



TRANSCRIPT OF THE PROCEEDINGS OF THE 65TH ANNUAL GENERAL MEETING OF THE MEMBERS OF BAYER CROPSCIENCE LIMITED HELD ON THURSDAY, 17TH AUGUST 2023 AT 3:00 P.M. THROUGH VIDEO-CONFERENCE (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”)

- **Moderator:**

- Dear shareholders, good afternoon. A warm welcome to each one of you at the 65th Annual General Meeting of Bayer CropScience Limited via video conferencing or other audio-visual facility. For a seamless proceeding of the meeting, the members will be placed in the mute mode and the audio and the video will be enabled when they are invited to speak at the AGM as per the pre-registration. Kindly note, as per the requirements, the proceedings of the AGM will be recorded and made available on the website of the Company.
- We shall wait for a few minutes to commence the proceedings to allow our shareholders to join the AGM. Thank you.

- Ladies and gentlemen, I would now request Mr. Pankaj Patel, Chairman of Bayer CropScience Limited to take over the proceedings for the 65th AGM.
- **Mr. Pankaj Patel – Chairman, BAYER CropScience Limited:**
 - Good afternoon dear shareholders. It is my pleasure to welcome you at the 65th Annual General Meeting of your Company. I'm pleased to present you the Annual Report of Bayer CropScience Limited. Before we start the formal proceeding of the AGM, I, and on behalf of the Company and my fellow Board Members hope that you are all doing well.
 - The report looks back on the financials of the year 2022-2023. The requisite quorum being present, I call the meeting to order. This is the fourth year wherein the Company is conducting the AGM through video conferencing as allowed by the Ministry of Corporate Affairs vide it's circular dated May 5, 2020, January 13, 2021, December 8 and December 14, 2021 and May 5, 2022, December 20, 2022. The virtual AGM provides opportunity to all shareholders to attend the event from different locations across the country and from location of their comfort.
 - I'm participating the AGM from my office at Ahmedabad and would like to introduce the Board members present through video conferencing.
 - Mr. D. Narain, Vice Chairman and Managing Director & CEO as well as Chairman of the CSR Committee participating from Thane. Ms. Ketaki Bhagwati, Independent Director & Chairperson of the Nomination & Remuneration Committee participating from Germany, Mr. Sekhar Natarajan, Independent Director & Chairman of the Audit Committee participating from Mumbai, Dr. Harsh Bhanwala, Non-Executive Independent Director joining from Delhi, Mr. Brian Naber, Non-Executive Director joining from St. Louis,



USA, Dr. Thomas Hoffmann, Non-Executive Director joining from Germany, Mr. Simon Wiebusch, Whole-time Director from Thane and Mr. Simon Britsch, Executive Director & CFO participating from Thane, and Mr. Nikunj Savaliya, Company Secretary & Compliance Officer, participating from Thane.

- The representatives of the Statutory Auditor, Secretarial Auditor and Scrutinizers are present at this meeting. The Company has received representations under Section 113 of the Companies Act, 2013 from Bayer AG, Bayer SAS, Bayer CropScience AG, Bayer Vapi Private Limited, Monsanto Company US and Monsanto Investments India Private Limited. The Bayer Group promoter companies hold 71.43 % of the total paid-up share capital of the Company.
- As we proceed with the formal business of the meeting, may I have the privilege to say a few words.
- The volatile and recession-prone world that we live in has brought to light, very starkly, a mission-critical need to address the food and nutritional security requirements of the country. In addition to the geopolitical environment, soaring oil prices, rising inflationary pressures, increasing labour shortage, and climate change manifesting in multiple distressing ways are all alarm bells not only for the agri-business but the economy at large. All this has further highlighted the need for a resilient supply chain, climate-smart agriculture and a strong digital and collaborative ecosystem.
- Bayer remains steadfast in its commitment to delivering innovative solutions to strengthen farmer resilience. The company drove collaborative innovations to enhance farmer incomes, rural livelihoods, expanding access to innovative agri-inputs, modern technologies, training and capacity building while swiftly mapping and resolving customers' future needs, leading to significant gains. We successfully rolled-out drone commercial operations for agricultural spray purposes in paddy, soybean, corn and cotton crops. We entered into a number of food value chain partnerships to provide farmers with integrated solutions and agronomy knowledge or facilitate market linkages. These are only some of the examples of the positive steps we have undertaken towards sustainable agriculture thereby enhancing smallholder farmers' prosperity.
- We have persevered and delivered strong value for all our stakeholders. On the back of a strong crop protection portfolio, better corn acreages and strong overall crop sentiments we were able to post strong growth of 9% in Revenue from Operations. BCSL also concluded the sale of its Environmental Science business in Q3 of FY 2022-23 with an exceptional income of ₹ 1,038 million. Overall, BCSL is continuing its trajectory with sustained growth investments while focusing on maintaining profitability despite inflationary pressures and other external challenges.
- For our shareholders, the Board of Directors approved an interim dividend payment of ₹100 per equity share for forty-four million nine hundred forty-two thousand ninety-two equity shares (44,942,092) of ₹10 each for the financial year ending March 31, 2023.
- On behalf of the Board of Directors, I take this opportunity to express my sincere appreciation to all our Shareholders, Banks & Financial Institutions, Employees, Distributors and Farmers for their support and trust. I seek your continued support to grow our Company to even greater heights.
- Having completed the preliminaries, we shall now proceed with the Agenda of the meeting.



- In line with the MCA and SEBI circulars, the Notice for this Meeting has been emailed to all the Members and all others entitled to receive the same and I consider the Notice be taken as read.
- I take this opportunity to inform the Members that the Auditors' Report on the Annual Accounts of the Company for the Financial Year ended March 31, 2023, did not contain any qualifications or adverse observation or comments on financial transactions and matters that had adverse effect on the functioning of the Company. As per Section 145 of the Companies Act, 2013 only qualification, or observation or comments mentioned in Auditors' Report which have an adverse effect on the functioning of the Company are required to be read at the Meeting. Since, there are no such qualifications, or adverse observation or comments, the Auditors' Report and the Annexure thereto is taken as read.
- Further, the Secretarial Audit Report for the financial year ended on March 31, 2023 issued by the Secretarial Auditor BNP & Associates, does not contain any qualification, reservation, or adverse remark. Accordingly, I request the Secretarial Audit Report to be taken as read.
- I would now request the Company Secretary, Nikunj to brief the members about the voting procedure and take them through the resolutions.

Mr. Nikunj Savaliya – Company Secretary, Bayer CropScience Limited:

- Thank you, Mr. Chairman.
- I would like to inform the Members that considering all the statutory requirements, both under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has followed a process that would ensure maximum possible participation and also provide equal opportunity to all Members in the voting process.
- The Company has provided the facility of remote e-voting to all its Members by sending the necessary details through e-mail. For members who have not cast their vote through remote e-voting may do so by using the electronic voting facility which is available throughout the AGM proceedings through the same login.
- The icon for e-Voting is available on the screen, which will re-direct you on a separate window to the e-Voting portal of NSDL. The e-Voting facility has been activated since 3:00 pm IST and will be closed 15 minutes post conclusion of the AGM.
- Mr. B. Narasimhan of M/s. BN & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to ensure that the voting process is conducted in a fair and transparent manner.
- The following resolutions are placed for the shareholders' approval at this AGM through emote e-voting as well as e-voting during the AGM:
- First, I will take you through the ordinary business to be approved at this AGM.



- Resolution No. 1 of the Notice is to receive, consider, approve and adopt the audited standalone financial statements for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
- Resolution No. 2 pertains to confirm the payment of Interim Dividend on Equity Shares and to declare Final Dividend of Rs. 30 per equity share for the financial year ended March 31, 2023.
- Moving on to Resolution No. 3 relates to re-appointment of Mr. Brian Naber (DIN: 09115300), who retires by rotation and being eligible offers his candidature for re-appointment.
- Let us now move to the Special Business, consent of the members is sought for passing an Ordinary Resolution as set out at Resolution No. 4, which pertains to the ratification of remuneration to the Cost Auditor.
- In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and amendment thereof, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the members is sought ratification of the remuneration amounting to ₹ 0.59 Million payable to M/s. D. C. Dave & Co, the Cost Auditor for the financial year ending March 31, 2024.
- I would like to highlight that the combined result of remote e-voting and electronic voting done during the AGM will be displayed on the website of the Company and the website of BSE Limited on or before August 19, 2023.
- With that, over to you Chairman sir.

Question & Answer Session

Mr. Pankaj Patel – Chairman, Bayer CropScience Limited:

- Thank you, Nikunj. I now invite the Members who have pre-registered to make comments, offer suggestions or seek clarifications.
- I request you to not repeat the same questions as raised by the fellow members. We would make every effort to answer all your queries, but if any question remains unanswered, you may please send in your queries via email to the Company Secretary and we shall revert appropriately.
- I would now request Varun to call out the names of the speaker shareholders and would request to unmute the speakers and allow their video.

Moderator:

- Thank you Chairman Sir. We now kindly invite our first speaker shareholder, Serial No. 1, H S Patel to speak please. Ladies and gentlemen, due to paucity of time, we request your speech to be restricted to three minutes



only, failing which, we will have to move on to the next speaker. I request you all once again to please adhere to the three minute timeline. Presenting our first speaker shareholder HS Patel.

- Alright we have just got the news that H S Patel is unable to join right now. We move on to our next speaker shareholder, Serial No. 2 Prakashini Shenoy.

Ms. Prakashini Shenoy – Shareholder:

- Hello Can you hear me Sir.
- **Moderator**
- Yes loud and clear.

Ms. Prakashini Shenoy – Shareholder:

- I am Prakashini Ganesha Shenoy from Bombay. Respected honourable Chairman, other dignitaries on Board and my fellow shareholders, good afternoon to all of you. I received the annual report well in time, which is colourful, informative, knowledgeable, transparent and contains all the information as per the Corporate Governance. I thank Mr. Nikunj for the same. I should not forget to thank him once again for reminding me of today's meeting along with the link. Thank you, Mr. Nikunj once again.
- The Chairman has given a beautiful picture regarding the Company, its working in all parameters. Thank you, Chairman Sir. I'm glad to note that the Company is doing better in different parameters when compared to last year. At the outset, I congratulate one and all for getting numerous awards for the Company. I'm very glad to note that the Company is doing outstanding work in the field of CSR activities. I'm thankful to the Board for recommending a dividend for the financial year 2022-2023.
- Sir, I have one or two questions. My first question is, who are our competitors in the same business? My next question is, there is a huge number of share and dividends transferred to IEPF account. Any efforts taken by our Company registrars to inform the members and locate their addresses? I wish the Company good luck for a bright future and pray God that the profit of the company shall reach the peak in due course. Sir, my earnest request to Chairman is please continue with VC so that people all over the world will have an opportunity to express their views. I support all the resolutions put forth in today's meeting. Thank you sir.

Moderator:

- Thank you so much Prakashini Ma'am. Thank you. We now move on to our next speaker, Serial No. 3 Bilkis Zubair Hawa.

Mr. Bilkis Zubair Hawa – Shareholder:

- Sir, what I would like to know is that the parent had a very tumultuous merger 4 to 5 years back with a Company and due to that the parent has really suffered a lot of loss of profits and cash problems also. So how has that



affected our company in India and what are the kind of patterns that we gain from that merger and have we utilized any kind of those patterns? Second is, what is our strength in total distribution all over India? How many distributors and dealers are we having and what kind of penetration we are having in the villages and in the Tier II-Tier III towns? Second is that, what is our gender equality ratio at this point of time and what are the steps we are taking to improve it?

- Third is that, environment has become a huge kind of a debate issue and also it will be probably one of the main changes of business and in technology will take place in environment. So, what are the kind of changes we are bringing in our pesticides and agrochemicals to really reduce the carbon content as well as reduce any kind of damage to the soil and to even reduce water usage during agriculture by the farmer? Do we have any kind of research and development on it? And, does our Company do any kind of standalone research and development apart from the parent? And if so, what is the spend of R&D as a percentage of sales? Another point is that sir, what is the present revenue of our parent and as a percentage of that, what are our Indian subsidiaries' revenue in this year? And another thing is that sir, what are the key resource areas of the managing Director and the CFO, and how are they linked to the salary of these personnel? So these are my questions, if you could answer them.

Moderator:

- Thank you so much speaker shareholder Bilkis Zubair Hawa. We now move on to serial No. 4 speaker shareholder Lekha Shah.

Ms. Lekha Shah – Shareholder:

- Hello can you hear me Sir

Moderator:

- Loud and clear Ma'am.

Ms. Lekha Shah – Shareholder:

- Respected Chairman Sir, Board of Directors and my fellow members, good afternoon to all of you. Myself Lekha Shah from Mumbai. First of all, I'm very much thankful to our Company Secretary Nikunj Bhai for extending very good investor services and also sending me the AGM notice well in time which is full of knowledge, facts and figures in place. So, I am very grateful to our Company Secretary Nikunj Bhai. Thank you Chairman Sir for explaining us well about the Company. Congratulations for excellent work, Sir. Sir, I pray to God that he always shower his blessing upon you. Sir, I would like to thank all the person of Company for receiving awards and recognition by our Plant during the year 2022 and 2023. And also, I'm glad the Company is doing very well the field of CSR activities.
- Chairman Sir, I would like to ask few questions. My first question is, which new products developed in our R&D facility for the domestic market? My second question is, what is our CapEx plan for next two years? Chairman Sir, I fully agree with my previous speaker Mrs. Prakashini Shenoy and I hope the Company will



continue video conference meeting in future. Sir, I strongly and wholeheartedly support all the resolutions for today's meeting and my best wishes always our Company and this prosperity. Thank you sir.

- Sir, please don't cut the call. Mr. Satish Shah will speak now.

Mr. Satish Shah:

- Respected Chairman Sir and other Directors, my name is Satish Shah. You have explained well about the company in your speech, Sir. Bayer Crops is a brilliant professional. Sir, this year the performance of the company was good and we have also received a good dividend.
- Sir, I would like to know about the dividend policy of the company. And sir, when was the last time you issued a bonus?

Moderator:

- Thank you so much, Mr Shah. Due to the paucity of time, we will have to move on. Ladies and gentlemen, we now move on to our next speaker shareholder and that is Mahesh Kumar Bubna. Serial No. 5 speaker shareholder, Mahesh Kumar Bubna.
- Alright I believe Mr. Mahesh Kumar Bubna is not on the call. We move onto our next speaker shareholder Serial No. 6, Kaushik Sahukar.
- I believe Mr. Kaushik Sahukar is also not there. We move on to our Serial No. 7 speaker shareholder, Anil Mehta.
- I believe Mr. Anil Mehta is not on the call. We move on to our next speaker shareholder, Serial No. 8 Badri Vishal Bajaj.

Moderator:

- Can you hear me Badri Ji. I believe you are on mute Badri Ji.

Mr. Badri Vishal Bajaj – Shareholder:

- Good afternoon

Moderator:

- Good afternoon we can hear you loud and clear Badri ji.



Mr. Badri Vishal Bajaj – Shareholder:

- Good afternoon. Sir, you are asking the speaker shareholder's name but are they connected or not? If they are not connected, why you are asking them? Whenever they are connected, they'll listen to you and join you. It is a moderator who has to decide.
- Sir, now our company, Bayer Company, is a unique company, first in India providing shareholders best services and facilities. And this AGM, the way it is connected means, MCA has given the guideline about video conferences - VC /other audio video means, and perfectly before arranging this and checking that and shareholder contact, and even Mr. Nikunj is looking in personally. I am thankful to him and his complete team. Keep it up, sir!
- But I'm not happy as a shareholder with the Board of Directors and our MD, Mr. Narain Sir. Why, you may be asking. I have submission and with that. The company has crossed Rs. 5,200 crores of revenue, it is a lifetime turnover in revenue generation. Congrats sir! Narain Sir, it is serving to you but my submission will come later. Now, your margin also year-on-year up by 15%. Keep it up, sir! Earnings per share has gone up to 168. Fantastic! Keep it up! Your healthy cash flow, lot of money in mutual funds and bank. So your cash is debt free. Keep it up, sir!
- And you got around ₹100 crores or maybe around ₹103 crores as the exceptional item of the sale of one of the units. So, all these are positive; goes to Narain Sir but negative is dividend has reduced compared to last year. Sir, I gave you the example of FY22-23 and FY21-22; comparison. Even Q1 FY24 recently held con-call I attended. Q1 FY24 revenues are more or less flat, slightly better, but margin also you have step up to almost 8%. So, all/everything positive side but Board is not considering a single aspect on shareholder and they reduced the dividend by 200 basis points. I'm not happy. I don't know other shareholders are listening or not. It is reduced.
- And, second, Audit Report there is a comment there. It is basic comment, Sir, that EPF dues of 3 employees, it has reflected. You have not given in FY22. Reason being PAN, Aadhar not registered. Sir, you're employees, you have PAN with you, you have Aadhar with you, you have all the details KYC with you but why this lapse has happened, I don't understand. Simply it is not paid; only three employees. Such lapses, I don't know who is accountable for this. It gives a wrong image that you are not regulatory submission, financial depository is not done.
- Now, Sir, now my other question is about your working. Please, give me one or two minute time. I'm an analyst, so I'm putting you in this circle. Annual Report does not give the portfolio of products like insecticide, herbicide; maybe percentage wise. Herbicide, Metal herbicide, fungicide like other companies give. You may be aware about that. Annual Report is missing on that. So, as a percentage you could have mentioned. And second one is related to your product only. Ministry of Agriculture and Farm Welfare, there's some...

Moderator:

- Speaker shareholder, Badri Bajaj ji, you have 10 seconds more.



Mr. Badri Bajaj – Shareholder:

- Sir, I'm requesting otherwise I will stop it and thanks to you because there were four or five shareholders who have not come. Sir, at least that time you give me. It is my request. If you want, I'll continue. Hardly two minutes, that's all. Please.

Moderator:

- Thank you, Sir. Thank you.

Mr. Badri Bajaj – Shareholder:

- Please. Please, Sir. Thanks a lot. So, that circular of 3rd February'23 bans some pesticides maybe dry phosphate or Endosulfan. You are also involved in this production also and recently the High Court, Delhi High Court, where this petition is pending, 19th July they had hearing, is there any positive news on that? Please, enable us. And what are the things/products under your manufacturing which fall under this ban and now stay order is there?

- Sir, only thing, the last one, is the roll up. Our company, how you are doing food value chain partnership? You see there are multiple aspects coming in this and you have started it. I'm thankful to Mr. Narain Sir this philosophy but how you are putting in reality? I could not get much in Annual Report. If you want, I'll mail and find out from you.

- Second one is the Farm Producer Organization, already since here farmers are doing farming, organization they purchase, Mandis is there and from there it goes to various people, come to the shops and all but what is the FPO? That also organization, how they are reacting to that? I want to understand that.

- And your ESG...

Moderator:

- Badri Sir, last 10 seconds, please. Thank you.

Mr. Badri Bajaj – Shareholder:

- Yeah-yeah. ESG status...Sir, there was a penalty on your pollution in Gujarat plant and you have to pay ₹12.75 lakhs though it was withdrawn within some four or five days. So, who is accountable for this? And your BRS report is very brief and good also. Quicker actions were there.

Moderator:

- Thank you. Thank you so much, Badri Sir. Thank you, Sir.



Mr. Badri Bajaj – Shareholder:

- And Sir, I think, I'll expect your reply or I will give an email to Mr. Nikunj Sir who is always available and very cordial, Sir. Keep it up. All the best!

Moderator:

- Thank you. Thank you, Sir. Thank you. Thank you. Ladies and gentlemen, we now move on to our next speaker shareholder, Serial Number 9, Ramesh Bhesani. Alright, I believe Mr. Ramesh Bhesani is not on this call at the moment. We move on to our next speaker shareholder, Serial Number 10, Nandkumar D.

Mr. Nandkumar D. – Shareholder:

- Hello? Hello?

Moderator:

- Good evening, Sir. Can you hear me loud and clear?

Mr. Nandkumar D. – Shareholder:

- Am I audible?

Moderator:

- Loud and clear, Sir. Over to you, Sir.

Mr. Nandkumar D. – Shareholder:

- Okay.

Moderator:

- Over to you.

Mr. Nandkumar D. – Shareholder:

- Respected chairman of Bayer CropScience Mr. Pankaj Patel, Vice chairman, MD & CEO Mr. D. Narain, respected members of the Board of Directors of Bayer CropScience, my dear fellow shareholders, I'll be very brief as many of the speakers took longer time. I shall be very, very brief and stick to three major points I have. They are not actually questions, you can consider them as my suggestions to you.
- At the outset, let me congratulate for the very good performance the company had in the last financial year. The growth is good, the volumes are great. And as a person who worked in a fertilizer company, public sector



fertilizer company, Fertilizers and Chemicals Travancore Limited in Cochin, we can say that the brand image our products have among farmers, dealers and all are exemplary. Please, keep it up. You are doing a good job. First of all, let me compliment you for the great job you do for the shareholders and maximizing our wealth.

- Then coming to my first suggestion, why don't we consider consolidating the operations of various Bayer umbrella companies in India? Because now Bayer actually includes Monsanto also, if my information is correct. These two were, actually, at the beginning of the 20th century these were the major players in the fertilizer sector and agricultural sector in the world. Now both of them coming together should have created a giant in the field but right now if you see the size of the company in India it is not that large. I feel that India has tremendous potential for Agro products, especially genetically modified crops and all. Going forward, I'm sure with the challenges of climate change, there will be more and more opportunities and we have a very good resource with us. So, my suggestion is, why don't we consolidate the operations of all units of Bayer in India? And if required, we can pay and buy out many of these companies where the promoters stake is less. So, in our company, I understand, more than 70% is held by the parent company. So, consolidation should benefit individual shareholders like us as well as the promoters by consolidating their holding, increasing their holding, have a better control and in introducing new products to the country. It will benefit the consumer, it will benefit the shareholders, it will benefit the promoters. It will be a win-win for all. So, that is my first suggestion, the consolidation and the amalgamation of the operations of various Bayer units in India.
- Coming to my second point, rather than organic growth why don't we consider some inorganic growth also? I understand many of your competitors are trying for taking over. For example, this Indofil Industries is a company based in India but I understand they have some issues with them which could be ..., why don't we discuss with their promoters or promoters of similar companies so that we can buyout their operations also? That is my second suggestion; exploring the possibilities...

Moderator:

- Thank you. Thank you so much.

Mr. Nandkumar D. – Shareholder:

- ...of inorganic growth by absorbing unlisted and listed small time players in India. That is my second suggestion.
- Then coming to my third suggestion, it doesn't have any implication, any financial implication, but it should be substantially very good for the shareholders. If you see the price of the shares of Bayer CropScience, it is very evident that it doesn't reflect the value of the Company. Around ₹6000.

Moderator:

- Last 5 seconds.



Mr. Nandkumar D. – Shareholder:

- Actually, it should be much, much more.

Moderator:

- Nandkumar D. Sir, last 5 seconds Sir.

Mr. Nandkumar D. – Shareholder:

- If you consider the growth of the company, if you consider the free reserves of the Company, if you consider the efficiency and consider the quality of people like you, this price should be much higher. One reason for the low share price, I believe, is the lack of liquidity. So, my suggestion is why don't we consider a stock split to face value ₹1 rather than retaining it at a face value of ₹10?
- These three are my very concrete suggestions. I hope that Patel Sir and Narain Sir will favorably consider these three options. To sum it up, one is bringing...

Moderator:

- Thank you.

Mr. Nandkumar D. – Shareholder:

- ...bringing all the operations of Bayer units in India under one umbrella. Number two is, exploring the possibility of taking over some other players, some indigenous players, so that we can be a bigger player. Number three is splitting the face value of the stock to ₹1. Thank you. Thank you for giving me an opportunity.

Moderator:

- Thank you. Thank you so much.

Mr. Nandkumar D. – Shareholder:

- I really thank you once again for the efforts you do to maximize our wealth. Thank you. Thank you very much.

Moderator:

- Thank you so much, Sir. Thank you so much, Nandkumar D. We now move on to our last speaker shareholder for the session, Serial Number 11, Rashmi Jhavar. Ma'am, you're on mute. Please, can you unmute yourself?

Ms. Rashmi Jhavar – Shareholder:

- Good afternoon, respected Chairman Sir. Am I audible?



Moderator:

- Loud and clear, Ma'am. Please go ahead.

Ms. Rashmi Jhavar – Shareholder:

- Okay. Good afternoon, respected Chairman Sir and members of the Board. I am Rashmi Jhavar, a shareholder of the Company and a member of Millennium Ma'ams organization, the Kolkata Chapter. Sir, my questions. Question number...One second.
- Sir, question number one, Sir you had in your last con-call told us that corn has a very bright future in India and it is going to be the third most important grain after rice and wheat. Our company has an exclusive corn portfolio with hybrid seeds and crop protection as well. How do we see revenues from the corn portfolio shaping up in FY 24? And what kind of the margins do we see specifically in this segment? Thank you.
- Question number two, Sir, land is limited and India has become the most populous country. So, to feed the growing population we need to increase the yield of our crops. However, we don't see that happening on the ground. What are the issues that are preventing higher usage of crop care products to help increase yield?
- Sir, question number three. Sir, in November'2021 Bayer had become the first company to successfully conduct drone trials in India. Sir, what are the next steps in this space? And how do you see this shaping up given India has 80% smallholder farmers?
- Question number four. Sir, globally Bayer crop has lowered its guidance for 2023 due to a significant decline in sales of glyphosate based products. Sir, what is the situation in India? Do we see sales and corresponding margin impact here?
- Sir, my last question, what is your outlook on the upcoming Kharif season? How do you foresee the El Nino situation in India? Thank you so much, Sir.

Moderator:

- Thank you so much, speaker shareholder, Serial number 11, Rashmi Jhavar.

Ms. Rashmi Jhavar – Shareholder:

- Thank you, Sir.

Moderator:

- Ladies and gentlemen, with this we conclude the list of shareholders who had preregistered with the company as speakers. I now hand over the proceedings back to our Chairman, Mr. Pankaj Patel.



Mr. Pankaj Patel - Chairman, Bayer CropScience Limited:

- Thank you very much members for your queries, suggestions and comments. We will now try and answer these queries and questions. I would now request Mr. D Narain, Mr. Simon Wiebusch and Mr. Simon Britsch to suitably answer the queries raised. We'll start with Mr. D Narain.

Mr. Duraiswami Narain - Vice Chairman, Managing Director & CEO, Bayer CropScience Limited:

- Thank you, Chairman, Mr. Patel, and good afternoon to all of you on the call, all our shareholders. Let me start by thanking all of the speaker shareholders for your valuable suggestions and comments. There were a number of themes but at the same time a lot of them clearly for us is good feedback to take and see what part of it we can implement because this is a dialogue that will help the Company to continue improving as we go forward.
- Let me start with the one of the first questions that I noted down is in terms of the dividends of the Company. Let me tell you that our biggest focus always has been to manage the business holistically across all parameters including driving profitability, topline growth and cashflow and I would say that we have consistently been rewarding shareholders with dividends looking at the overall capital requirements of the Company and I can assure you that the Board always take cognizance of this and we will make sure that there is the appropriate cash distribution to the shareholders going forward as well.
- On the broader topics, there were a lot of strategic themes and suggestions that were put forward by the shareholders and let me step back and address some of the broader issues and then request Simon Wiebusch to get into some of the specific areas. As we see it, the whole agricultural sector is going through significant transformation, especially over the last three years post COVID, and rooted in that is clearly the topic of how do you sustain improving farmer incomes and at the same time with a strong focus on food, nutritional security and sustainability. Our company, clearly we see this transformation as a significant growth opportunity for all of us in the sector and especially as we look at it the big push that we are seeing by the government to drive farmer collectivization is a big part of the question that some of you raise on Farmer Producer Organizations and some of the other aspects related to it and this is where we as a company believe the needs of the farmers, especially on the income and sustainability, can be addressed through collectivization and bringing holistic solutions for the farmers and that is the endeavor of what we are on and a number of our initiatives that we are seeing today on the ground with broad based partnerships which are driving improved access to products and technologies to the farmers, bringing innovative financing to the farmers, bringing mechanization to the farmers but overall making sure that the farmers have strong access to the products when they sell their produce. Those are the major initiative that we are driving as we look at the business for the long term, which will deliver all of these holistically.
- Now as we do this it's also important to understand for us sustainability, as I mentioned earlier, is at the core of it and as part of the sustainability goals that we all share, not just as Bayer but the country needs to deliver on, we clearly are focused on making sure that the systems and the partnership that we're putting together focus on improve water efficiency, soil health and in crops like rice also promote reduction in environmental emissions.



- So, as I conclude, there are specific questions, we'll come back to you and Nikunj will get back to the specific questions but I will assure you that each one of your suggestions is valuable for us and we will earnestly work towards continuing to drive the strong business growth of the Company into the future as well. And now let me transition over to Simon Wiebusch to answer some of the specific business related questions including the portfolio aspect as well. Simon, over to you.

Mr. Simon Wiebusch – Whole-time Director:

- Namaskar. Thank you, D. Thank you, Pankaj, for the opportunity and thank you all of our shareholders for participating here today and asking the relevant questions. Let me first start a little bit with the monsoon situation without wanting to repeat the weather report. Very clearly we're all aware that we had a bit of a delayed onset but what we see today is that barring a bit of weak distribution more in the Northeast of the country where we had really some shortages and obviously the floods in the Northwest, actually, the coverage is pretty good. What we are watching at this point is specifically the reservoirs in the South, which will define obviously the further run of the Kharif season and potentially also influence Rabi sowing. Overall, when we look at the acreages, we've caught up. I believe what we heard the other day is that rice acreages are actually 5% up last year, Soy is a little bit up, also corn is up and cotton has come down a bit. But what we would say is that from the agricultural perspective, the outlook still is positive. So, Rashmi, when we hear about El Nino, we watch it but from what we could see at this point, actually, it looks pretty good for the country.
- If I move on a little bit more to the portfolio side of things, I think I've said this quite consistently, our focus is on growing the existing portfolio to its full strength. Having said that, we have had a couple of successful launches specifically Vayego and Corn. But where we focus, and I think it was Faisal was asking this on the R&D side of things is at this point, obviously, the breeding of corn into specific areas and then what we have also been very successful at is really expanding our labels. I think we had 18 applications for drones. We've expanded our label in the differentiated portfolio and that really allows us to access more farmers and promote our products more broad in the market.
- What I'm specifically happy to speak about is that our corn footprint geographically has really come up nicely and, I think, one of you was mentioning, I tend to say corn is really the third crop that the country speaks about now and we can see this even with successful corn growing happening in Rajasthan as we speak.
- There's always the question around new launches. We did launch this year which is a cotton insecticide but also are looking at Curbix Pro for BPH management in rice and have a nice pipeline also lined up for next year while expanding our Vayego franchise, looking at Council Prime in the direct seeded area of rice and a couple of other opportunities as well.
- Corn, specifically, is something where I think we can safely say we are market leaders now. Most of the seasons really with a nice distance still trying to catch up with breeding efforts for the Rabi season, which is approaching, but given also the production challenges which the whole of the industry had we look really positively forward and I think specifically also looking at spring next year, we should be in a position to really capitalize on the growing acreages.



- Another point which was coming up was a little bit on the distribution of portfolio, if I may say so. We continue to see that labor shortage in agriculture is actually driving herbicide usage and that I think, again, it was Rashmi asking a little bit on roundup. We had a slow start to the roundup season. There was a lot of, let's say, speculation on pricing especially Chinese prices have come down, distribution was quite reluctant to take on product but with monsoon onset and the season is now taking its course. Also that looks as expected, I must say, a very, very positive in terms of uptake of roundup and generally the herbicide portfolio. We need to watch a little bit on the insecticides partly to do with the light sowing that those are not moving as quickly. But on the other hand on the fungicides, I'm very positive still be it because of the moisture but be it also to a certain degree because we do see a drive to quality and you are aware that some of the commodity prices be it specifically around tomatoes but also chilies are quite positive and we do expect quite, yeah, readiness to invest by farmers here.
- There was a pre-sent question on market inventories and that's maybe a little bit a link also to the performance of the last quarter. We've been very, very consistent and making sure we only sell into the channel where we have a high probability of this actually ending up on the fields. With the delayed onset of the monsoon, we've been very careful at placing products, and I would dare to say and I think there was a question also by Prakashini regarding who is our competitors, when I look at competitors like Syngenta, Adama FMC, UPL and Corteva, they to our understanding have had a much worse situation starting into the season with high channel inventories while we were really on the lower side, which helped us now to have the right products also with some of the shifts happening with later sowing, ready for the channel and filling accordingly. So, when you compare an early monsoon last year to a late monsoon this year, then that obviously has a little bit of an effect on when you place your products, if you do it the way we do. But, again, given the outlook we're quite positive at this point.
- Some questions here, I think it Badri, around what we're doing with food value chain, for example. So, our initiatives, these are really to my mind the underlying opportunities for the future. We see that the end consumer is increasingly interested at where and how what he or she buys is grown. You're all aware of a lot of discussions happening with Basmati Rice export opportunities. So, wherever we're building these food value chains, where we're interacting with off takers we solve two issues for the farmers. One is really the offtake certainty and the other one is then the tradability and ensuring that products actually go into exports but increasingly even within the country ensuring compliance with what retail wants and that's, to my mind, something where we as buyer are really heading the game.
- This is what we would really put under our alternative business models, where also with Better Life Farming Centres, which we've been also speaking about always, we have this close farmer connect. We offer the full service, we try to ensure that the produce which is being yielded is going into the market at good prices and this is where Buyer really is putting down his commitment with our farmer customers.
- Let me just take a quick look whether I've covered...Yes, I believe I have. With this, I'd like to hand over to Simon Britsch so we can go a little bit more into the details of the finances. Thank you very much.



Mr. Simon Britsch - Executive Director & CFO, Bayer CropScience Limited:

- Yeah. Thank you, Simon, and welcome dear members. I really appreciate the good suggestions that you've made and also very relevant questions. Some of them I will try to answer right now.
- So, one question was about what's our Capex plan. So, in the current financial year we are planning to spend INR 900 Million.
- Another question also was, what is the R&D spend and how is that in percentage of sales? So, in the last financial year, so FY22-23 we spent roughly INR 1.2 Billion, which represents 2.3% of our revenue from operations.
- Another question was, what's the reason for the increase in our employee expenses for the last financial year? So, on the one hand this was driven by general increases in salaries due to inflation. There was also more amount spent on employee incentives and we had also some extraordinary expenses for separation costs. So, these separation costs were increased by INR 255 million compared to the previous financial year.
- The last question which I'm going to answer was asking you about the sales mix. So, the sales mix and we normally don't break this down into insecticides, herbicides and fungicides as some of our competitors might do but we are taking rather look at Agrochemicals and Corn Seeds. So, for Agrochemicals the sales represented 81% in the last financial year, for Corn 13% and Others, which includes exports for example, was 6%. If we were to take a look at the same breakdown for the quarter, so in Agrochemicals this was 71%, in Corn Seeds 22% and Others 7%. These are more or less the same kind of sales mix breakdown that we also witnessed in the same quarter in the last financial year.
- Now having said that, I would like to hand back to Nikunj as a Company Secretary to answer any further queries that there might have been.

Mr. Nikunj Kumar Savaliya - Company Secretary & Compliance Officer, Bayer CropScience Limited:

- Thank you very much. So, dear shareholders, I will take 2-3 topics which I can answer right now.
- So, the question with respect to the number of shares and the dividend transferred to IEPF. As a part of our constant endeavor to reach out to shareholders and to minimize the amount of shares as well as the dividend getting transferred to IEPF, we continue to reach out to all our shareholders who hold shares in physical shares with the request to update KYC especially bank account so that, you know, payment of dividend amount directly go to their respective account instead of eventually getting transferred to IEPF.
- There was another question with respect to the history of bonus share. Bonus history of the Company, Company has declared bonus shares in 1972, the ratio was 1:5 at that time followed by 1977, the ratio was 1:1 and 1987, ratio 1:1.
- There was another question with respect to Dividend Distribution Policy. Company has adopted a Dividend Distribution Policy in line with SEBI listing regulation at its Board meeting held on February 7, 2017. Company



follows a Dividend Payout Ratio approach for the recommendation and declaration of dividend. The Dividend Payout Ratio is linked to Profit After Tax but before exceptional item.

- There was another question with respect to a linkage of remuneration of Executive Directors with the business performance. A part of the remuneration to payable to Executive Directors is linked to the business performance and the key skills which all the Directors possess including the Executive Directors are available on Page 67 of the Annual Report.
- The last comment with respect to the Delhi High Court petition for Glyphosate restriction. So, there was a question on that topic. So, Glyphosate restriction notification has been stayed in Delhi High Court and there is no immediate impact on the Company due to the notification. Also, Bayer and other companies are constantly engaged in policy advocacy with the government seeking a review of the notification considering limitation in PCO infrastructure available in India.
- So, these were the few questions I thought I could answer right away. At the same time, we will definitely revert back to your questions and the suggestions. We understand the significance of your suggestions and we are committed to thoroughly considering each one of them. We value your trust in the company and we are committed to affording the highest standard of service.
- Thank you for your patience and understanding. And thank you, D. Narain, Simon Wiebusch and Simon Britsch for providing necessary replies to the queries raised by the members. I would now request Mr. Chairman to proceed with the concluding remarks. Over to you, Sir.
- **Mr. Pankaj Patel - Chairman, Bayer CropScience Limited:**
- Thank you, Nikunj.
- Those members who have still not cast their vote may do so through a NSDL E-voting facility available in the same portal. The E-voting shall close in another 15 minutes.
- Ladies and gentlemen, the 65th Annual General Meeting is now concluded. I thank you all for being with us today. As informed in the beginning of the meeting, the combined voting results will be displayed on the Company's website and communicated to BSE Limited. Please stay safe and take care. Thank you very much.

END OF TRANSCRIPT