding income tax litigation with different authorities of Income Tax department.

As of 31st March, 2019, the Company has net tax asset of ₹ 166.37 crores. In addition, the Company has disclosed significant contingent liability pertaining to Income tax and other contingent liabilities in Note 35.

Given the complexity and magnitude of potential exposure to the Company, the assessment of the existence of the present legal or constructive obligation, analysis of the probability of the related payment and analysis of a reliable estimate, involves significant judgement by the management. Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.

Our audit procedures in respect of this matter included:

- Evaluated the design and performed testing of the relevant controls to evaluate the operating effectiveness and assessed how the Company monitors legal, tax and regulatory developments and their assessment of the potential impact on the Company.
- Involved auditors' expert to go through the summary of litigation matters provided by the Company's tax team and discussed each of the material cases noted in the report to determine the Company's assessment of the likelihood and magnitude of any liability that may arise.
- Obtained confirmation from management's consultant with respect to ongoing tax litigations and held discussions regarding the material cases with the management.
- Reviewed the provisions recorded and assessed the adequacy of disclosures in the financial statements.
- Reviewed minutes of board meetings, including the sub-committees.

2. Valuation of biological assets

Refer to note 11 in the financial statements for the related disclosures.

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.

Based on the assessment done by the management of the Company, there are neither observable market prices for these unharvested / standing crops 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 unharvested / standing crops of corn are measured at initial recognition and at each financial reporting date at cost.

Management determines the cost of biological assets based on a methodology using the following key estimates:

- Sowing plan
- Crop stage
- expected crop yield/production;
- Production report; and
- cost incurred as on date;

The resulting estimate is highly sensitive to the inputs and requires management to make several judgemental assumptions and assessments. As at 31st March, 2019, the above methodology was applied to the unharvested / standing crops of corn with the carrying value of ₹ 3.15 crores.

Due to the degree of judgement involved in the valuation of biological assets, this is considered as Key Audit Matter.

Our audit procedures in respect of this matter included:

- Understanding the policies and procedures applied to recognizing cost of biological asset as well as compliance therewith, including an analysis of the effectiveness of controls.

- Reviewed the principles used in the valuation of the standing crop and analysed the key assumptions.
- Performed detailed testing on the key inputs into valuation including estimated yields, crop stage and confirm validity, accuracy and completeness of the production report.
- Compared the prior year estimated yields to the current year actuals attained to assess the reasonableness and accuracy of management estimates.
- Reviewed and recalculated the formulae as per the production report for accuracy.

3. Revenue recognition

Refer the disclosures related to revenue recognition in note 2(O), note 23 and note 40 of the financial statements.

Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives and rebates accrued to the customers based on sales and returns from customer. The estimate associated with these discounts, incentives, and rebates involves significant estimates. Consequently, there is a possibility that the contractual terms that give rise to these adjustments to sales are incorrectly recorded and thus, revenue recognized in the financial statements may be incorrectly measured.

We determined this matter to be a key audit issue due to the variety of discounts and incentives offered, as well as the complexity associated with the estimates that management must make to record some of them at year end.

Our audit procedures in respect of this matter included:

- Understood the policies and procedures applied to revenue recognition as well as compliance therewith, including performing testing of controls to assess the effectiveness of the same.
- Verified and discussed with management significant discount, incentives and rebates schemes rolled by the management including contractual terms and conditions related to discounts and incentives, as well as the assumptions used in the related estimates.

- Verified the relevant estimates made and checked approvals in connection with discounts, incentives and rebates at year end.
- Enquired if there is any change in the estimation method from the last year.
- Verified other adjustments and credit notes issued after the reporting date particularly the true up/true down working and relevant approval for adjustments.
- Reviewed disclosures included in the notes to the financial statements.

4. Sales return reserve

Refer the disclosures related to Revenue recognition in Note 2 (O), note 22, note 23 and note 40 of the financial statements.

Revenue is recognized net of actual sales returns and sales return reserve, which is based on management estimates. The Company creates sales return reserve against each sales invoice generated at a predefined rate and does true-up of the sales return reserve based on the inputs received from the sales and commercial team at the year end. The method of creating the sales return reserves requires significant estimate based on complex, highly subjective judgments and hence require special audit consideration due to geographical, environmental factors, market conditions, historical experience and complexity associated with the estimates that management make to record them at year end. Since the said matter is subject to management's judgment, the rationality of the basis is one of the key audit matters.

Our audit procedures in respect of this matter included:

- Understood the policies and procedures applied to creation of sales return reserve, including performing testing of controls to assess the effectiveness of the same.
- Analysed if the sales return reserve is created for all invoices generated during the year as per the rate approved by the management.
- Verified the relevant estimates made and checked approvals in connection with sales return reserve created at year end.

- Enquired if there is any change in the estimation method from the last year.
- Verified other adjustments and credit notes issued after the reporting date particularly the true up/true down working and relevant approval for adjustments.
- Reviewed disclosures included in the notes to the financial statements.

5. Allowance for inventory obsolescence

Refer to note 12 of the financial statements.

The Company holds significant inventories and records allowance for identified and estimated inventory obsolescence. As at 31st March, 2019, the Company had inventories of ₹ 277.71 crores. The Company provides for obsolescence for Corn business considering the inventory on hand, expected harvest and expected sales till the end of the crop year. Further the estimates are validated by Laboratory tests and trends of the obsolescence in the past. The obsolescence covers inventory under work-in-progress and finished goods. Given the significant judgment involved in management's assessment, the allowance for inventory obsolescence is identified as a key audit matter.

Our audit procedures in respect of this matter included:

- Understood management policy and process for identification of providing of obsolete inventory, including performing testing of controls to assess the effectiveness of the same.
- Reviewed the management's judgement applied in calculating the value of inventory obsolescence, taking into consideration laboratory testing reports and management assessment of the present and future condition of the inventory.
- Assessed the adequacy of the relevant disclosure in the notes to the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc. but does not include the financial statements and our auditor's report thereon

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, the Statement of Changes in Equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (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 financial statements – Refer Note 35 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.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma

Partner

Membership No. 211102

Date: 30th April, 2019

Place: Mumbai

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSANTO INDIA LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma

Partner

Membership No. 211102

Date: 30th April, 2019

Place: Mumbai

ANNEXURE B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSANTO INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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.
- ii. 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.
- iii. 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 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. 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 3(iv) of the Order are not applicable to the Company.

- v. 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 there under.
- vi. 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.
- 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

There were no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, customs duty, cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service 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 | 35.49# | Assessment year 2008-09, 2010-11, 2011-12 and 2016-17 | Commissioner of Income Tax, Appeals (CIT(A)) |
| Income Tax Act, 1961 | Income tax demand | 203.25" | Assessment year 2009-10 to 2015-16 | Income Tax Appellate Tribunal (ITAT) |
| Finance Act, 1994 | Service Tax | 18.36 | October 2009- June 2017 | Commissioner of GST and Central Excise |

| Name of the statute | Nature of dues | Amount ₹ in crores | Period to which the amount relates | Forum where dispute is pending |
|----------------------------------|-----------------|-----------------------|---------------------------------------|--|
| Entry Tax Act, 1976 | Entry Tax | 0.11 | 2015-16 | Assistant Commissioner, Anti Evasion |
| Various state Value Added tax | Value Added Tax | 2.13 [^] | 2002-03, 2009-10 to 2013-14 | Deputy Commissioner of Commercial Tax |

6.04 paid under protest

" 158.02 paid under protest

[^] 1.28 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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Yogesh Sharma

Partner

Membership No. 211102

Date: 30th April, 2019

Place: Mumbai

ANNEXURE C

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSANTO INDIA LIMITED

[Referred to in paragraph 2(f) under 'Report on Other 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 with reference to financial statements of Monsanto India Limited ("the Company") as of 31st March, 2019 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 with reference to financial statements 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 with reference to financial statements 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls With Reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019,

based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Date: 30th April, 2019
Place: Mumbai

Yogesh Sharma
Partner
Membership No. 211102

Balance Sheet

as at 31st March, 2019

| Particulars | Note No. | (₹ in crores) | |
|---|----------|---------------------------------------|---------------------------------------|
| | | As at 31 st March, 2019 | As at 31 st March, 2018 |
| I. Assets | | | |
| Non current assets | | | |
| (a) Property, plant and equipment | 5 | 115.15 | 115.47 |
| (b) Capital work-in-progress | | 6.52 | 0.81 |
| (c) Other intangible assets | 5 | 0.36 | 0.47 |
| (d) Financial assets | | | |
| (i) Other financial assets | 6 | 1.08 | 1.07 |
| (e) Deferred tax assets (net) | 7 | 4.42 | 2.55 |
| (f) Non-current tax assets (net) | 9 | 166.37 | 112.55 |
| (g) Other non-current assets | 10 | 15.75 | 12.53 |
| Total non-current assets | | 309.65 | 245.45 |
| Current assets | | | |
| (a) Biological assets other than bearer plant | 11 | 3.15 | 4.99 |
| (b) Inventories | 12 | 277.71 | 190.82 |
| (c) Financial assets | | | |
| (i) Investments | 13 | 235.48 | 311.05 |
| (ii) Trade receivables | 14 | 104.08 | 30.91 |
| (iii) Cash and cash equivalents | 15 | 15.82 | 13.94 |
| (iv) Other bank balances | 15 | 2.38 | 1.34 |
| (v) Other financial assets | 6 | 0.02 | 0.02 |
| (d) Other current assets | 10 | 46.01 | 37.18 |
| Total current assets | | 684.65 | 590.25 |
| Assets classified as held for sale | 16 | 4.32 | 4.32 |
| Total assets | | 998.62 | 840.02 |
| II. Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 17 | 17.26 | 17.26 |
| (b) Other equity | 18 | 689.64 | 623.13 |
| Total equity | | 706.90 | 640.39 |
| Liabilities | | | |
| Non current liabilities | | | |
| (a) Provisions | 19 | 6.12 | 6.64 |
| (b) Other financial liabilities | 21 | 4.55 | - |
| Total non current liabilities | | 10.67 | 6.64 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 20 | 148.76 | 133.83 |
| (ii) Other financial liabilities | 21 | 22.32 | 19.41 |
| (b) Provisions | 19 | 6.23 | 8.61 |
| (c) Other current liabilities | 22 | 103.74 | 31.14 |
| Total current liabilities | | 281.05 | 192.99 |
| Total equity and liabilities | | 998.62 | 840.02 |

See accompanying notes forming part of the financial statements 1-42

As per our report of even date

For and on behalf of the Board of

Monsanto India Limited
CIN: L74999MH1949PLC007912

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Yogesh Sharma
Partner
Membership No: 211102

Place : Mumbai
Date : 30th April, 2019

Sekhar Natarajan
Chairman
DIN: 01031445

Pradeep Poddar
Director
DIN : 00025199

Shilpa Shridhar Divekar
Director
DIN : 06619353

Place : Mumbai
Date : 30th April, 2019

Ravishankar Cherukuri
Managing Director
DIN : 06755061

Aarti Sathe
Director
DIN: 06925030

Monika Gupta
Company Secretary
Membership No : ACS 24820

H.C. Asher
Director
DIN : 00024863

Bangla Bose
Director
DIN : 07999286

Saurabh Vaidya
Chief Financial Officer

Statement of Profit & Loss Account

for the year ended 31st March, 2019

(₹ in crores)

| Particulars | Note No. | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
|--|----------|--|--|
| Income | | | |
| (a) Revenue from operations | 23 | 669.58 | 672.12 |
| (b) Other income | 24 | 21.98 | 17.22 |
| (I) Total income | | 691.56 | 689.34 |
| Expenses | | | |
| (a) Cost of materials consumed and other inputs | 25(a) | 340.93 | 342.61 |
| (b) Changes in stock of finished goods, work-in-progress and biological assets other than bearer plant | 25(b) | (43.44) | (49.43) |
| (c) Employee benefits expense | 26 | 51.05 | 54.86 |
| (d) Finance costs | 27 | 1.13 | 1.35 |
| (e) Depreciation and amortisation expense | 5 | 11.79 | 12.99 |
| (f) Other expenses | 28 | 161.42 | 155.02 |
| (II) Total expenses | | 522.88 | 517.40 |
| (III) Profit before exceptional items and tax (I - II) | | 168.68 | 171.94 |
| (IV) Exceptional items | | - | 1.30 |
| (V) Profit before tax (III - IV) | | 168.68 | 170.64 |
| Tax expense | 8(a) | | |
| (a) In respect of current year | | 18.30 | 9.52 |
| (b) In respect of prior years | | 0.43 | 1.94 |
| (c) In respect of prior year towards minimum alternate tax | | - | (3.07) |
| (d) Deferred tax charge / (credit) excluding minimum alternate tax | | (1.71) | (2.31) |
| (VI) Total tax expense | | 17.02 | 6.08 |
| (VII) Profit after tax (V - VI) | | 151.66 | 164.56 |
| Other comprehensive income | | | |
| i Items that will not be reclassified to profit or loss | | | |
| - Remeasurements of the net defined benefit plans | | 2.95 | 4.21 |
| - Income tax relating to items that will not be reclassified to profit or loss | 8(a) | (0.16) | (0.26) |
| (VIII) Other comprehensive income for the year, net of tax | | 2.79 | 3.95 |
| Total comprehensive income for the year (VII + VIII) | | 154.45 | 168.51 |
| Earnings per equity share of face value of ₹ 10/- each (in ₹) | | | |
| a. Basic and diluted | 33 | 87.87 | 95.34 |

See accompanying notes forming part of the financial statements 1-42

As per our report of even date

For and on behalf of the Board of

Monsanto India Limited
CIN: L74999MH1949PLC007912

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Yogesh Sharma
Partner
Membership No: 211102

Place : Mumbai
Date : 30th April, 2019

Sekhar Natarajan
Chairman
DIN: 01031445

Pradeep Poddar
Director
DIN : 00025199

Shilpa Shridhar Divekar
Director
DIN : 06619353

Place : Mumbai
Date : 30th April, 2019

Ravishankar Cherukuri
Managing Director
DIN : 06755061

Aarti Sathe
Director
DIN: 06925030

Monika Gupta
Company Secretary
Membership No : ACS 24820

H.C. Asher
Director
DIN : 00024863

Bangla Bose
Director
DIN : 07999286

Saurabh Vaidya
Chief Financial Officer

Statement of Changes in Equity

for the year ended 31st March, 2019

(A) Equity share capital

| | No. of shares | (₹ in crores) Amount |
|---|---------------|-------------------------|
| Balance as at 1 st April, 2017 | 17,262,748 | 17.26 |
| Changes in equity share capital during the year | - | - |
| Balance as at 31 st March, 2018 | 17,262,748 | 17.26 |
| Changes in equity share capital during the year | - | - |
| Balance as at 31 st March, 2019 | 17,262,748 | 17.26 |

(B) Other equity

| Particulars | Reserves & Surplus | | | | (₹ in crores) 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 | - | - | - | 164.56 | 164.56 |
| Add : Other comprehensive income | - | - | - | 3.95 | 3.95 |
| Total comprehensive income for the year | - | - | - | 168.51 | 168.51 |
| 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 |

| Particulars | Reserves & Surplus | | | | (₹ in crores) Total |
|---|-------------------------------|-----------------------|--------------------|----------------------|------------------------|
| | Shares options outstanding | Securities premium | General reserve | Retained earnings | |
| Balance as at 1 st April, 2018 | 3.31 | 139.40 | 128.05 | 352.37 | 623.13 |
| Add : Profit for the year | - | - | - | 151.66 | 151.66 |
| Add : Other comprehensive income | - | - | - | 2.79 | 2.79 |
| Total comprehensive income for the year | - | - | - | 154.45 | 154.45 |
| Transactions with owners in their capacity as owners | | | | | |
| Less : Share based payment | - | - | - | 1.39 | 1.39 |
| Less : Dividend paid on equity shares | - | - | - | 69.05 | 69.05 |
| Less : Dividend distribution tax | - | - | - | 14.19 | 14.19 |
| Add : Employee stock option expense | 0.74 | - | - | - | 0.74 |
| Less : Exercise of share options / conversion to cash incentive award | 4.05 | - | - | - | 4.05 |
| Balance as at 31 st March, 2019 | - | 139.40 | 128.05 | 422.19 | 689.64 |

See accompanying notes forming part of the financial statements 1-42

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Yogesh Sharma
Partner
Membership No: 211102

Place : Mumbai
Date : 30th April, 2019

For and on behalf of the Board of
Monsanto India Limited
CIN: L74999MH1949PLC007912

Sekhar Natarajan
Chairman
DIN: 01031445

Pradeep Poddar
Director
DIN : 00025199

Shilpa Shridhar Divekar
Director
DIN : 06619353

Place : Mumbai
Date : 30th April, 2019

Ravishankar Cherukuri
Managing Director
DIN : 06755061

Aarti Sathe
Director
DIN: 06925030

Monika Gupta
Company Secretary
Membership No : ACS 24820

H.C. Asher
Director
DIN : 00024863

Bangla Bose
Director
DIN : 07999286

Saurabh Vaidya
Chief Financial Officer

Statement of Cash Flow

for the year ended 31st March, 2019

(₹ in crores)

| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax for the year | 168.68 | 170.64 |
| Adjustments for: | | |
| Depreciation and amortisation | 11.79 | 12.99 |
| Finance costs | 1.13 | 1.35 |
| Impairment loss recognised on trade receivables | 1.07 | 1.76 |
| Interest income | (0.15) | (0.17) |
| Loss on disposal of property, plant and equipment | 0.36 | 0.28 |
| Dividend income | (14.83) | (15.72) |
| Net fair value gain of financial assets | (0.10) | - |
| Provisions no longer required written back | (4.61) | - |
| Net foreign exchange (gain)/loss (unrealised) | (0.91) | (0.15) |
| Payment on account of equity-settled share-based settlement | 1.56 | 0.41 |
| | 163.99 | 171.39 |
| Movements in working capital: | | |
| Increase in trade receivables | (73.18) | (15.53) |
| Increase in inventories and biological assets | (85.05) | (70.77) |
| Increase in other assets and other financial assets | (7.88) | (19.55) |
| Increase in trade payables | 15.36 | 39.31 |
| (Decrease)/Increase in provisions | (8.41) | 10.87 |
| Increase in other liabilities and other financial liabilities | 77.74 | 2.39 |
| | (81.42) | (53.28) |
| Cash generated from operations | 82.57 | 118.11 |
| Income taxes paid | (68.44) | (72.65) |
| Net cash generated from operating activities | 14.13 | 45.46 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (18.72) | (29.62) |
| Proceeds from disposal of property, plant and equipment | - | 0.04 |
| Purchase of investments | (931.83) | (838.83) |
| Proceeds on sale of investments | 1,007.50 | 875.71 |
| Interest received | 0.14 | 0.19 |
| Other dividends received | 14.83 | 15.72 |
| Bank Balances not considered as cash and cash equivalents | (1.04) | (0.05) |
| Net cash generated from investing activities | 70.88 | 23.16 |

Statement of Cash Flow

for the year ended 31st March, 2019

| | (₹ in crores) | |
|---|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| Cash flows from financing activities | | |
| Dividend paid | (67.81) | (51.72) |
| Tax on dividend | (14.19) | (10.54) |
| Interest paid | (1.13) | (1.35) |
| Net cash used for financing activities | (83.13) | (63.61) |
| Net increase in cash and cash equivalents | 1.88 | 5.01 |
| Cash and cash equivalents at the beginning of the year (refer note 15) | 13.94 | 8.93 |
| Cash and cash equivalents at the end of the year (refer note 15) | 15.82 | 13.94 |

See accompanying notes forming part of the financial statements

1-42

As per our report of even date

For and on behalf of the Board of

Monsanto India Limited

CIN: L74999MH1949PLC007912

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

Yogesh Sharma

Partner

Membership No: 211102

Place : Mumbai

Date : 30th April, 2019

Sekhar Natarajan

Chairman

DIN: 01031445

Pradeep Poddar

Director

DIN : 00025199

Shilpa Shridhar Divekar

Director

DIN : 06619353

Place : Mumbai

Date : 30th April, 2019

Ravishankar Cherukuri

Managing Director

DIN : 06755061

Aarti Sathe

Director

DIN: 06925030

Monika Gupta

Company Secretary

Membership No : ACS 24820

H.C. Asher

Director

DIN : 00024863

Bangla Bose

Director

DIN : 07999286

Saurabh Vaidya

Chief Financial Officer

Notes

forming part of the financial statements for the year ended 31st March, 2019

1. Company background:

Monsanto India Limited (the "Company") was incorporated on 8th December, 1949. The Company's registered office is in Mumbai, Maharashtra and during the year the corporate office has shifted to Thane, Maharashtra. 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 Basis of preparation of financial statements:

A. Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind ASs") notified under section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. Basis of measurement:

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.

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 services 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 twelve months for current and noncurrent classification of assets and liabilities.

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 being 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.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

C. Use of estimates:

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying

Notes

forming part of the financial statements for the year ended 31st March, 2019

assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

D. Property, plant and equipment and depreciation

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost and is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

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 # | 30 |
| Plant and equipment * # | 15 |
| Furniture and fixtures | 10 |
| Office equipments | 5 |
| Vehicles | 8 |
| Computers & equipment | 3-6 |

* Based on technical evaluation, management believes that the useful lives of Dryers should be 20 years as that 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.

Buildings and Plant and Equipments include associated electrical installations. Plant and Equipments also include laboratory equipments. These assets (electrical installations and laboratory equipments) are being depreciated as per useful life defined 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.

E. 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, if any. 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.

The estimated useful lives of the assets are as follows:

| Asset type | Range of useful life (in years) |
|-------------------|------------------------------------|
| Computer Software | 6 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.

F. 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 sale will be withdrawn. Also, such assets are classified as held for sale only if the

Notes

forming part of the financial statements for the year ended 31st March, 2019

management expects to complete the sale within one year from the date of classification.

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.

G. 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.

H. Foreign currency transactions:

i. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

ii. Transactions and balances:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

I. Inventories:

Inventories are measured at the lower of their cost and net realizable value after providing for obsolescence and other losses.

Inventory includes an asset recognized for right to recover products from customers with respect to sales with a right of return.

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 is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

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Provision for inventory obsolescence is considered on the basis of management estimate.

Net realizable value is the estimated selling price in the ordinary course of business less the estimate cost of completion and the estimated costs necessary to make the sale.

J. 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.

K. 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.

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.

L. 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 not at 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 amortised 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 recognized in Statement of Profit

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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 gains/ (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 amortised 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 gains/ (losses) in the period in which it arises.

i. 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.

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 derecognised 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

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.

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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.

M. 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.

An 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.

N. 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.

O. Revenue recognition:

With effect from 1st April, 2018 on adoption of Ind-AS 115:

Revenue from sales of goods is measured based on the consideration received or receivable from the customer. The Company recognizes revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Company's premises. Revenue is reported net of taxes and duties as applicable.

Appropriate provisions are recorded for returns and discounts/incentives which are estimated on the basis of historical experience, market assessment and various

discount programs launched in the market. It is unlikely that the factors other than these could materially affect revenue deductions of the Company. A refund liability (included in other current liabilities) is recognized for expected returns and discounts/incentives, payable to customers in relation to sales made until the end of the reporting period.

Receivable is recognized when the goods are dispatched from Company's premises as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

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.

For the comparative year:

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.

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P. 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 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 unutilized 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.

Q. Share based payment transactions:

● Till announcement of merger deal between Monsanto Company and Bayer AG

The Company has not provided any equity-based compensation to its employees. However, the immediate holding Company, Monsanto Company, USA ("the grantor"/"parent company") had a Monsanto Company Long Term Incentive Plan (ESOP scheme) in which eligible employees of the Company participated. Eligible employees were granted stock

options (SO's) and restricted share units (RSU's), which were to vest over a period of 3 years from the date of the grant, as per original terms and conditions of the scheme.

As per terms and conditions of the scheme, SO and RSU issued by the intermediate holding company were accounted for as equity settled as the Company had no obligation to settle the shared-based payment transaction and the shares granted were of the intermediate holding company. Company recognised 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/RSU, as determined on the grant date. At the end of each period, the Company revised its estimates of the number of options that were expected to vest based on the non-market vesting and service conditions, Company recognised the impact of the revision to original estimates, if any, in the Statement of profit and loss, with a corresponding adjustment to Other equity.

● Post announcement of merger deal between Monsanto Company and Bayer AG

Pursuant to the global merger scheme announced between Monsanto and Bayer on 7th June, 2018 (merger deal closure date), the ESOP scheme has been discontinued. All outstanding stock options and RSU's granted on or before 16th September, 2016 vested automatically based on stock price on merger deal closure date and differential between vesting price and fair value of the SO's/RSU's on the grant date has been recognised through other equity. Restricted share units granted or after 16th September, 2016 were converted into cash incentive awards based at stock price on merger deal closure date without any change in vesting conditions.

At the end of each reporting period, the entity recognises expense towards cash incentive award based on the vesting schedule with a corresponding adjustment to liability towards employees based on the agreed vesting price as of merger deal closure date.

R. Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards

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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.

S. 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 recognised 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 features to those affected by 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.

T. 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 recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised 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 recognised 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 realised, based on tax rates (and 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.

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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.

U. 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.

V. 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 on hand, balances with banks in current accounts and demand deposits with banks with original maturity less than 3 months.

W. 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. 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.

3.1 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.

3.2 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.

3.3 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.

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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.

3.4 Discount/incentives and sales return

Revenue is recognized in accordance with Ind AS 115, net of actual and estimated discount/incentive to and sales returns from customers. The estimates are on the basis of historical experience, market assessment and various discount programs launched in the market.

3.5 Inventory obsolescence

Provision for inventory obsolescence is based on the management's review considering historical trend and market conditions.

3.6 Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely 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.

3.7 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.

3.8 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.

4. 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 disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Ind AS 116- Leases

On 30th March, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after 1st April, 2019. The Company is currently evaluating the requirements of amendments. The Company believes that the adoption of this amendment will not have a material effect on its financial statements.



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Note 5 - Property, plant and equipment and Intangible assets

| Particulars | Gross block (at deemed cost) | | | | Depreciation | | Net block | |
|--|---|--------------|-------------|--|-----------------|-------------|--|--|
| | As at 1 st April, 2018 | Additions | Deletions | As at 31 st March, 2019 | For the year | Deletions | As at 31 st March, 2019 | As at 31 st March, 2019 |
| A. Property, plant & equipment | | | | | | | | |
| Land | 12.95 | - | - | 12.95 | - | - | - | 12.95 |
| Buildings | 37.18 | 1.01 | 0.24 | 37.95 | 0.50 | 0.04 | 4.02 | 33.93 |
| Plant and equipment | 64.44 | 8.69 | 0.24 | 72.89 | 6.37 | 0.09 | 17.34 | 55.55 |
| Furniture and fixtures | 2.48 | 0.12 | 0.40 | 2.20 | 1.12 | 0.40 | 1.37 | 0.83 |
| Office equipment | 4.44 | 0.66 | 0.06 | 5.04 | 0.73 | 0.06 | 1.86 | 3.18 |
| Vehicles | 8.76 | 0.20 | - | 8.96 | 1.58 | - | 2.50 | 6.46 |
| Computers & equipment | 5.39 | 1.04 | 1.11 | 5.32 | 1.38 | 1.10 | 3.07 | 2.25 |
| Total Property, plant & equipment | 135.64 | 11.72 | 2.05 | 145.31 | 11.68 | 1.69 | 30.16 | 115.15 |
| B. Intangible assets | | | | | | | | |
| Softwares | 0.59 | - | - | 0.59 | 0.11 | - | 0.23 | 0.36 |
| Total Intangible assets | 0.59 | - | - | 0.59 | 0.11 | - | 0.23 | 0.36 |

| Particulars | Gross block (at deemed cost) | | | | Depreciation | | Net block | |
|--|---|--------------|-------------|--|--------------|-------------|--|--|
| | As at 1 st April, 2017 | 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 | 46.90 | 17.94 | 0.40 | 64.44 | 7.33 | 0.29 | 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 | 0.08 | 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 |

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| Particulars | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|---|------------------------------------|-------------|------------------------------------|-------------|
| | Non-Current | Current | Non-Current | Current |
| 6 Other financial assets | | | | |
| Financial assets at amortised cost | | | | |
| Accrued interest | - | 0.02 | - | 0.02 |
| Security deposits | | | | |
| - Unsecured, considered good | 1.08 | - | 1.07 | - |
| Total other financial assets | 1.08 | 0.02 | 1.07 | 0.02 |

| Particulars | For the Year ended 31 March, 2019 | | | |
|---|-----------------------------------|-------------------------------|-------------------|-----------------|
| | Opening Balance | Recognised in profit and Loss | Recognised in OCI | Closing Balance |
| 7 Deferred tax | | | | |
| Tax effect of items constituting deferred tax assets / (liabilities) | | | | |
| Property, Plant and Equipment | 0.37 | (0.17) | - | 0.20 |
| Other expenditure allowable on payment basis | 2.07 | 0.26 | - | 2.33 |
| Provision for doubtful debts and advances | 0.11 | 0.02 | - | 0.13 |
| Other expenditure allowable upon merger completion on proportionate basis | - | 1.76 | - | 1.76 |
| Net tax asset | 2.55 | 1.87 | - | 4.42 |

| Particulars | For the Year ended 31 March, 2018 | | | |
|---|-----------------------------------|-------------------------------|-------------------|-----------------|
| | 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 | 0.23 | 0.14 | - | 0.37 |
| Other expenditure allowable on payment basis | (0.10) | 2.17 | - | 2.07 |
| Provision for doubtful debts and advances | 0.28 | (0.17) | - | 0.11 |
| Others | (0.17) | 0.17 | - | - |
| Net tax asset | 0.24 | 2.31 | - | 2.55 |

| Particulars | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
|--|---|---|
| | | |
| 8(a) Current tax and deferred tax | | |
| (a) Income tax recognised in profit or loss | | |
| Current tax: | | |
| In respect of current year | 18.30 | 9.52 |
| In respect of prior years | 0.43 | 1.94 |
| In respect of prior year towards minimum alternate tax | - | (3.07) |

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| Particulars | (₹ in crores) | |
|---|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| Deferred tax: | | |
| In respect of current year | (1.71) | (2.31) |
| Total income tax expense recognised in the current year | 17.02 | 6.08 |
| Income tax relating to items that will not be reclassified to profit or loss | (0.16) | (0.26) |
| Total | (0.16) | (0.26) |
| 8(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate: | | |
| Profit before tax from continuing operations | 168.68 | 170.64 |
| Income tax expense calculated at 34.94% (previous year 34.61%) | 59.00 | 59.07 |
| Effect of income that is exempt from taxation | (48.31) | (51.16) |
| Effect of expenses that is non-deductible in determining taxable profit | 7.31 | 0.42 |
| Others | (1.41) | (1.12) |
| Changes in estimates related to prior years | - | - |
| Total (A) | 16.59 | 7.21 |
| Adjustments recognised in the current year in relation to the current tax of prior years (B) | (0.43) | 1.13 |
| Charge in respect of previous year | (0.43) | (1.94) |
| Unrecognised MAT Credit | - | 3.07 |
| Income tax expense recognised in profit and loss (A) - (B) | 17.02 | 6.08 |

The tax rate used for the year 2018 - 19 reconciliations above is the corporate tax rate of 34.94% (30% + surcharge @12% and education and health cess @ 4%) payable on taxable profits under the Income Tax Act, 1961 (previous year 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, 2019 | As at 31 st March, 2018 |
| 9 Non-current tax assets (net) | | |
| Advance tax | 313.36 | 262.15 |
| Less: Provision for tax | (146.99) | (149.60) |
| Advance tax (net of provisions) | 166.37 | 112.55 |

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| Particulars | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|--|------------------------------------|--------------|------------------------------------|--------------|
| | Non-Current | Current | Non-Current | Current |
| 10 Other assets | | | | |
| Capital advances | 1.67 | - | 0.37 | - |
| Balances with government authorities (other than income taxes) | - | 26.74 | - | 13.71 |
| Advance payment towards gratuity fund | 13.15 | - | 11.16 | - |
| Prepaid expenses | 0.09 | 1.60 | 0.25 | 2.01 |
| Advance to suppliers | - | 16.79 | - | 19.98 |
| Advance to employees | 0.84 | 0.47 | 0.75 | 0.81 |
| Recoverable from related parties (refer note 32) | - | 0.41 | - | 0.67 |
| Total other assets | 15.75 | 46.01 | 12.53 | 37.18 |

| Particulars | (₹ in crores) |
|---|---------------|
| 11 Biological assets other than bearer plant | |
| Reconciliation of carrying amount | |
| Balance at 1st April, 2017 | 3.01 |
| Addition to unharvested seeds | 4.99 |
| Decreases due to harvested seeds transferred to inventories | (3.01) |
| Balance at 31st March, 2018 | 4.99 |
| Addition to unharvested seeds | 3.15 |
| Decreases due to harvested seeds transferred to inventories | (4.99) |
| Balance at 31st March, 2019 | 3.15 |

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

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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.

| Particulars | (₹ in crores) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2019 | As at 31 st March, 2018 |
| 12 Inventories | | |
| (a) Raw materials | 64.56 | 25.67 |
| (b) Work-in-progress | 166.10 | 114.73 |
| (c) Finished goods (refer note (a) & (b) below) | 37.56 | 43.65 |
| (d) Others (packing material) | 9.49 | 6.77 |
| Total inventories (at lower of cost and net realisable value) | 277.71 | 190.82 |
| Included above, goods-in-transit: | | |
| (i) Raw materials | 11.39 | 8.64 |

Notes:

- Above inventory includes provision for obsolescence amounting to ₹ 25.97 crores (previous year ₹ 17.07 crores). These were recognised as expenses and included in "Cost of materials consumed and other inputs" and "Changes in stock of finished goods, work-in-progress and biological assets" in the Statement of profit and loss.
- Above inventory includes ₹ 3.43 crores against Company's right to receive the product from the customer, where the customer exercises his right of return (refer note 40).

| Particulars | (₹ in crores) | | | |
|---|------------------------------------|---------------|------------------------------------|---------------|
| | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
| | 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 | 7,536,328 | 75.50 | 10,077,320 | 100.98 |
| 2. Birla Sun Life Cash Plus Regular Plan | 7,838,316 | 78.57 | 10,656,804 | 106.86 |
| 3. Reliance Liquid Fund | 532,272 | 81.41 | 674,755 | 103.21 |
| Total investments | | 235.48 | | 311.05 |
| Aggregate book value of: | | | | |
| Quoted investments | | - | | - |
| Unquoted investments | | 235.48 | | 311.05 |
| Aggregate fair value of: | | | | |
| Quoted investments | | - | | - |
| Unquoted investments | | 235.48 | | 311.05 |
| Aggregate amount of impairment in value of investments | | - | | - |

Notes

forming part of the financial statements for the year ended 31st March, 2019

| Particulars | (₹ in crores) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2019 | As at 31 st March, 2018 |
| 14 Trade receivables | | |
| Trade receivables | | |
| (a) Unsecured, considered good | 104.08 | 30.91 |
| (b) Which have significant increase in credit risk | - | - |
| (c) Credit impaired | 3.30 | 2.74 |
| Less: Provision for doubtful trade receivable | (3.30) | (2.74) |
| Total trade receivables | 104.08 | 30.91 |
| Of the above, trade receivables from: | | |
| - Related parties | 1.76 | 2.54 |
| - Others | 102.32 | 28.37 |
| Total trade receivables | 104.08 | 30.91 |

Refer note no. 40 for details about change in accounting policy consequent to adoption of Ind-AS 115 w.e.f. 1st April, 2018.

| Particulars | (₹ in crores) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2019 | As at 31 st March, 2018 |
| 15 Cash and bank balances | | |
| Cash and cash equivalents | | |
| (a) Balances with banks | 0.07 | 1.85 |
| (B) Deposits with original maturity of less than three months | 15.75 | 12.09 |
| Total cash and cash equivalents | 15.82 | 13.94 |
| Other bank balances | | |
| (a) Unpaid dividend account | 1.94 | 0.70 |
| (b) Balances held as margin money against guarantees with original maturity of more than three months and less than twelve months | 0.44 | 0.64 |
| Total other bank balances | 2.38 | 1.34 |

| Particulars | (₹ in crores) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2019 | As at 31 st March, 2018 |
| 16 Assets classified as held for sale | | |
| Land held for sale (refer note below) | 0.23 | 0.23 |
| Plant & machinery held for sale (refer note below) | 0.50 | 0.50 |
| Buildings held for sale (refer note below) | 3.59 | 3.59 |
| Total assets classified as held for sale | 4.32 | 4.32 |

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, 2019.

| Particulars | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | 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 |
| Issued and subscribed : | | | | |
| Equity shares of ₹ 10 each with voting rights | 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 |
| Total | | 17.26 | | 17.26 |

Notes

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Rights, preferences and restrictions attached to equity shares :

- (i) Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- (ii) Every member of the Company holding equity shares is eligible for one vote per share held.
- (iii) 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.
- (iv) Monsanto Company USA, the intermediate 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.

(₹ in crores)

| Particulars | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | 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, 2019 | |
| Bayer AG, the ultimate holding company | 323,784 |
| Bayer Crop science Limited, the subsidiary of ultimate holding company | 1,350,000 |
| Monsanto Company USA, the intermediate holding company | 2,316,920 |
| Monsanto Investments India Private Limited, the holding company | 10,137,124 |
| Total | 14,127,828 |
| As at 31st March, 2018 | |
| Monsanto Company USA, the intermediate holding company | 2,316,920 |
| Monsanto Investments India Private Limited, the holding company | 10,137,124 |
| Total | 12,454,044 |

(iii) Details of shares held by each shareholder holding more than 5% shares:

| Particulars | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares | | | | |
| Bayer Crop science Limited, the subsidiary of ultimate holding company | 1,350,000 | 7.82% | - | 0.00% |
| Monsanto Company USA, the intermediate 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% |

Notes

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(iv) 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.

| Particulars | (₹ in crores) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2019 | As at 31 st March, 2018 |
| 18 Other equity | | |
| General reserve | 128.05 | 128.05 |
| Securities premium | 139.40 | 139.40 |
| Share options outstanding | | |
| Balance at the beginning of the year | 3.31 | 2.56 |
| Add : Employee stock option expense | 0.74 | 1.49 |
| Less : Exercise of share options / conversion to cash incentive award | 4.05 | 0.74 |
| Closing balance | - | 3.31 |
| Surplus in the Statement of profit and loss | | |
| Opening balance | 352.37 | 246.52 |
| Add : Profit for the current year | 151.66 | 164.56 |
| Add : Adjustments | | |
| Re-measurement (gain)/loss on post employment benefit obligation (net of tax) | 2.79 | 3.95 |
| Less: Adjustments | | |
| Re-measurement (gain)/loss on post employment benefit obligation (net of tax) | - | - |
| Share based payment | 1.39 | 0.33 |
| Others | - | |
| Interim dividend | 69.05 | 51.79 |
| Tax on interim dividend | 14.19 | 10.54 |
| Closing balance | 422.19 | 352.37 |
| Total other equity | 689.64 | 623.13 |

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 intermediate holding company to employees under an employee stock options plan. Refer Note 26 for share based payments

| Particulars | | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|-------------|--|------------------------------------|-------------|------------------------------------|-------------|
| | | Non-Current | Current | Non-Current | Current |
| 19 | Provisions | | | | |
| (a) | Provision for employee benefits | | | | |
| (i) | Compensated absences | 6.12 | 0.56 | 6.64 | 0.45 |
| (b) | Other provisions | | | | |
| (i) | Provision for taxation (net of advance tax of ₹ 17.80 crores, previous year ₹ 5.01 crores) | - | 5.67 | - | 0.16 |
| (i) | Marketing schemes (refer note below) | - | - | - | 8.00 |
| | Total provisions | 6.12 | 6.23 | 6.64 | 8.61 |

Refer note no. 40 for details about change in accounting policy consequent to adoption of Ind-AS 115 w.e.f. 1st April, 2018.

Notes

forming part of the financial statements for the year ended 31st March, 2019

Details of movement in other provisions is as follows:

| Particulars | Marketing Schemes |
|---|-------------------|
| Balance at 1st April, 2017 | 9.00 |
| Additional provisions recognised | 4.54 |
| Amounts used during the period | (5.54) |
| Balance at 31st March, 2018 | 8.00 |

(₹ in crores)

| Particulars | As at 31 st March, 2019 | As at 31 st March, 2018 |
|---|---------------------------------------|---------------------------------------|
| 20 Trade payables | | |
| Current | | |
| Trade payable - Micro and small enterprises (refer note 39) | 0.18 | - |
| Trade payable - Other than micro and small enterprises | 148.58 | 133.83 |
| Total trade payables | 148.76 | 133.83 |

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 no interest 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.

(₹ in crores)

| Particulars | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | Non-Current | Current | Non-Current | Current |
| 21 Other financial liabilities | | | | |
| Other financial liabilities measured at amortised cost | | | | |
| (a) Security deposit | - | 14.32 | - | 15.19 |
| (b) Unpaid dividend | - | 1.94 | - | 0.70 |
| (c) Liability towards employees | 2.03 | 6.06 | - | 3.52 |
| (d) Creditor for capital supplies / services | 2.52 | - | - | - |
| Total other financial liabilities | 4.55 | 22.32 | - | 19.41 |

(₹ in crores)

| Particulars | As at 31 st March, 2019 | As at 31 st March, 2018 |
|---|---------------------------------------|---------------------------------------|
| 22 Other current liabilities | | |
| (a) Advances received from customers | 26.13 | 25.82 |
| (b) Statutory dues (Tax deducted at source, provident fund etc) | 2.58 | 5.32 |
| (c) Refund liabilities (refer note below) | 75.03 | - |
| Total other current liabilities | 103.74 | 31.14 |

Note:

When a customer has a right to return product within a given period, the Company recognises a refund liability for the amount of consideration received for which the Company does not expect to be entitled of. Accordingly, the Company has recognised refund liability on right to return product of ₹ 15.45 crores. The costs to recover the products are not material because the customers usually return the product in a saleable condition.

Notes

forming part of the financial statements for the year ended 31st March, 2019

Refund liabilities are also recognised for discounts & incentives payable to customers amounting to ₹ 59.58 crores. Refer note no. 40 for details about change in accounting policy consequent to adoption of Ind-AS 115 w.e.f. 1st April, 2018.

| Particulars | (₹ in crores) | |
|--|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| 23 Revenue from operations | | |
| (a) Revenue from sale of products (net of returns and discounts) | 657.91 | 667.44 |
| (b) Other operating revenue | 11.67 | 4.68 |
| Total revenue from operations | 669.58 | 672.12 |
| (a) Sale of products | | |
| i. Agriculture chemicals | 207.92 | 185.66 |
| ii. Seeds | 449.99 | 481.78 |
| | 657.91 | 667.44 |
| (b) Other operating revenue | | |
| i. Royalty income | 2.92 | 3.50 |
| ii. Tolling income (net) | 1.20 | 1.18 |
| iii. Others | 7.55 | - |
| | 11.67 | 4.68 |

Refer note no. 40 for details about change in accounting policy consequent to adoption of Ind-AS 115 w.e.f. 1st April, 2018.

Unsatisfied long term contracts:

There are no unsatisfied long term contracts / performance obligation that have impact on financial statements.

| | | |
|--|---------------|--|
| Reconciliation of revenue recognised : | | |
| Gross revenue | 876.23 | |
| Adjustment for: | - | |
| Less : Sales return | 108.24 | |
| Less : Discounts / Incentives | 110.08 | |
| Revenue from continuing operations | 657.91 | |

Trade receivable and contract balances

The following table provides information about receivables and current liabilities from contracts with customers :

| | |
|--|--------|
| Receivables, which are included in Trade receivables | 104.08 |
| Advance from customers | 26.13 |
| Refund liabilities | 75.03 |

Notes

forming part of the financial statements for the year ended 31st March, 2019

| Particulars | (₹ in crores) | |
|--|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| 24 Other income | | |
| (a) Interest income on financial assets at amortisation cost | | |
| - Fixed Deposit | 0.15 | 0.17 |
| (b) Dividend income from current investments | 14.83 | 15.72 |
| (c) Provisions no longer required written back | 4.61 | - |
| (d) Fair value gain on financial assets | 0.10 | - |
| (e) Other non operating income | 2.29 | 1.33 |
| Total other income | 21.98 | 17.22 |

| Particulars | (₹ in crores) | |
|--|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| 25(a) Cost of materials consumed and other inputs | | |
| Opening stock | 25.67 | 5.42 |
| Add: Purchases | 162.08 | 150.04 |
| | 187.75 | 155.46 |
| Less: Closing stock | 64.56 | 25.67 |
| Raw materials consumed | 123.19 | 129.79 |
| (b) Seed grower payments and other inputs | 195.42 | 190.57 |
| (c) Packing material consumed | 22.32 | 22.25 |
| Total cost of material consumed and other inputs | 340.93 | 342.61 |

Cost of material consumed and other inputs above, includes research & development expenses of ₹ 3.77 crores (previous year ₹ 3.42 crores).

| Particulars | (₹ in crores) | |
|--|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| 25(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| Inventories at the end of the year: | | |
| Finished goods | 37.56 | 43.65 |
| Biological assets | 3.15 | 4.99 |
| Work-in-progress | 166.10 | 114.73 |
| | 206.81 | 163.37 |
| Inventories at the beginning 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 |
| (Increase)/decrease in excise duty on finished goods | - | 0.42 |
| Net (increase) / decrease | (43.44) | (49.43) |

| Particulars | (₹ in crores) | |
|---|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| 26 Employee benefits expense | | |
| (a) Salaries and wages, including bonus | 45.41 | 47.48 |
| (b) Contribution to provident and other funds | 3.16 | 3.02 |
| (c) Gratuity expense | 1.15 | 2.30 |
| (d) Share based payment transactions expenses | | |
| Equity-settled share-based payments | 0.74 | 1.49 |
| (e) Staff welfare expenses | 0.59 | 0.57 |
| Total employee benefits expense | 51.05 | 54.86 |

Employee benefit expenses above, includes research & development expenses of ₹ 8.11 crores (previous year ₹ 7.78 crores).

Notes

forming part of the financial statements for the year ended 31st March, 2019

Share based payment expenses upto 7th June, 2018

The Company has not provided any equity-based compensation to its employees. However, the intermediate holding Company, Monsanto Company, USA ("the grantor"/"parent company") had a Monsanto Company Long Term Incentive Plan (ESOP scheme) in which eligible employees of the Company participated. Eligible employees were granted stock options (SO's) and restricted share units (RSU's), which were to vest over a period of 3 years from the date of the grant, as per original terms and conditions of the scheme.

As per terms and conditions of the scheme, SO and RSU issued by the intermediate holding company were accounted for as equity settled as the Company had no obligation to settle the shared-based payment transaction and the shares granted were of the intermediate holding company. Company recognised 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/RSU, as determined on the grant date. At the end of each period, the Company revised its estimates of the number of options that were expected to vest based on the non-market vesting and service conditions, Company recognised the impact of the revision to original estimates, if any, in the Statement of profit and loss, with a corresponding adjustment to Other equity.

Share based payment expenses post 7th June, 2018

Pursuant to the global merger scheme announced between Monsanto and Bayer on 7th June, 2018 (merger deal closure date), the ESOP scheme has been discontinued. All outstanding stock options and RSU's granted on or before 16th September, 2016 vested automatically based on stock price on merger deal closure date and differential between vesting price and fair value of the SO's/RSU's on the grant date has been recognised through other equity. Restricted share units granted or after 16th September, 2016 were converted into cash incentive awards based at stock price on merger deal closure date without any change in vesting conditions.

At the end of each reporting period, the entity recognises expense towards cash incentive award based on the vesting schedule with a corresponding adjustment to liability towards employees based on the agreed vesting price as of merger deal closure date.

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 | 5,950.00 |
| Granted in FY 16-17 | 3,763 | 6825-7360 |
| Granted in FY 17-18 | 2,507 | 7,859.00 |
| Total (A) | 7,467 | |
| Stock Options | | |
| Granted in FY 08-09 | 200 | 1,848.00 |
| Granted in FY 10-11 | 771 | 889.00 |
| Granted in FY 11-12 | 865 | 1070-1092 |
| Granted in FY 12-13 | 1,455 | 1104-1158 |
| Granted in FY 13-14 | 1,748 | 1404-1482 |
| Granted in FY 14-15 | 3,430 | 1491-1557 |
| Granted in FY 15-16 | 4,424 | 1343-1615 |
| Granted in FY 16-17 | 80 | 1,570.00 |
| Total (B) | 12,973 | |
| Grand total (A) + (B) | 20,440 | |

Notes

forming part of the financial statements for the year ended 31st March, 2019

| Movement in Share Options | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
|--|--|--|
| Equity-settled share-based payments | No of shares | No of shares |
| Outstanding at the beginning of the period | 20,440 | 20,216 |
| Granted during the period | 17 | 2,507 |
| Converted to cash incentive award | (3,974) | |
| Transferred in/out during the period | - | 1,142 |
| Exercised during the period | (16,483) | (3,425) |
| Outstanding at the end of the period | - | 20,440 |

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 | |

| Particulars | For the year ended 31 st March, 2019 | (₹ in crores) For the year ended 31 st March, 2018 |
|--|--|---|
| 27 Finance costs | | |
| (a) Interest on security deposits | 1.12 | 1.10 |
| (b) Interest on delayed payment of taxes | 0.01 | 0.25 |
| Total finance costs | 1.13 | 1.35 |

| Particulars | For the year ended 31 st March, 2019 | (₹ in crores) For the year ended 31 st March, 2018 |
|-------------------------------------|--|---|
| 28 Other expenses | | |
| Manpower & labour charges | 22.76 | 21.77 |
| Stores consumed | 0.77 | 0.55 |
| Power & fuel | 7.07 | 7.18 |
| Rent including lease rentals | 10.40 | 10.22 |
| Repairs and maintenance - Buildings | 0.40 | 0.36 |
| Repairs and maintenance - Machinery | 4.08 | 3.38 |
| Repairs and maintenance - Others | 0.48 | 0.44 |
| Insurance | 0.79 | 1.44 |
| Rates and taxes | 17.55 | 9.79 |
| Freight outward | 26.34 | 22.08 |
| Travel and entertainment | 8.43 | 10.89 |
| Vehicle expenses and hire charges | 8.51 | 8.03 |
| Loss on sales of fixed assets (net) | 0.36 | 0.28 |
| Advertisement & promotion expenses | 10.34 | 10.62 |

Notes

forming part of the financial statements for the year ended 31st March, 2019

| Particulars | (₹ in crores) | |
|---|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| Commission and royalty | 10.33 | 11.37 |
| Provision for doubtful trade receivables | 1.07 | 1.76 |
| Consultancy fees | 13.01 | 10.68 |
| Bad Debts written off | 0.51 | 1.45 |
| Less : Adjusted against provision | (0.51) | (1.45) |
| Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013. | 2.91 | 2.61 |
| Excise duty on sale of products | - | 9.16 |
| Miscellaneous expenses | 15.82 | 12.41 |
| Total other expenses | 161.42 | 155.02 |
| Payment to Auditors | | |
| Audit fees | 0.13 | 0.12 |
| Tax audit | 0.03 | 0.03 |
| Other services | 0.04 | 0.05 |
| Total | 0.20 | 0.20 |

i Other expenses includes research & development expenditure, the details are given below :

| Particulars | (₹ in crores) | |
|---------------------------------------|--|--|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| Advertisement & promotion expenses | 0.01 | —* |
| Consultancy fees | 0.19 | 0.18 |
| Stores consumed | 0.12 | 0.11 |
| Depreciation and amortisation expense | 5.01 | 4.05 |
| Freight outward | 0.71 | 0.77 |
| Insurance | 0.21 | 0.22 |
| Manpower & labour charges | 5.37 | 4.91 |
| Power & fuel | 1.59 | 2.16 |
| Rates and taxes | 1.45 | 1.32 |
| Rent including lease rentals | 0.17 | 1.19 |
| Repairs and maintenance | 2.52 | 0.43 |
| Travel and entertainment | 1.15 | 1.67 |
| Vehicle expenses and hire charges | 1.14 | 3.03 |
| Miscellaneous expenses | 2.57 | 1.01 |
| Total | 22.21 | 21.05 |

* amount less than ₹ One Lakh

Notes

forming part of the financial statements for the year ended 31st March, 2019

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, 2019 | | | As at 31 st March, 2018 | | |
|--------------------------------|------------------------------------|---------------|---------------|------------------------------------|---------------|---------------|
| | Amortised Costs | FVTPL | Total | Amortised Costs | FVTPL | Total |
| Non-current assets | | | | | | |
| Other financial assets | 1.08 | - | 1.08 | 1.07 | - | 1.07 |
| Current assets | | | | | | |
| Investments | - | 235.48 | 235.48 | - | 311.05 | 311.05 |
| Trade receivables | 104.08 | - | 104.08 | 30.91 | - | 30.91 |
| Cash and cash equivalents | 15.82 | - | 15.82 | 13.94 | - | 13.94 |
| Other bank balances | 2.38 | - | 2.38 | 1.34 | - | 1.34 |
| Other financial assets | 0.02 | - | 0.02 | 0.02 | - | 0.02 |
| Total | 123.38 | 235.48 | 358.86 | 47.28 | 311.05 | 358.33 |
| Non-current liabilities | | | | | | |
| Other financial liabilities | 4.55 | - | 4.55 | - | - | - |
| Current liabilities | | | | | | |
| Trade payables | 148.76 | - | 148.76 | 133.83 | - | 133.83 |
| Other financial liabilities | 22.32 | - | 22.32 | 19.41 | - | 19.41 |
| Total | 175.63 | - | 175.63 | 153.24 | - | 153.24 |

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.

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forming part of the financial statements for the year ended 31st March, 2019

Trade receivables consist of a large number of customers, spread across the country, primarily in rural areas. 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 2019 and March 2018 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.

| (₹ in crores) | | | |
|--------------------------------|---------------------------------------|---------------------------------------|---------------------------|
| Ageing of trade receivables | As at 31 st March, 2019 | As at 31 st March, 2018 | Expected credit loss % |
| Within the credit period | 67.70 | 58.85 | 0% |
| 1 - 90 days past due | 30.31 | 21.06 | 0% |
| 90 - 180 days past due | 4.90 | 8.33 | 5% |
| 180 - 360 days past due | 1.17 | 0.64 | 40% |
| More than 365 days past due | - | 2.22 | 100% |
| Accrual towards discounts | - | (60.19) | |
| Total trade receivables | 104.08 | 30.91 | |

Reconciliation of loss allowance provision for Trade Receivables

| (₹ in crores) | | |
|---|---------------------------------------|---------------------------------------|
| Particulars | As at 31 st March, 2019 | As at 31 st March, 2018 |
| Balance as at beginning of the year | 2.74 | 3.09 |
| Net provision created in the year based on expected credit losses model | 1.07 | 1.10 |
| Amounts written off during the year as uncollectible | (0.51) | (1.45) |
| Balance at end of the year | 3.30 | 2.74 |

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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.

| Particulars | (₹ in crores) | | | | | |
|--|--|------------------------|--------------|--------------------------|-------------------------|--------------------|
| | 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 | | | | | | |
| 31st March, 2019 | | | | | | |
| Non-interest bearing (Trade payables) | - | 148.76 | - | - | - | 148.76 |
| Fixed interest rate instruments (Security deposits from customers) | 6% | 14.32 | - | - | - | 14.32 |
| Others | | 8.00 | 4.55 | - | - | 12.55 |
| Total | | 171.08 | 4.55 | - | - | 175.63 |
| 31st March, 2018 | | | | | | |
| Non-interest bearing (Trade payables) | - | 133.83 | - | - | - | 133.83 |
| Fixed interest rate instruments (Security deposits from customers) | 6% | 15.19 | - | - | - | 15.19 |
| Others | | 4.22 | - | - | - | 4.22 |
| Total | | 153.24 | - | - | - | 153.24 |

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.

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Currency Risk

The Company's exposure in foreign currency is limited, however, it is exposed to foreign exchange risks 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 India Rupee. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities all of which are unhedged at the end of the reporting period are as follows:

| Particulars | Currency | (Values in crores) | |
|----------------------------------|----------|---------------------------------------|---------------------------------------|
| | | As at 31 st March, 2019 | As at 31 st March, 2018 |
| Trade receivables | USD | 0.01 | 0.00 |
| | INR | 0.44 | 0.17 |
| Trade payables | USD | (0.02) | (0.10) |
| | BDT | (0.62) | (0.63) |
| | NPR | (0.00) | (0.06) |
| | MXN | (0.04) | (0.04) |
| | INR | (2.64) | (7.35) |
| Advance from customer | USD | (0.00) | - |
| | INR | (0.23) | - |
| Recoverable from related parties | USD | 0.03 | (0.00) |
| | INR | 1.76 | (0.26) |
| Advance to suppliers | USD | - | 0.00 |
| | INR | - | 0.01 |

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.

| Particulars | Currency | Change in rate | (₹ in crores) | |
|-------------|----------|----------------|--------------------------------|--|
| | | | Effect on profit before tax | |
| 31/3/2019 | USD | +10% | 0.04 | |
| | USD | -10% | (0.04) | |
| | MXN | +10% | (0.01) | |
| | MXN | -10% | 0.01 | |
| | BDT | +5% | (0.03) | |
| 31/3/2018 | BDT | -5% | 0.03 | |
| | USD | +10% | (0.66) | |
| | USD | -10% | 0.66 | |
| | BDT | +5% | (0.02) | |
| | BDT | -5% | 0.02 | |

Note: The changes in the fair value of monetary assets and liabilities have no impact on the pre-tax equity

Notes

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30 Employee benefits

a. Defined contribution plan

During the year ended 31st March, 2019 an amount of ₹ 3.16 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 ₹ 3.02 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, 2019 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, 2019 | 31 st March, 2018 |
| Discount Rate | 7.40% | 7.60% |
| Expected rate of salary increase | Upto year 2021 – 0.00% | 10.00% |
| | Year 2022 onwards – 10.00% | |
| Mortality rate | Indian Assured Lives Mortality (2006-08) (modified) Ult | Indian Assured Lives Mortality (2006-08) (modified) Ult |
| Withdrawal / Attrition rate | Upto 4 years: 14% | Upto 4 years: 14% |
| | 5 years and above: 8% | 5 years and above: 5% |

Notes

forming part of the financial statements for the year ended 31st March, 2019

Defined benefit plans – as per actuarial valuation on 31st March

(₹ in crores)

| Particulars | Funded Plan | |
|--|------------------------------------|------------------------------------|
| | Gratuity | |
| | 31 st March, 2019 | 31 st March, 2018 |
| Amounts recognised in Statement of Profit & Loss in respect of these defined benefit plans are as follows: | | |
| Service cost: | | |
| Current service cost | 2.00 | 2.63 |
| Settlement cost / (credit) | | - |
| Net interest expense | (0.85) | (0.33) |
| Components of defined benefit costs recognised in statement of profit or loss (A) | 1.15 | 2.30 |
| Remeasurement on the net defined benefit liability | | |
| Return on plan assets (greater) / less than discount rate | (0.13) | (0.23) |
| Actuarial gains and loss arising from changes in financial assumptions | (5.65) | (2.68) |
| Actuarial gains and loss arising from experience adjustments | (2.17) | (1.30) |
| Adjustment for limit on net asset | 5.00 | |
| Components of defined benefit costs recognised in other comprehensive income (B) | (2.95) | (4.21) |
| Total (A) + (B) | (1.80) | (1.91) |
| I. Net Asset/(Liability) recognised in the Balance Sheet as at | 31st March, 2019 | 31st March, 2018 |
| 1. Present value of defined benefit obligation as at 31 st March | (16.80) | (21.66) |
| 2. Fair value of plan assets as at 31 st March | 34.95 | 32.82 |
| 3. Effect of asset ceiling | (5.00) | - |
| 4. Surplus/(Deficit) | 13.15 | 11.16 |
| 5. Current portion of the above | - | - |
| 6. Non-current portion of the above | 13.15 | 11.16 |
| II. Change in the obligation during the year ended | | |
| 1. Present value of defined benefit obligation at the beginning of the year | 21.67 | 27.29 |
| 2. Expenses Recognised in Profit and Loss Account | | |
| - Current Service Cost | 2.00 | 2.63 |
| - Interest Expense (Income) | 1.63 | 1.94 |
| 3. Settlement cost / (credit) | | |
| 4. Acquisition cost / (credit) | (0.52) | (4.67) |
| 5. Recognised in Other Comprehensive Income | | |
| Remeasurement gains / (losses) | | |
| - Actuarial Gain (Loss) arising from: | | |
| ii. Financial Assumptions | (5.65) | (2.68) |
| iii. Experience Adjustments | (2.17) | (1.30) |
| 6. Benefit payments | (0.16) | (1.54) |
| Present value of defined benefit obligation at the end of the year | 16.80 | 21.67 |

Notes

forming part of the financial statements for the year ended 31st March, 2019

(₹ in crores)

| Particulars | Funded Plan | |
|---|------------------------------|------------------------------|
| | Gratuity | |
| | 31 st March, 2019 | 31 st March, 2018 |
| III. Change in the fair value of assets during the year ended | | |
| 1. Present value of fair value of assets at the beginning of the year | 32.82 | 31.67 |
| 2. Expenses Recognised in Profit and Loss Account | | |
| - Expected returns on plan assets | 2.06 | 2.26 |
| 3. Recognised in Other Comprehensive Income | | |
| Remeasurement gains / (losses) | | |
| - Actuarial Gain (Loss) arising from: | | |
| Financial Assumptions | 0.23 | 0.23 |
| 4. Contribution by employer | - | 0.20 |
| 5. Benefit payments | (0.16) | (1.54) |
| 6. Effect of asset ceiling | (5.00) | - |
| Present value of fair value of assets at the end of the year | 29.95 | 32.82 |
| IV. The Major categories of plan assets | | |
| Government of India Securities (Central and State) | 37.64% | 44.43% |
| High Quality corporate bonds (including Public Sector Bonds) | 51.99% | 31.77% |
| Mutual Fund Units / Equity shares of listed companies | 7.46% | 8.43% |
| Cash (including Special Deposits) | 2.91% | - |
| Others (including FDs and special deposits) | - | 15.37% |
| 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 | 2019 | 1% | (1.20) | 1.36 |
| Discount Rate | 2018 | 1% | (1.96) | 2.26 |
| Salary growth rate | 2019 | 1% | 1.35 | (0.80) |
| Salary growth rate | 2018 | 1% | 2.19 | (1.94) |
| Withdrawal / Attrition Rate | 2019 | 5% | (0.61) | 1.12 |
| Withdrawal / Attrition Rate | 2018 | 5% | (1.46) | 2.46 |

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.

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forming part of the financial statements for the year ended 31st March, 2019

The weighted average duration of the defined benefit obligation as at 31st March, 2019 is 8 years (previous year 10 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.

Maturity profile of defined benefit obligation:

| | 31 st March, 2019 | 31 st March, 2018 |
|---------------|------------------------------|------------------------------|
| Within 1 year | 1.47 | 0.96 |
| 1 – 2 year | 1.46 | 1.33 |
| 2 – 3 year | 1.46 | 1.21 |
| 3 – 4 year | 1.71 | 1.38 |
| 4 – 5 year | 1.71 | 1.86 |
| 5 – 10 year | 14.61 | 14.72 |

(ii) Compensated absences :

The liability towards compensated absences (earned leave and sick leave) for the year ended 31st March, 2019 based on actuarial valuation carried out by using projected cost benefit method resulted in decrease in liability by ₹ 0.41 crores (previous year decrease in liability by ₹ 1.80 crores).

| | Valuation as of | |
|----------------------------------|------------------------------|------------------------------|
| | 31 st March, 2019 | 31 st March, 2018 |
| Discount Rate | 7.40% | 7.60% |
| Expected rate of salary increase | 10.00% | 10.00% |

31 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 varied periods based on mutual agreement of the parties.

| Particulars | (₹ in crores) | |
|---|---|---|
| | For the year ended 31 st March, 2019 | For the year ended 31 st March, 2018 |
| Future non-cancellable minimum lease commitments | | |
| - not later than one year | 3.41 | 4.06 |
| - later than one year but not later than five years | 4.10 | 4.40 |
| Expenses recognised in the Statement of Profit and Loss | | |
| Minimum Lease Payments | | |
| - Cancellable | 10.52 | 10.74 |
| - Non-Cancellable | 5.67 | 5.52 |

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forming part of the financial statements for the year ended 31st March, 2019

32 Related party transactions :

Names of related parties and description of relationship

A. Ultimate holding company

Bayer AG

B. Intermediate holding company

Monsanto Company, USA

C. Holding company:

Monsanto Investments India Private Limited

D. Fellow subsidiaries:

Monsanto Holdings Private Limited,
Monsanto Pakistan Agritech (Pvt) Ltd,
Monsanto Singapore Co Pte Ltd,
Beijing New Millenium Ltd,
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.,
Sem y Agro Monsanto and City Guadalajara, Jalisco,
Monsanto South Africa Ltd.
Monsanto Australia Limited
Seminis Seeds (Beijing) Co. Ltd
Bayer CropScience Ltd.

E. Key managerial personnel :

Mr. Sekhar Natarajan, Chairman, Non-executive director
Ms. Shilpa Shridhar Divekar, Managing director (upto 21st September, 2018)
Ms. Shilpa Shridhar Divekar, Non-executive director (w.e.f. 22nd September, 2018)
Mr. Ravishankar Cherukuri, Managing Director (w.e.f. 22nd September, 2018)
Mr. Pradeep Poddar, Independent and Non-executive Director
Mr. H C Asher, Independent and Non-executive Director
Mr. Bangla Bose, Non-executive Director
Ms. Aarti Sathe, Independent and Non-executive Director (w.e.f. 1st April, 2019)

Notes

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F. Employees benefit trust where control exists:

Monsanto India Limited Staff Gratuity Fund

(₹ in crores)

| Nature of Transactions | Year Ended 31 st March, 2019 | | | | | | Year Ended 31 st March, 2018 | | | | | |
|---|---|------------------------------|-----------------|-------------------|--------------------------|--------|---|------------------------------|-----------------|-------------------|--------------------------|--------|
| | Ultimate Holding Company | Intermediate Holding Company | Holding Company | Fellow Subsidiary | Key Managerial Personnel | Total | Ultimate Holding Company | Intermediate Holding Company | Holding Company | Fellow Subsidiary | Key Managerial Personnel | Total |
| Purchase of Goods | - | 125.08 | - | - | - | 125.08 | - | 121.85 | - | - | - | 121.85 |
| Monsanto Company, USA | - | 125.08 | - | - | - | 125.08 | - | 121.85 | - | - | - | 121.85 |
| Sale of Goods | - | - | - | 15.47 | - | 15.47 | - | - | - | 10.24 | - | 10.24 |
| Monsanto Nigeria | - | - | - | - | - | - | - | - | - | 2.54 | - | 2.54 |
| Monsanto Pakistan Agri-tech (Pvt) Ltd | - | - | - | 15.47 | - | 15.47 | - | - | - | 7.70 | - | 7.70 |
| Consultancy Fees | - | - | - | 0.64 | - | 0.64 | - | - | - | 0.70 | - | 0.70 |
| Monsanto Holdings Private Limited | - | - | - | 0.64 | - | 0.64 | - | - | - | 0.70 | - | 0.70 |
| Royalty Expense | - | 10.33 | - | - | - | 10.33 | - | 11.37 | - | - | - | 11.37 |
| Monsanto Company, USA | - | 10.33 | - | - | - | 10.33 | - | 11.37 | - | - | - | 11.37 |
| Rent received | - | - | - | 0.02 | - | 0.02 | - | - | - | 0.03 | - | 0.03 |
| Monsanto Holdings Private Limited | - | - | - | 0.02 | - | 0.02 | - | - | - | 0.03 | - | 0.03 |
| Rent paid | - | - | - | 1.63 | - | 1.63 | - | - | - | 0.90 | - | 0.90 |
| Monsanto Holdings Private Limited | - | - | - | 1.63 | - | 1.63 | - | - | - | 0.90 | - | 0.90 |
| Remuneration (refer note (a) below) | - | - | - | - | 6.20 | 6.20 | - | - | - | - | 3.32 | 3.32 |
| Shilpa Shridhar Divekar, Managing Director, (upto 21 st September, 2018) | - | - | - | - | 5.27 | 5.27 | - | - | - | - | 3.32 | 3.32 |
| Ravishankar Cherukuri, Managing Director, (w.e.f. 22 nd September, 2018) | - | - | - | - | 0.93 | 0.93 | - | - | - | - | - | - |
| Director's fees and commission | - | - | - | - | 0.50 | 0.50 | - | - | - | - | 0.40 | 0.40 |
| Mr. H C Asher | - | - | - | - | 0.25 | 0.25 | - | - | - | - | 0.20 | 0.20 |
| Mr Pradeep Poddar | - | - | - | - | 0.25 | 0.25 | - | - | - | - | 0.20 | 0.20 |
| Reimbursement of expenses | - | 0.64 | - | 22.76 | - | 23.40 | - | 2.01 | - | 30.09 | - | 32.10 |
| Monsanto Company, USA | - | 0.64 | - | - | - | 0.64 | - | 2.01 | - | - | - | 2.01 |
| Monsanto Holdings Private Limited | - | - | - | 19.43 | - | 19.43 | - | - | - | 25.85 | - | 25.85 |
| Monsanto Singapore Co (Pte) Ltd | - | - | - | * | - | - | - | - | - | * | - | - |
| Monsanto Ag Product LLC | - | - | - | 3.33 | - | 3.33 | - | - | - | 3.43 | - | 3.43 |
| Monsanto Australia Limited | - | - | - | - | - | - | - | - | - | 0.66 | - | 0.66 |
| Monsanto Singapore Co (Pte) Ltd | - | - | - | - | - | - | - | - | - | - | - | - |
| Monsanto International S.A.R.L | - | - | - | - | - | - | - | - | - | 0.01 | - | 0.01 |
| Sem y Agro Monsanto and City Guadalajara, Jalisco | - | - | - | - | - | - | - | - | - | 0.13 | - | 0.13 |
| Seminis Vegetable Seeds Inc | - | - | - | - | - | - | - | - | - | 0.01 | - | 0.01 |
| Recovery of expenses | - | 1.73 | - | 19.99 | - | 21.72 | - | 1.12 | - | 25.43 | - | 26.55 |
| Monsanto Company, USA | - | 1.73 | - | - | - | 1.73 | - | 1.12 | - | - | - | 1.12 |
| Monsanto Holdings Private Limited | - | - | - | 13.66 | - | 13.66 | - | - | - | 18.02 | - | 18.02 |
| Mahyco Monsanto Biotech (I) Pvt Ltd | - | - | - | 6.20 | - | 6.20 | - | - | - | 7.41 | - | 7.41 |
| Sem y Agro Monsanto and City Guadalajara, Jalisco | - | - | - | 0.13 | - | 0.13 | - | - | - | - | - | - |
| Payment of Dividends | 0.81 | 9.27 | 40.55 | 3.38 | - | 54.01 | - | 6.95 | 30.41 | - | - | 37.36 |
| Bayer AG | 0.81 | - | - | - | - | 0.81 | - | - | - | - | - | - |
| Monsanto Company, USA | - | 9.27 | - | - | - | 9.27 | - | 6.95 | - | - | - | 6.95 |
| Bayer CropScience Ltd | - | - | - | 3.38 | - | 3.38 | - | - | - | - | - | - |
| Monsanto Investments India Private Limited | - | - | 40.55 | - | - | 40.55 | - | - | 30.41 | - | - | 30.41 |

Notes :

a. Details of remuneration to managing director

| Name | For the year ended 31 st March, 2019 | | | | | For the year ended 31 st March, 2018 | | | | |
|---|---|--------------------|--------------------------|---------------------|-------|---|--------------------|--------------------------|---------------------|-------|
| | Short term benefits | Long term benefits | Post employment benefits | Share based payment | Total | Short term benefits | Long term benefits | Post employment benefits | Share based payment | Total |
| Shilpa Shridhar Divekar, Managing Director, (upto 21st September, 2018) | 0.88 | - | 0.04 | 4.35 | 5.27 | 2.76 | - | 0.08 | 0.48 | 3.32 |
| Ravishankar Cherukuri, Managing Director, (w.e.f. 22 nd September, 2018) | 0.62 | - | 0.03 | 0.28 | 0.93 | - | - | - | - | - |

Notes

forming part of the financial statements for the year ended 31st March, 2019

(₹ in crores)

| Nature of Transactions | Year Ended 31 st March, 2019 | | | | | | Year Ended 31 st March, 2018 | | | | | |
|---|---|------------------------------|-----------------|-------------------|--------------------------|-------|---|------------------------------|-----------------|-------------------|--------------------------|-------|
| | Ultimate Holding Company | Intermediate Holding Company | Holding Company | Fellow Subsidiary | Key Managerial Personnel | Total | Ultimate Holding Company | Intermediate Holding Company | Holding Company | Fellow Subsidiary | Key Managerial Personnel | Total |
| Balances as at year end: | | | | | | | | | | | | |
| Trade Receivable | - | - | - | 1.76 | - | 1.76 | - | - | - | 2.54 | - | 2.54 |
| Monsanto Pakistan Agri-tech (Pvt) Ltd | - | - | - | 1.76 | - | 1.76 | - | - | - | - | - | - |
| Monsanto Nigeria | - | - | - | - | - | - | - | - | - | 2.54 | - | 2.54 |
| Other Receivable | - | - | - | 0.41 | - | 0.41 | - | - | - | 0.67 | - | 0.67 |
| Monsanto Pakistan Agri-tech (Pvt) Ltd | - | - | - | - | - | - | - | - | - | 0.01 | - | 0.01 |
| Mahyco Monsanto Biotech (I) Pvt Ltd. | - | - | - | 0.41 | - | 0.41 | - | - | - | 0.52 | - | 0.52 |
| Beijing New Millennium Ltd | - | - | - | - | - | - | - | - | - | 0.01 | - | 0.01 |
| Monsanto South Africa Ltd | - | - | - | - | - | - | - | - | - | 0.13 | - | 0.13 |
| Trade Payable | - | 71.76 | - | 1.46 | - | 73.22 | - | 42.92 | - | 5.34 | - | 48.26 |
| Monsanto Australia Ltd | - | - | - | - | - | - | - | - | - | 0.53 | - | 0.53 |
| Seminis Seeds (Beijing) Co. Ltd | - | - | - | - | - | - | - | - | - | 0.04 | - | 0.04 |
| Monsanto Holdings Private Limited | - | - | - | 1.19 | - | 1.19 | - | - | - | 4.16 | - | 4.16 |
| Monsanto Europe SAS | - | - | - | - | - | - | - | - | - | 0.01 | - | 0.01 |
| Monsanto SAS France | - | - | - | - | - | - | - | - | - | 0.11 | - | 0.11 |
| Monsanto International S.A.R.L | - | - | - | - | - | - | - | - | - | 0.02 | - | 0.02 |
| Sem y Agro Monsanto and City Guadalajara, Jalisco | - | - | - | - | - | - | - | - | - | 0.13 | - | 0.13 |
| Monsanto Ag Product LLC | - | - | - | 0.27 | - | 0.27 | - | - | - | 0.33 | - | 0.33 |
| Seminis Vegetable Seeds Inc | - | - | - | - | - | - | - | - | - | 0.01 | - | 0.01 |
| Monsanto Company, USA (refer note (a) below) | - | 71.76 | - | - | - | 71.76 | - | 42.92 | - | - | - | 42.92 |

Notes :

- Does not include provision created for ESOP scheme of Monsanto Company, USA for employees of the company.
- 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.
* Amount less than one lakh rupees

33 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, 2019 | For the year ended 31 st March, 2018 |
|--|---|---|
| Profit attributable to Equity Shareholders (₹ in crores) | 151.66 | 164.56 |
| Weighted average no. of equity shares outstanding during the year for basic and diluted earnings per share | 17,262.748 | 17,262.748 |
| Basic and diluted earnings per share | 87.87 | 95.34 |

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, 2019

34 Fair Value Measurement

Fair valuation techniques and inputs used - recurring Items

(₹ in crores)

| 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) | Relationship of unobservable inputs to fair value and sensitivity |
|---|------------------------------------|------------------------------------|----------------------------|--|---|--|
| | 31 st March, 2019 | 31 st March, 2018 | | | | |
| Financial assets Investments in mutual fund | 235.48 | 311.05 | 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, cash and cash 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.

35 Contingent liability and commitments

a. Contingent liabilities (to the extent not provided for)

(₹ in crores)

| Contingent liability in respect of following matters | As at 31 st March, 2019 | As at 31 st March, 2018 |
|--|---------------------------------------|---------------------------------------|
| | | |
| (a) Contingent Liabilities pertaining to Income Tax | 243.77 | 208.78 |
| (b) Contingent Liabilities pertaining to Sales Tax and Service Tax | 20.60 | 12.41 |
| (c) Claims against the Company not acknowledged as debt | 1.05 | 1.26 |

Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending before various authorities.

b. Commitments

(₹ in crores)

| Particulars | As at 31 st March, 2019 | As at 31 st March, 2018 |
|--|---------------------------------------|---------------------------------------|
| | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 3.66 | 1.38 |
| (b) Other commitments : | | |
| (i) Dividend on shares in abeyance | 0.65 | 0.07 |
| (ii) Guarantees given on behalf of the Company | 2.07 | 1.76 |
| (iii) Contractual arrangement for payment on default on corporate credit card facility to employee availed from a bank | | |

Notes

forming part of the financial statements for the year ended 31st March, 2019

- c. The Company has consistently maintained a position that its income from agricultural activities (which involves growing seeds in various Indian states through local growers under its supervision and instructions) 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 in August 2011. Further, during FY 2018-19, Hon'ble Bombay High Court upheld Company's contention for Assessment Years 2006-07 to 2008-09 as well.

The income tax authorities have filed special leave petitions before the Honourable Supreme Court against Honorable Bombay High Court's order for Assessment Years 1993-94 to 2001-02 and 2003-04 to 2005-06 and the same have been admitted by the Honourable Supreme Court. The matter has been listed for final hearing before Hon'ble Supreme Court.

Further, income-tax department is expected to file special leave petition for recent Hon'ble Bombay High Court orders for Assessment Years 2006-07 to 2008-09 as well. As of date, the Company has not been served with copies of special leave petitions for said years

36 Corporate Social Responsibility

- a. Gross amount required to be spent by the Company towards Corporate Social Responsibility is ₹ 2.96 crores (Previous Year ₹ 2.66 crores).
- b. Details of amount spent are as under : --

| | | (₹ in crores) | | |
|-------|---|---------------|------------------------|-------|
| Sr No | Particulars | In cash | Yet to be paid in cash | Total |
| 1 | Construction / acquisition of any asset | - | - | - |
| 2 | On purposes other than (1) above | 2.91 | - | 2.91 |

- c. No expenditure has been paid to a related party, in relation to CSR expenditure as per Ind-AS 24, Related Party Disclosures.

37 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, 2019 | | | | | 31 st March, 2018 | | | | | |
| | ₹ | BDT | MXN | NPR | USD | ₹ | BDT | EUR | MXN | NPR | USD |
| a. Amounts receivable in Foreign Currency on account of | | | | | | | | | | | |
| - Export of goods and services | 2.20 | - | - | - | 0.03 | - | - | - | | - | - * |
| - Advance to Suppliers | - | - | - | - | - | 0.01 | - | - | (0.04) | - | - |
| b. Amounts payable in Foreign currency on account of | | | | | | | | | | | |
| - Imports of goods and services | 2.64 | 0.62 | 0.04 | - * | 0.03 | 7.35 | 0.63 | - * | - | 0.06 | 0.10 |
| - Advance from Customers | (0.23) | - | - | - | - * | (0.43) | - | - | - | - | - |

* amount less than ₹ One Lakh

38 Segment reporting

The Company's operations predominantly relate to production and sale of agricultural 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.

Notes

forming part of the financial statements for the year ended 31st March, 2019

39 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 such parties have been identified on the basis of information collected by the management regarding their status under the said act;

| Sr No | Particulars | (₹ in crores) | |
|-------|--|------------------------------|------------------------------|
| | | 31 st March, 2019 | 31 st March, 2018 |
| 1. | Amount remaining unpaid to supplier as at end of accounting year. | | |
| | - Principal Amount | 0.18 | - |
| | - Interest due thereon | - | - |
| 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. | - | - |
| 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 | - | - |

40 Changes in accounting policies

Effective 1st April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been restated and continues to be reported as per Ind AS 18.

The details of significant changes and quantitative impact of the changes on the financial statements are set out below:

Sales return and discounts/incentives:

The Company recognises revenue when the goods are dispatched from the Company's premises. Revenue is recognized net of actual sales returns and discounts/incentives. The amount of revenue recognised is further adjusted for estimated sales returns and discounts/incentives. The said estimates are based on the historical experience, market assessment and various discount/incentive programs launched in the market. The Company previously netted of accrual made towards sales return and discounts against trade receivables whereas accrual for incentive programs was recognised under Provisions. Under Ind AS 115, a liability/accrual for estimated sales returns and discounts/ incentives towards customer is recognised in Other current liability.

The following tables show the adjustments recognised for each individual line item:

a. Balance Sheet for the year ending 31st March, 2019:

| Balance sheet extract | As reported | Adjustments | (₹ in crores) |
|---------------------------|-------------|-------------|--|
| | | | Balance without adoption of Ind-AS 115 |
| Trade receivable | 104.08 | 69.03 | 35.05 |
| Current provisions | 6.23 | 6.00 | 12.23 |
| Other current liabilities | 103.74 | 75.03 | 28.71 |

Notes

forming part of the financial statements for the year ended 31st March, 2019

b. Statement of Profit and Loss:

There is no impact on the Statement of Profit and Loss on account of adoption of Ind AS 115, hence no disclosure is made.

c. Statement of Cash Flow:

| (₹ in crores) | | | |
|---|-------------|-------------|--|
| Cash flow statement extract | As reported | Adjustments | Balance without adoption of Ind-AS 115 |
| Movement in working capital: | | | |
| Increase in trade receivables | (73.18) | 69.03 | (4.15) |
| Decrease in provisions | (8.41) | 6.00 | (2.41) |
| Increase in other liabilities and other financial liabilities | 77.74 | 75.03 | 2.71 |

Line items that were not affected by the changes have not been included.

41 Note on proposed merger of Company with Bayer CropScience Limited

The Board of Directors at its meeting held on 14th November, 2018 approved the Scheme of Amalgamation of Monsanto India Limited (MIL) with Bayer CropScience Limited (BCSL) and their respective shareholders under Section 230 and 232 of the Companies Act, 2013 and other applicable provision, if any. In consideration of the amalgamation BCSL will issue and allot 2 (two) equity shares of ₹ 10/- each credited as fully paid-up of BCSL, for every 3 (three) equity shares of ₹ 10/- each in MIL to the shareholders of MIL whose names are recorded in the register of members on the record date. The Scheme is subject to various regulatory and other approvals.

42 Approval of financial statements

The Financial Statements of Monsanto India Limited were approved by the Board of Directors and authorised for issue on 30th April, 2019.

As per our report of even date

For and on behalf of the Board of
Monsanto India Limited
CIN: L74999MH1949PLC007912

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Yogesh Sharma
Partner
Membership No: 211102

Place : Mumbai
Date : 30th April, 2019

Sekhar Natarajan
Chairman
DIN: 01031445

Pradeep Poddar
Director
DIN : 00025199

Shilpa Shridhar Divekar
Director
DIN : 06619353

Place : Mumbai
Date : 30th April, 2019

Ravishankar Cherukuri
Managing Director
DIN : 06755061

Aarti Sathe
Director
DIN: 06925030

Monika Gupta
Company Secretary
Membership No : ACS 24820

H.C. Asher
Director
DIN : 00024863

Bangla Bose
Director
DIN : 07999286

Saurabh Vaidya
Chief Financial Officer

Notes

Notes

Notes

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MONSANTO INDIA LIMITED

(CIN: L74999MH1949PLC007912)

Registered Office: Ahura Centre, B-Wing, 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 recent passport size photograph of the Nominee signed across | |
| Father's/Mother's/ Spouse's name: | Occupation: | Nationality: | | |
| E-mail id: | | | | |
| 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: ____/____/____ | |

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 ("Registrar") of the Company i.e. M/s. LINKINTIME INDIA PVT LTD, C 101, 247 Park, L B S Marg, Vikroli (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



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

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 **69th 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, July 4, 2019 at 11:00 a.m.**

Name of the Proxy / Representative (in BLOCK Letter)
(To be filled in by the Proxy attending instead of the Member)

Signature of the member or proxy / representative _____

* Applicable for investors holding shares in electronic form



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MONSANTO



MONSANTO INDIA LIMITED

(CIN: L74999MH1949PLC007912)

Registered Office: Ahura Centre, 5th Floor, 96 Mahakali Caves Road, Andheri (East), Mumbai – 400 093
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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 **69th Annual General Meeting** to be 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, July 4, 2019 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 |
| | ORDINARY BUSINESS | | |
| 1 | Adoption of Financial Statements for the year ended March 31, 2019 | | |
| 2 | Declaration of final dividend on equity shares | | |
| 3 | Reappointment of Mr. Bangla Bose Radha Krishna Mallipeddi who retires by rotation | | |



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| SPECIAL BUSINESS | | | |
|------------------|--|--|--|
| 4 | Confirmation of Mr. Ravishankar Cherukuri as a Director | | |
| 5 | Confirmation of appointment of Mr. Ravishankar Cherukuri as a Managing Director | | |
| 6 | Confirmation of appointment of Ms. Aarti Arun Sathe as a Non-Executive Independent Director | | |
| 7 | Approval of Related Party Transactions with holding company, Monsanto Company, USA | | |
| 8 | Payment of Commission to Non-Executive Directors | | |
| 9 | Ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2020 | | |
| 10 | Shifting of Registered Office of the Company | | |

Signed this _____ day of _____ 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue
Stamp not less
than ₹ 0.15

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/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



Rangaswar Hall, Y. B. Chavan Centre, 4th Floor, Gen. Jaganath Bhosale Marg, Nariman Point,
Near Sachivalay Gymkhana, Mumbai – 400 021



MONSANTO



Monsanto India Limited

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Andheri (East), Mumbai - 400 093, India

www.monsantoindia.com