



July 14, 2021

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

COMPANY CODE: 506285
SCRIP ID: BAYERCROP

Dear Sir,

Sub.: Submission of 63rd Annual Report for the financial year ended March 31, 2021 including the Notice of the Annual General Meeting.

Pursuant to Regulation 34 (1) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith a soft copy of the Annual Report of Bayer CropScience Limited ("Company") for the financial year ended March 31, 2021 including the Notice convening the 63rd Annual General Meeting of the Company for your reference and records. The Annual Report is also available on the website of the Company at www.bayer.in.

Kindly take the same on record and disseminate the information on BSE website.

Thanking you,

Yours faithfully,
for Bayer CropScience Limited

Nikunj Kumar Savaliya
Company Secretary & Compliance Officer

Encl.: As above

Bayer CropScience Ltd.
CIN: L24210MH1958PLC011173

Registered and Corporate Office:
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Hiranandani Estate
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RESTRICTED



*Bayer
CropScience
Limited*

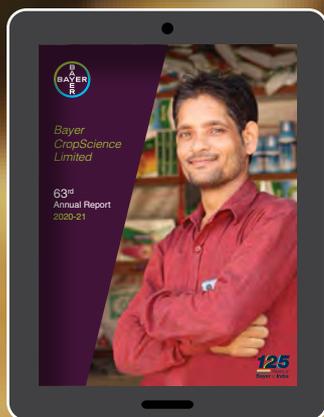
63rd
Annual Report
2020-21



125
Years of
Bayer in India

On the Annual Report cover:

Smallholder farmer and Agri-Entrepreneur, Himanshu Singh at his Better Life Farming Center in Sikhar village located in Chunar Tehsil of Mirzapur district in Uttar Pradesh, India.



To view the Annual Report online,
please visit: <https://www.bayer.in/en/investors/annual-reports>



63rd Annual Report 2020-21

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125 Years of Partnerships and Progress in India

125 Years of Bayer in India

2021 marks the completion of 125 years of Bayer's presence in India. Our journey in India encompasses significant contributions towards doubling farmers' incomes, creating access to innovative health solutions, manufacturing in India for domestic & global markets, advancing digital solutions, enhancing rural prosperity and empowering people & communities.

Through our innovative products and core competencies in the areas of agriculture and healthcare, we are contributing towards advances in food security, public health and economic growth. As a global multinational company with a proud local heritage in India, we will continue to innovate and help improve people's quality of

life through access to good health and nutrition. We have built our reputation by delivering on our purpose: 'Science for a better life' and have become a trusted brand that millions of Indians can rely on. Now we are focused on the future and on bringing to life our bold vision of 'Health for All, Hunger for None'.

2021 also marks a milestone for Bayer CropScience Limited, the listed legal entity of Bayer Group in India, which completes 63 years of successful operations in the country. Over these years, the Company has strived towards creating sustained profitable growth and value for all its shareholders. Thank you for partnering us in this journey and for your unwavering support!



Driving Farmer Prosperity and Rural Development

Agriculture is pivotal to India's economic growth and is crucial to providing food security for the country's growing population. This sector is India's largest employer with 140 million smallholder farmers and an additional 60 million people employed directly or indirectly in farming operations. Together, these 200 million people represent more than 40 percent of India's working population. However, stuck in subsistence farming, most of these farmers manage to grow just enough to feed their families. A vicious cycle of low farm incomes pushes smallholder farmers further into poverty and also leads to hunger & malnutrition.

Bayer CropScience Limited is committed to support smallholder farmers to progress from subsistence farming to commercial farming that enables them to enhance their crop yields as well as farm incomes.

By definition, smallholder farmers are farmers who own landholdings that are less than 2 hectares. Besides fragmented land, they grapple with limited access to natural resources, modern agricultural technologies, finance, credit, and market linkages. To ensure safe, affordable and enough food, it is important to tackle farmers' challenges around low productivity and income.

In FY 2020-21, Bayer CropScience Limited introduced several initiatives to support smallholder farmers and uplift livelihoods for rural farming communities. Some of these initiatives are outlined in more detail from Pages 04 to 11.



‘Better Farms, Better Lives’

COVID-19 response to support Indian smallholders

To support smallholder farmers who were facing additional challenges due to the COVID-19 pandemic, Bayer introduced a new global initiative – ‘Better Farms, Better Lives’ in June 2020. Through this initiative, we supported 2 million smallholder farmers in Asia, Africa and Latin America, with access to our hybrid seeds, crop protection products and advisory, personal protective equipment, and safety & training materials.

In India, the initiative supported 450,000 smallholder farmers across 19 states for key

crops such as rice, corn, vegetables, and millet throughout the Kharif and Rabi season in 2020. Special focus was given to women smallholder farmers and migrant labourers who returned to their villages and had to take up farming in their small family farms to make a living.

Each beneficiary smallholder farmer received one package containing commercial samples of hybrid seeds of the crops cultivated in their region and crop protection inputs. In addition, Bayer handheld these farmers from sowing to harvest with advisory on crop, disease & pest



Women smallholder farmers in Karnataka receiving commercial samples of Bayer's Proagro millet hybrid seeds as part of the 'Better Farms, Better Lives' COVID support initiative for smallholder farmers in India.



management and helped improve market access for their produce. The package also contained face masks and personal protective equipment (PPE) to support farmers' health & safety needs.

These care packages were distributed to smallholder farmers across India through Bayer's local networks of Farmer Producer Organizations (FPOs), Farmer Producer Companies (FPCs) and Self-Help Groups (SHGs) focused on agriculture. Bayer is also conducting third-party impact assessment studies to gauge the value created through this initiative in terms of food security and livelihood support for rural farming communities.

This immediate COVID-19 response through the 'Better Farms, Better Lives' initiative complements Bayer's ongoing smallholder support activities to aid mid-term recovery and build long-term resilience for smallholder farmers.

In addition, Bayer will expand its partnerships with governments, internationally recognized NGOs and local organizations; create a Smallholder Center of Excellence for sharing successes; provide accelerated access to digital farming tools to increase capabilities and scale up existing & new value chain partnerships to generate maximum impact.



Highlights

- // 450,000 Indian smallholder farmers supported with 'Better Farms, Better Lives' initiative
- // Focus on rice, corn, vegetables, and millet throughout the Kharif & Rabi season in 2020
- // Bayer kits included commercial samples of its hybrid seeds and crop protection products, along with face masks & PPE
- // Women smallholders and migrant labour were given additional support and training

A smallholder farmer in Uttar Pradesh receiving a 'Better Farms, Better Lives' commercial kit including hybrid rice seeds and crop protection inputs for rice cultivation.

Expansion of Better Life Farming in India

As of 2020, more than 20 million smallholder farmers across India were supported by Bayer's agri-inputs, technologies, crop & farm advisory, and digital solutions. One of our key initiatives that is helping us reach out to smallholder farmers and create a conducive eco-system is the Better Life Farming (BLF) alliance, which works with partners across the agri-value chain to support smallholder farmers to increase crop yields and farm incomes.

In India, the BLF alliance includes Bayer with its expertise in seeds, crop protection, and agronomy; IFC, the development finance institution for impact assessment; and Netafim for drip irrigation

technologies; Yara Fertilisers for soil and nutrient management; DeHaat, AgriBazaar, and Big Basket for market linkages; Tata Trusts for expanding reach to farmer producer organizations; and Axis Bank for financing.

The Better Life Farming initiative has led to a doubling of crop yields and tripling of farm incomes among participant farmers while keeping an eye on water usage and integrated farm management. It has created price transparency in the marketplace, increased the bargaining power of smallholders, and promoted clusters of rural agri-entrepreneurs. It has also created



The BLF Centers maintain Better Life farms where smallholder farmers are trained on good agriculture practices. Seen here is a Better Life farm for corn in Chindwada district of Madhya Pradesh.



opportunities for women farmers to be integrated into mainstream farming operations and emerge as rural agri-entrepreneurs.

The BLF alliance's agri-entrepreneurship model functions through Better Life Farming Centers run by local agri-entrepreneurs. These centers open up economic opportunities for smallholders by enabling knowledge and technology transfer on good agricultural practices (GAP) and delivering services such as market linkages, access to agri-inputs, financial solutions, and mechanization services as well as crop advisory.

The BLF agri-entrepreneurs also operate BLF Model Farms which serve to demonstrate modern agronomic practices to fellow farmers.

Currently 710 Better Life Farming Centers are operational across 9 states in India. By 2025, the Better Life Farming initiative aims to empower 2.5 million smallholders in India through access to modern agri-inputs. These smallholders will be served by 5,000 agri-entrepreneurs across horticulture, corn, and rice crops. Going forward, the initiative will be scaled up by onboarding FPO's (Farmer Producer Organizations) into the BLF program.



Highlights

- // BLF Alliance in India includes nine global and local partners across the value chain
- // New partners onboarded in 2020 include AgriBazaar, Tata Trusts and Axis Bank
- // 710 Better Life Farming Centers operational across 9 states in India
- // Plans to scale up to 1,500 BLF Centers by end of 2021, by adding FPOs into the BLF program

To scale up presence of BLF centers across India and enhance rural incomes through agri-entrepreneurship, FPOs are being onboarded into the BLF program.

Market Development through Bayer Learning Centers

In smallholder geographies, crop performance is held back due to low farmer awareness and limited access to quality agronomic support and advice. Majority of farmers depend on fellow farmers or channel partners for crop management advisory. As a result, farmers end up facing a cycle of low crop productivity, low farm incomes and low returns on investment.

To help meet farmer expectations and provide the right product and crop solutions at the right time, Bayer CropScience Limited piloted a new Market Development concept of 'Bayer Learning

Centers' (BLC). The first such center was launched in June 2020 and subsequently 14 more BLCs were launched across India through 2020-21.

This initiative aims to provide seamless knowledge transfer, confidence and competency building for Bayer's farmer customers and agronomists. The centers are designed to showcase product performance, technical positioning of innovations, crop system interventions, agronomy etc. to internal stakeholders, 'progressive farmers', and channel partners. The centers are also digitally enabled to support live telecasting that can



A Bayer Learning Center in Guwahati, Assam, specialising in agronomic advisory and integrated crop management for rice cultivation.



deliver consistent, high-quality communication compared to conventional methods such as in-house training, learning center visits etc. This has proven especially beneficial and effective for knowledge transfer during the ongoing COVID-19 pandemic, that has made in-person visits and travel difficult.

As a leading player in Indian agriculture, Bayer CropScience Limited is looking at creating capacity building for smallholder farmers and establish crop-specific package of practices that meet the local needs of farmers. The agronomic

advisory has to be customized as per the crop and the geography, weather, traditional cropping practices of the region where the crop is cultivated.

The BLC focuses on four pillars of 'Determine', 'Define', 'Develop' and 'Deliver' the right agronomic advice to farmers. This Crop System approach is at the center of the company's Market Development activity which aims to maximize farmers' return on investment through sustainable incomes.



Highlights

- // Experiential center to provide knowledge transfer and training to farmers
- // 14 Bayer Learning Centers across India
- // Focus on digital learning tools and crop-specific advisory
- // Each BLC focuses on a specific crop and is located close to key farming regions

A Bayer agronomic expert conducting a virtual field tour for corn farmers from the Bayer Learning Center in Raipur, Chhattisgarh.

Enabling Digitalization of Indian Agriculture

The biggest challenge in farming and agriculture in India is not the unavailability of data or the lack of IT solutions, but the acceptance of the same by farmers. Indian farmers have traditionally preferred speaking with someone in person to take advice than just follow what an app says. However, in 2020 – the COVID-19 pandemic accelerated the digitalization of agriculture and adoption of digital tools by farmers both big and small.

With the lockdown, Bayer agronomists could not visit farms to provide relevant crop advisory to farmers. To stay connected with farmers when in-person visits could be made due to lockdowns, restrictions, or health & safety concerns, Bayer CropScience Limited introduced various digital tools to enable two-way conversations with

farmers and resolve their queries. These digital tools not only facilitated standardization of crop & farm advisory, it also offered flexibility to the field teams to choose between physical, digital or ‘phygital’ (physical + digital) connects.

Some of our key digital tools include:

Farmer Call Center: Since the start of the pandemic in 2020, BCSL has reached out to over 2 million growers individually and answered queries for diverse crops (from Paddy to Hibiscus to Tea). We have a single toll-free number ‘HELLO BAYER’ 1800-120-4049 for inbound calls. This helpline is operational from 9 AM to 6 PM every Monday to Saturday. To ensure health and safety of our call center executives, we have enabled them to work remotely from their homes.



A Bayer farmer call center in Bathinda, Punjab that is exclusively operated by women executives who are trained to resolve farmer queries in local languages. The image above is from early 2020, prior to the onset of the COVID-19 pandemic.

**Audio Conferencing & Video Conferencing:**

Bayer has connected with growers digitally through audio & video conferencing and webcasts. In 2020 alone, over 1.7 million growers have been covered through 6,932 audio conferences, providing advisory to farmers in remote areas with basic phones.

SMS campaigns: Bayer has used SMS, Voice Messaging & Integrated Voice Recording (IVR) effectively as part of its multi-channel marketing. In 2020, over 20 million SMS's have been sent for 60+ campaigns, covering over 1 million unique farmers.

Lead Generation: Over 100,000 sales leads were generated through a missed call facility

provided to field officers. Farmers could place a missed call and in turn, follow-up calls were made by our call centers to provide product details and crop advisory. BCSL currently has 11 call centers across India to resolve farmer queries in 13 regional languages.

Bayer CropScience Limited currently has projects in India around predictive advisory through a digital prediction system, e-commerce interventions, virtual field & crop tours and video conferencing and is working towards creating a one-stop digital solution for Indian farmers. The Company is also working on value chain collaborations to bring digital innovation and farm mechanization to India.

**Highlights**

- // COVID-19 has accelerated the digitalization of agriculture and adoption of digital tools by farmers
- // In 2020, 1.7 million growers received digital crop advisory from BCSL
- // 11 Call Centers across India equipped to resolve farmer queries in 13 regional languages
- // BCSL is working towards creating a one-stop digital solution for Indian farmers

'Hello Bayer' is a centralized toll-free helpline, where farmers can reach out for query resolution and after-sales support. It is operational from 9 AM to 6 PM every Monday to Saturday.

Chairman's Message



In a difficult pandemic year, we continued to drive robust growth with Revenue from Operations of ₹ 42,613 million and Profit Before Exceptional Items & Tax of ₹ 7,894 million.



Dear Shareholders,

I am pleased to present you with the 63rd Annual Report for Bayer CropScience Limited. The report looks back on the Financial Year 2020-21, one of the most unprecedented years in recent times due to the COVID-19 pandemic.

Last year saw entire countries, economies, industry sectors, companies, communities, and families grappling with the sudden onslaught of the pandemic. Existing norms for day-to-day business operations had to be overhauled and adapted to a new normal. Good health and nutrition came into the spotlight as areas that required a renewed focus at national, local, and individual levels.

As a leading player in Indian agriculture, your Company continued to support farmers with essential agri-inputs, crop advisory and market linkages along with additional support to tide through the challenges arising from the pandemic. While frontline workers worked hard to protect people from the scourge of COVID, farmers played a crucial role in ensuring sufficient food production and availability.

In 2020-21, we launched several new initiatives to enhance farmer incomes and rural livelihoods. Through projects such as 'Food Chain Partnerships' and 'Better Life Farming', your Company was able to support smallholder farmers with access to innovative agri-inputs, modern technologies,

training and capacity building. Agriculture will always remain an important contributor to India's economic growth and Bayer CropScience Limited is well positioned to support the needs of Indian farmers.

In a difficult pandemic year, we continued to drive robust growth with Revenue from Operations of ₹ 42,613 million and Profit Before Exceptional Items & Tax of ₹ 7,894 million. Seven new products were launched in 2020: four in Crop Protection, two in Hybrid Seeds and one in Environmental Science. Besides business growth, we supported our local communities, frontline workers, farmers, businesses, and employees with pandemic relief measures.

As we look ahead and hope for the COVID situation to improve, on behalf of the Board of Directors, I sincerely thank our Shareholders, Banks & Financial Institutions, Distributors and Farmers for partnering with us. I would also like to thank our employees for their remarkable resilience and ownership in ensuring business continuity. We count on your continued support, trust and partnership.

Best wishes,

Pankaj Patel

Chairman & Non-Executive Independent Director



CEO & Managing Director's Message

2021 marks 125 years of Bayer in India. Our journey encompasses significant contributions towards doubling farmers' incomes, creating access to innovative health solutions, manufacturing in India, advancing digital solutions, and empowering people. 2021 also marks 63 years of Bayer CropScience Limited.



Dear Shareholders,

2020 has been an unprecedented year that has placed great demands on everyone. For us at Bayer CropScience Limited (BCSL), too, it was a challenging year. Despite the adverse conditions, we achieved a lot – by bringing in new products to market for our farmer customers, driving digitalization of Indian agriculture and investing in innovation & future growth.

Looking back on 2020, we have a lot to be proud of. Our employees and teams worked round the clock overcoming multiple challenges to ensure business continuity and support farmers with access to essential agri-inputs, training and advisory. With our 'Better Farms, Better Lives' initiative, we supported 450,000 smallholder farmers across India with Better Life Farming care packages.

Expanding our Better Life Farming franchise in India, we scaled up our Better Life Farming Centers across nine states. Where in-person field visits and advisory could not be managed, we supported farmers through digital agronomic advisory for integrated crop management. Further, we collaborated with e-commerce players for home delivery of our hybrid seed and crop protection brands.

We also supported our local communities with immediate COVID relief measures. At the same time, we introduced several initiatives to keep

our employees, farmers, and channel partners safe and minimize the spread of COVID-19. In difficult times like these, the importance of health and nutrition becomes more significant than ever before. In line with Bayer's vision of 'Health for all, Hunger for none', we are working on innovative products for agriculture that will help ensure food security for our growing population. Apart from portfolio innovations, we will continue to introduce new business models and value-chain collaborations to increase our farmer reach.

2021 marks the completion of 125 years of Bayer's presence in India. Our journey of 125 years encompasses significant contributions towards doubling farmers' incomes, creating access to innovative health solutions, manufacturing in India, advancing digital solutions, and empowering people. 2021 also marks 63 years of Bayer CropScience Limited being operational in India. This journey would not have been possible without your support.

We look forward to leveraging the emerging opportunities in India's food & agriculture sector and drive sustainable growth while creating value for all our stakeholders.

Best wishes,

D Narain
CEO & Managing Director

Board of Directors



Pankaj Patel

(DIN: 00131852)

*Chairman & Non-Executive
Independent Director*

Pankaj Patel is the Chairman of the Company since September 2016. He combines both research and techno-commercial expertise.

Mr. Patel is the Chairman of Zydus Cadila, an innovation-driven, global healthcare company. He is also the Chairman of IIM Udaipur and Member of the Board of Governors of IIM Ahmedabad, Invest India, IIFT and other educational institutes and universities. He is the Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute.

Mr. Patel has been nominated as a Member of the Mission Steering Group (MSG), the highest policy making, and steering body constituted under the National Health Mission (NHM) and of the Drug Technical Advisory Board by the Ministry of Health & Family Welfare, Government of India. He has also been nominated on the reconstituted Court of the Indian Institute of Science from 2018 to 2021. Mr. Patel has also served as the President of the Federation of Indian Chamber of Commerce & Industry (FICCI).

In recognition of his contributions to the healthcare industry in India, Mr. Pankaj Patel has been conferred with several awards, including the Acharya PC Ray Memorial Gold Medal Award, the Eminent Pharmacist Award, and the CNBC India Innovator Award. For his entrepreneurial vision, Mr. Patel has also been awarded the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category.

Duraiswami Narain is the Senior Bayer Representative, South Asia, since December 1, 2018, and oversees Bayer's business operations across India, Bangladesh, Sri Lanka, and Pakistan. He is also the Sponsor for Bayer's Global Smallholder Farming initiative, which aims to provide holistic and innovative solutions for smallholder farmers.

He has played a key role in steering the India integration of Monsanto India Limited with Bayer CropScience Limited which was completed on September 16, 2019.

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



Duraiswami Narain

(DIN: 03310642)

*Vice Chairman,
CEO & Managing Director*

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

Ketaki Bhagwati is an independent financial services consultant.

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

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

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

He is a Managing Partner of S. N. Consultants and continues to stay connected with the Agriculture industry by providing strategic guidance to local/international companies. He also works closely with industry leaders and forums.

Mr. Natarajan is a qualified Chartered Accountant and Cost Accountant. He has extensive experience in Strategic Thinking, Business Development and Mergers and Acquisitions (M&A).

**Sekhar Natarajan****(DIN: 01031445)***Non-Executive**Independent Director*



Rolf Hoffmann

(DIN: 08460583)

Executive Director & CFO

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

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

Mr. Hoffmann holds an MBA from the University of Bradford in UK and a Bachelors' degree in Economics and Management from the FOM University of Applied Sciences in Essen, Germany.

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

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



Jens Hartmann

(DIN: 08338494)

Non-Executive

Non-Independent Director



Dr. Thomas Hoffmann

(DIN: 06485949)

Non-Executive

Non-Independent Director

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

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



Dr. Sara Boettiger

(DIN: 09012747)

Non-Executive

Non-Independent Director

Dr. Sara Boettiger is the Senior Vice President, Global Head of Public Affairs, Science & Sustainability for the Crop Science division of Bayer. Prior to joining Bayer, Dr. Boettiger co-led the McKinsey Center for Agricultural Transformation. She has also served as a Deputy Director at the Bill & Melinda Gates Foundation; Chair of the Board of Trustees of the international Ag research institute CIMMYT; Senior Advisor at Syngenta Foundation; faculty fellow at Harvard University's Berkman Klein Center for Internet & Society; advisor to the satellite company Planet Labs and member of the World Economic Forum's Global Agenda Councils.

She has a Ph.D. in Agricultural and Resource Economics from the University of California, Berkeley, USA. Dr. Boettiger is passionate about our generational responsibility to work across public and private sectors to create a more sustainable global agri-food system for the future.

Dr. Harsh Kumar Bhanwala is the Executive Chairman of Capital India Finance Limited, an India-focused, integrated financial services company since August 2020. He is also on the Board of Governors of the Indian Institute of Management, Rohtak, an Independent Director on the governing board of Microfinance Industry Network. He is also heading the Technical Group appointed by SEBI on the Social Stock Exchange and a member of the Expert Committee on Primary (Urban) Co-operative Banks of RBI constituted in February 2021.

Prior to joining Capital India Finance Limited, he was the Chairman of National Bank for Agriculture and Rural Development (NABARD), the Apex Development Bank of the Country, from December 18, 2013 to May 27, 2020.

He is a Post Graduate in Management from IIM, Ahmedabad and holds a Ph.D. in Management. He has been awarded honorary doctorate in Science by the Tamil Nadu Agricultural University, Coimbatore, and Indian Council of Agricultural Research-Central Institute of Fisheries Education, Mumbai.



Dr. Harsh Kumar Bhanwala

(DIN: 06417704)

Non-Executive

Independent Director



Corporate Information

Company Secretary & Compliance Officer

Nikunj Kumar Savaliya
Membership No.: FCS 7048

Statutory Auditor

Deloitte Haskins & Sells LLP

CIN

L24210MH1958PLC011173

Registered Office

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Registrar & Share Transfer Agent

TSR Darashaw Consultants Private Limited
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Tel: +91-22-66568484
Fax: +91-22-66568494
Email ID: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in



Notice

NOTICE is hereby given that the 63rd Annual General Meeting of Bayer CropScience Limited will be held on Thursday, August 12, 2021 at 03:00 p.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Statement of Profit and Loss for the financial year ended March 31, 2021 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year ended March 31, 2021.
3. To appoint a Director in place of Dr. Thomas Hoffmann (DIN: 06485949), who retires by rotation and being eligible offers his candidature for re-appointment.

SPECIAL BUSINESS:

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

4. **Appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704) as the Non-Executive Independent Director of the Company:**

As an Ordinary Resolution:

"RESOLVED THAT Dr. Harsh Kumar Bhanwala (DIN: 06417704) who was appointed as an Additional Director of the Company with effect from February 12, 2021 by the Board of Directors and holds office up to the date of this Annual General Meeting under the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 153 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the name of Dr. Harsh Kumar Bhanwala as a candidate for the office of Director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board and

subject to the provisions of Sections 149, 150(2), 152(2), first proviso of Section 152(5) of the Act and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Dr. Harsh Kumar Bhanwala, who has submitted a declaration of independence under Section 149(6) of the Act and is eligible for appointment be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) consecutive years commencing from August 12, 2021 up to August 11, 2026.

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

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

5. **Appointment of Dr. Sara Boettiger (DIN: 09012747) as the Non-Executive Director of the Company:**

As an Ordinary Resolution:

"RESOLVED THAT Dr. Sara Boettiger (DIN: 09012747) who was appointed as an Additional Director of the Company with effect from February 12, 2021 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") read with Article 153 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the candidature of Dr. Sara Boettiger for the office of Director, be and is hereby appointed as the

Non-Executive Director of the Company, liable to retire by rotation.

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

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

As a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Pankaj Patel (DIN: 00131852) who holds office of Independent Director up to September 11, 2021 and who has submitted a declaration that he meets the criteria for Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the candidature of Mr. Pankaj Patel for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from September 12, 2021 up to September 11, 2026.

RESOLVED FURTHER THAT the Vice Chairman & Managing Director and Chief Executive Officer or the Executive Director and Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorised to sign

and file the prescribed forms, returns, documents, applications and deeds with all authorities including the Registrar of Companies, Maharashtra, along with the requisite fees in respect of the said appointment.”

**7. Ratification of Remuneration to Cost Auditor:
As an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. D. C. Dave & Co., Cost Accountants, having Firm Registration No. 000611, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company relating to “Insecticides” for the financial year ending March 31, 2022, being ₹ 0.59 million (Rupees point five nine million only) plus taxes as applicable and out of pocket expenses incurred in performance of their duties be and is hereby ratified and confirmed.

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

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical



- attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 4. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic means to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at www.bayer.in and website of BSE Limited at www.bseindia.com as well as on website of NSDL at www.evoting.nsdl.com.
 5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
 6. The Explanatory Statement pursuant to Section 102(1) of the Act is annexed hereto and forms part of this Notice.
 7. The details under Regulation 36(3) of the SEBI Listing Regulations including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force, in respect of Directors seeking approval for appointment/re-appointment at the Annual General Meeting, forms part of the annexure to this Notice.
 8. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 29, 2021 till Thursday, August 05, 2021 (both days inclusive).
 9. The final dividend of ₹ 25 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 63rd Annual General Meeting will be paid on or after Friday, August 20, 2021:
 - (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares as on Wednesday, July 28, 2021, after effecting the transfers lodged on that date which are valid and found to be in order;
 - (ii) in respect of shares held in dematerialised form, to the Beneficial Owners of the shares as at the close of business hours on Wednesday, July 28, 2021, as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
 10. In terms of the MCA Circular No. 20/2020 dated May 5, 2020, due to non-availability of complete details of the bank account, if the Company is unable to remit the final dividend electronically, the dividend warrants/ cheques/ Demand Drafts, shall upon normalisation of postal services and other entities involved, be despatched to such shareholders by post.
 11. Members are requested to direct all shares related correspondence to TCPL at the following address:

TSR Darashaw Consultants Private Limited ("TCPL"),
Unit : Bayer CropScience Limited,
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai - 400083
Tel: +91-22-66568484
Extn: 411 / 412 / 413
Fax: +91-22-66568494
E-mail ID: csg-unit@tcplindia.co.in
Website: <https://www.tcplindia.co.in>
 12. Members holding shares in physical form are requested to notify / send their request along with required supporting for the following to TCPL prior to Record Date i.e. Wednesday, July 28, 2021 in order to facilitate better service:
 - (i) any change in their address / mandate / bank account details;
 - (ii) particulars of their core bank account number in case the same have not been sent earlier;
 - (iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account;
 - (iv) update their PAN card details in case the same have not been sent earlier.



13. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank account details including their Core Banking Account No. MICR and IFS Code, nominations, power of attorney, change of address / name etc. to their Depository Participant only and not to the Company / TCPL. Changes intimated to the Depository Participant will be received through Depository by the Company/RTA on updation by the Depository Participant. This will help the Company and TCPL to provide efficient and better service to the members.
14. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. With effect from April 01, 2019, transfer of shares in physical form is disallowed. However, transmission and transposition of shares can be processed. Members can contact the Company or TCPL for assistance in this regard.
15. The Ministry of Corporate Affairs has vide notification dated September 05, 2016 brought into force certain provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") with effect from September 07, 2016 including amendments thereof. Pursuant to the provisions of Section 124 of the Act, the dividend which remains unclaimed / unpaid for a period of seven years from the date of the transfer to the unpaid dividend account of the Company is required to be transferred to the IEPF Account of the Central Government.
- Further, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Account within thirty days of such shares becoming due for transfer to IEPF.
- The members/claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim their shares or apply for refund by making an online application to the IEPF Authority in e-Form IEPF-5.
- Members are requested to claim all the unpaid/unclaimed dividend to avoid transfer of dividend or shares as the case may be to the IEPF Account and are requested to contact TCPL at csg-unit@tcplindia.co.in for claiming the dividend. The details of the unclaimed dividends are available on the Company's website at www.bayer.in and Ministry of Corporate Affairs website at www.mca.gov.in.
16. Members are requested to note, that dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education & Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
17. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") and bank account details by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to get their PAN details and bank details registered with their Depository Participants with whom they are maintaining their demat accounts.
- Members holding shares in physical form are requested to submit their PAN details and bank details to TCPL. The request should be submitted along with the self-certified copy of PAN and original cancelled cheque bearing the name of the shareholders as account holder.
18. As directed by SEBI, in case of failure to register the PAN and bank account details as aforesaid, any transaction in the securities of the Company shall be subject to enhanced due diligence by the Company/RTA, as may be prescribed. Also, it may be noted that issue of payment instruments without bank details may be disallowed.
19. Members can avail the facility of nomination in respect of physical shares held by them by sending their nomination in the prescribed form duly filled in to TCPL, quoting their respective Folio Nos., Certificate Nos. and Distinctive Nos.
20. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail



address alongwith details of name, address, Folio No. and number of shares held:

- (i) to TCPL, for shares held in physical form; and
- (ii) in respect of shares held in dematerialised form, also provide DP ID / Client ID with the above details and register the same with their respective Depository Participants.

21. Members, who wish to inspect the documents, as mentioned in this AGM Notice or as required under law, may write to the Company at ir_bcsl@bayer.com and the Company shall endeavour to provide inspection of documents by such Member.
22. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to shareholders at the prescribed rates (plus applicable surcharge and cess) as may be notified from time to time. The information regarding the applicability of TDS rate for various categories of shareholders and documentation required, is available under the Investor Section at www.bayer.in. The shareholders are requested to send all the necessary documents complete in all respect through e-mail at dividend.india@bayer.com on or before Wednesday, July 28, 2021 to enable the Company to deduct the correct TDS on the dividend payment.

A. VOTING THROUGH ELECTRONIC MEANS

1. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The remote e-voting period commences on Monday, August 09, 2021 (IST 9:00 a.m.) and ends on Wednesday, August 11, 2021 (IST 5:00 p.m.). During this period, members of the Company, holding shares either in physical form

or in dematerialised form, as on the cut-off date of Thursday, August 05, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

3. The Board of Directors has appointed Mr. Bhaskar Upadhyay (Membership No. FCS 8663/CP No. 9625), failing him Mr. Bharat Upadhyay (Membership No. FCS 5436/CP No. 4457) of N.L. Bhatia & Associates, Practicing Company Secretaries as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.
4. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
5. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
6. Any person, who acquires shares of the Company and becomes a Member of the Company after sending the Notice and holding shares as of the cut-off date, may obtain the login ID and Password by sending a request at evoting@nsdl.co.in. However, if the Member is already registered with NSDL for remote e-voting, then they can use their existing User ID and Password for casting the vote.
7. The details of the process and manner for remote e-voting are explained herein below:

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

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:

Step 1: Access to NSDL e-Voting system

A) Login method for remote e-Voting and joining virtual AGM for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDeAS facility</p> <p>If you are already registered for NSDL IDeAS facility, please follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If you are not registered for IDeAS e-Services, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1 to 5 above.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest, the user will also be able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile number & E-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective e-Voting Service Provider i.e. NSDL, where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once logged in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting Service Provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542/43

B) LOGIN METHOD FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.

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

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

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

Your User ID details are given below:

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

4. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing Password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.
 - c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. The Password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in



- physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail IDs are not registered.
5. If you are unable to retrieve or have not received the 'initial password' or have forgotten your Password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the Password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 7. Now, you will have to click on "Login" button.
 8. After you click on the "Login" button, Home page of e-Voting will open.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring User ID and Password:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to evoting@nsdl.co.in
2. In case shares are held in demat mode, please provide DP ID & Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to evoting@nsdl.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e. Login method for e-Voting and joining virtual AGM for Individual shareholders holding securities in demat mode.**

C) THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and Annual General Meeting is in active status.
 2. Select ""EVEN - 116309" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
 3. Now you are ready for e-Voting as the Voting page opens.
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.



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

D) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company i.e. 116309 will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members are requested to use internet with good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at ir_bcsl@bayer.com from Thursday, August 05, 2021 (IST 09:00 a.m.) to Monday, August 09, 2021 (IST 05:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the

number of speakers depending on the availability of time for the AGM.

General Guidelines for shareholders

- a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to bhaskar@nlba.in with a copy marked to evoting@nsdl.co.in.
- b) It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct Password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the Password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. In case of any grievances connected with the facility for e-voting, please contact Ms. Pallavi Dabke, Manager – NSDL at evoting@nsdl.co.in.

PROCESS FOR REGISTERING E-MAIL ADDRESSES TO RECEIVE THIS NOTICE OF AGM AND ANNUAL REPORT AS WELL AS CAST VOTES ELECTRONICALLY:

- **Registration of e-mail addresses with TCPL:** The Company has made special arrangements with TCPL for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to TCPL on or before 5:00 p.m. IST, Thursday, August 05, 2021. The link for registering e-mail ID is given herein:

Visit the link: https://tcpl.linkintime.co.in/EmailReg/Email_Register.html

- (i) Select the Name of the Company from dropdown i.e. Bayer CropScience Limited.



- (ii) Enter the DP ID & Client ID / Physical Folio Number, Name of the Member and PAN details. Members holding shares in physical form need to additionally enter one of the share certificate(s) number.
- (iii) Enter Mobile No. and E-mail ID and click on Continue button.
- (iv) System will send OTP on Mobile and E-mail ID.
- (v) Upload self-attested copy of PAN card and Address proof viz. AADHAAR Card, passport or front and back side of share certificate in case of Physical folio.
- (vi) Enter the OTP received on Mobile and E-mail Address.
- (vii) The system will then confirm the e-mail address as recorded for receiving this AGM Notice and Annual Report.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for 2020-21 along with the e-Voting User ID and Password. In case of any queries, Members may write to the following e-mail ID: csg-unit@tcplindia.co.in or evoting@nsdl.co.in.

- **Registration of e-mail address permanently with Company/DP:**

Members are requested to register the same with their concerned DPs, in respect of electronic holding and with TCPL, in respect of physical holding, by writing to them. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs / TCPL to enable servicing of notices / documents /

Annual Reports and other communications electronically to their e-mail address in future.

Other Instructions

1. A member may participate in the AGM even after exercising their right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
2. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
3. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting electronically for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
4. The Scrutiniser shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall make, not later than two days of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at www.bayer.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be forwarded to BSE Limited, Mumbai as per the stipulated timelines.

By Order of the Board of Directors

Nikunj Kumar Savaliya

Company Secretary & Compliance Officer
Membership No. FCS 7048

Thane, May 25, 2021

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



ANNEXURE TO NOTICE

Information on Directors seeking appointment/ re-appointment as required under Regulation 36(3) of the SEBI Listing Regulations:

Dr. Thomas Hoffmann (DIN: 06485949)

Dr. Thomas Hoffmann (Age: 50 years) who retires by rotation being eligible has offered his candidature for re-appointment.

Brief Profile:

Dr. Thomas Hoffmann joined Bayer AG in 2001 as a manager in Corporate Controlling. In 2003, he took over responsibilities in Corporate Accounting. In 2005, he moved to Tokyo as Head of Financial Reporting and later Head of Enterprise Accounting and Reporting for the Bayer Group in Japan. Thereafter, he returned to Bayer AG, Corporate Finance to take on the role of Head of Structured Finance from 2008 up to 2013. In February 2013, Dr. Hoffmann assumed the role of Chief Financial Officer, South Asia in Mumbai. After that, he moved to Shanghai in 2016 as Chief Financial Officer, Greater China. Dr. Hoffmann joined Bayer AG again as Head of Treasury as of September 2019. Dr. Hoffmann has studied Business Administration with specialisation in Finance & Controlling and Audit.

He does not hold any shares in the Company.

Dr. Sara Boettiger (DIN: 09012747)

Dr. Sara Boettiger (Age: 53 years) has been appointed as an Additional Director of the Company with effect from February 12, 2021. She holds office till the ensuing Annual General Meeting and being eligible, offers her candidature for appointment.

Brief Profile:

Dr. Sara Boettiger serves as Head of Public Affairs, Science & Sustainability for the Crop Science division of Bayer. In this role, she is a member of the Crop Science Executive Leadership Team and the Corporate Public Affairs, Science & Sustainability Leadership Team. Based in St. Louis, Missouri, Dr. Boettiger collaborates with key partners to identify solutions to the challenges faced by farmers and the environment, finds common ground with stakeholders and critics, and expands Bayer's sustainability efforts. Prior to joining Bayer, she was a Senior Advisor at McKinsey & Co. where she co-led the McKinsey Center for Agricultural Transformation. This included working with governments and companies to tackle global hunger and malnutrition, improve the lives of smallholder farmers, and address climate change. She has also worked for the Bill & Melinda Gates

Foundation. Dr. Boettiger has a Ph.D. in Agricultural and Resource Economics from the University of California, Berkeley.

She does not hold any shares in the Company.

Dr. Harsh Kumar Bhanwala (DIN: 06417704)

Dr. Harsh Kumar Bhanwala (Age: 59 years) has been appointed as an Additional Director of the Company with effect from February 12, 2021. He holds office till the ensuing Annual General Meeting and being eligible, offers his candidature for appointment.

Brief Profile:

Dr. Harsh Kumar Bhanwala is the Executive Chairman of Capital India Finance Limited, an India-focussed, integrated financial services company since August 2020. It is a listed company & categorised as a systemically important NBFC by RBI.

Dr. Bhanwala is also on the Board of Governors of Indian Institute of Management, Rohtak, a premier management institute of India. He is also an Independent Director on the governing board of Microfinance Industry Network. He is also heading the Technical Group appointed by SEBI on the Social Stock Exchange and a member of the Expert Committee on Primary (Urban) Co-operative Banks of RBI constituted in February 2021.

He is a Postgraduate in Management from Indian Institute of Management, Ahmedabad and holds Ph.D. in Management. He has been awarded honorary doctorate in Science by Tamil Nadu Agricultural University, Coimbatore, and Indian Council of Agricultural Research-Central Institute of Fisheries Education, Mumbai.

Prior to joining Capital India Finance Limited, he was the Chairman of National Bank for Agriculture and Rural Development (NABARD), which is the Apex Development Bank of the country, from December 18, 2013 to May 27, 2020.

Dr. Bhanwala was also the Vice Chairman of Asia-Pacific Rural and Agricultural Credit Association (APRACA). He guided many national level institutions as a member of their Boards. Notably, he was on the Board of the Deposit Insurance & Credit Guarantee



Corporation (DICGC), IRMA (Institute of Rural Management, Anand) and the National Institute of Bank Management, (NIBM) premier institutes of India. He also headed multiple subsidiaries of NABARD which target to reach the last mile through credit and advisory services.

He does not hold any shares in the Company.

As on May 25, 2021, Dr. Bhanwala is on the Board of the following listed company:

- Capital India Finance limited

Mr. Pankaj Patel (DIN: 00131852)

Mr. Pankaj Patel's (Age: 58 years) first term as an Independent Director expires on September 11, 2021. It is now proposed to extend his term as an Independent Director for a second term of five consecutive years commencing from September 12, 2021 up to September 11, 2026. Mr. Patel, being eligible for the second term offers his candidature for re-appointment.

Brief Profile:

Mr. Pankaj Patel is the Chairman of Zydus Cadila, an innovation-driven, global healthcare company. He combines both research and techno-commercial expertise. Mr. Patel is the Chairman of IIM, Udaipur and Member of the Board of Governors of IIM Ahmedabad, Invest India, Indian Institute of Foreign Trade (IIFT) and other education institutes and universities. He is the Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre.

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

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

the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category.

He does not hold any shares in the Company.

As on May 25, 2021, Mr. Pankaj Patel is on the Board of the following listed companies:

- Cadila Healthcare Limited
- Torrent Power Limited

The Following Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 sets out all Material Facts Relating to the Business Mentioned in Item No. 4 to item No. 7 in the Accompanying Notice:

Item No. 4:

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee had appointed Dr. Harsh Kumar Bhanwala (DIN: 06417704) as an Additional Director with effect from February 12, 2021 and as a Non-Executive Independent Director subject to the approval of the members. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 153 of the Articles of Association of the Company, Dr. Bhanwala holds office of Director up to the date of this Annual General Meeting and is eligible for appointment as a Director. A notice in writing under Section 160 of the Act has been received from a member signifying the intention to propose the name of Dr. Bhanwala as a candidate for the office of Director.

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

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

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



The Board of Directors recommend the Ordinary Resolution in relation to the appointment of Dr. Harsh Kumar Bhanwala as a Non-Executive Independent Director of the Company for a period of five (5) years commencing from August 12, 2021 up to August 11, 2026 and not liable to retire by rotation.

Except Dr. Bhanwala, none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution as set out in Item No. 4.

Item No. 5:

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee of the Company had appointed Dr. Sara Boettiger (DIN: 09012747) as an Additional Director of the Company with effect from February 12, 2021. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 153 of the Articles of Association of the Company, Dr. Sara Boettiger holds office of Director upto the date of this Annual General Meeting and is eligible for appointment as a Director. The Company has received a notice in writing under Section 160 of the Act from a member signifying the intention to propose the name of Dr. Sara Boettiger as a candidate for the office of Director.

The Board of Directors recommend the Ordinary Resolution in relation to the appointment of Dr. Sara Boettiger as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

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

Item No. 6:

Mr. Pankaj Patel (DIN: 00131852) was appointed as a Non-Executive Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") by the shareholders at the 58th Annual General Meeting held on September 12, 2016 to hold office up to September 11, 2021 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee after taking into account the performance evaluation and considering the knowledge, experience, acumen and expertise of Mr. Patel and the substantial contribution made by Mr. Patel during his tenure as an Independent Director since his appointment, has recommended to

the Board that continued association of Mr. Patel would be in the interest of the Company. Based on the above, the Nomination and Remuneration Committee and the Board has recommended the re-appointment of Mr. Pankaj Patel as the Non-Executive Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from September 12, 2021 up to September 11, 2026 and not liable to retire by rotation.

The Company has received a notice in writing under Section 160 of the Act from a member proposing the candidature of Mr. Patel for his re-appointment for the office of Non-Executive Independent Director.

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

A copy of the draft letter of appointment being issued to Mr. Patel setting out the terms and conditions of his re-appointment as an Independent Director will be available for inspection by the members as stated in point 21 of the Notes given above.

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

The Board of Directors recommend the Special Resolution in relation to the re-appointment of Mr. Pankaj Patel as a Non-Executive Independent Director of the Company.

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

Item No. 7:

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. D.C. Dave & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for "Insecticides" for the financial year ending March 31, 2022 for a remuneration of ₹ 0.59 million (Rupees point five nine million) plus taxes



as applicable and out of pocket expenses incurred by them for the purpose of audit for the financial year 2021-22. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditor will be available for inspection by the members as stated in point 21 of the Notes given above.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members

of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

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

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the passing of this resolution as set out in Item No. 7.

By Order of the Board of Directors

Nikunj Kumar Savaliya

Company Secretary & Compliance Officer
Membership No. FCS 7048

Thane, May 25, 2021

Registered Office:
Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) - 400607
CIN: L24210MH1958PLC011173

Directors' Report

Dear Members,

The Board of Directors are pleased to present the Company's 63rd Annual Report on business and operations, together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2021.

Financial Performance:

(₹ in Million)

Particulars	2020-21	2019-20
Revenue from Operations	42,613	36,094
Other Income	638	660
Total Income	43,251	36,754
Profit before Finance Costs, Depreciation and Taxation	8,755	7,924
(Less) : Finance Costs	(126)	(138)
(Less) : Depreciation and Amortisation Expense	(735)	(653)
Profit Before Tax and Exceptional Item	7,894	7,133
(Less) : Exceptional Items [#]	(51)	(1,302)
Profit Before Tax	7,945	5,831
(Less) : Tax Expense	(3,014)	(1,086)
Profit for the year	4,931	4,745
(Less) : Other Comprehensive Income	(16)	(182)
Total Comprehensive Income for the year	4,947	4,563
Add : Retained Earnings at the beginning of the year	21,898	18,897
Amount available for Appropriation	26,845	23,460
Appropriations:		
Dividend declared	1,124	1,016
Dividend Distribution Tax	-	216
Transfer to General Reserve	456	330
Interim Dividend	4,045	-

[#] Exceptional items consist of i) Expense in relation to/ (reversal of provision for) separation of employees arising from restructuring measures due to amalgamation of Monsanto India Limited with Bayer CropScience Limited and Bayer 2022 global efficiency programme.

Dividend

In line with the Dividend Distribution Policy, the Board of Directors have recommended Final Dividend of ₹25 per Equity Share of ₹10 each amounting to ₹1,124 million for the financial year ended March 31, 2021. The Final Dividend is subject to approval of the members at the ensuing Annual General Meeting of the Company. Further, an Interim Dividend of ₹90 per Equity Share of ₹10 each amounting to ₹4,045 million as recommended by the Board of Directors was paid on July 10, 2020.

The total Dividend for the financial year 2020-21, including the proposed Final Dividend, amounts to ₹115 per Equity Share.

The Register of Members will remain closed from Thursday, July 29, 2021 till Thursday, August 05, 2021 (both days inclusive).

Insurance

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



covered against the risk of loss of life, hospitalisation and personal accident.

Foreign Exchange Management

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

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

Directors' Responsibility Statement

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. appropriate accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the financial year ended March 31, 2021;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and

6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

COVID-19 Update

The world at large, including India, is still grappling with the COVID-19 pandemic and BCSL, as a responsible corporate citizen, is doing its bit in curtailing the spread of the deadly virus by ensuring that all its sites and locations, across India, strictly adhere to the COVID-19 safety protocols. With the objective to enhance the health and well-being of BCSL's most valuable resource i.e. employees, the Company has undertaken various initiatives and conducted several virtual sessions, aimed at increasing the awareness towards the safety precautions as well as building behavioural changes, so that our employees act as safety ambassadors for their immediate family and society at large.

Over the period under review, BCSL has adopted various measures to serve the basic needs of people and help them fight against the COVID-19 pandemic around the globe. The Company catered to production and supply of agri-inputs including seeds, crop-protection and advisory, and provided immediate assistance for smallholder farmers across India through its 'Better Farms, Better Lives' initiative. Other than this, its CSE initiatives in India focussed on protecting health by distributing masks, PPE kits and other medical supplies to frontline healthcare workers, doctors, farmers and local communities. The Company also partnered with the Government of Maharashtra and provided it with financial aid for the development of a digital tool for assessment and overall management of the pandemic.

During the year, the Company received an award from Grant Thornton Bharat SABERA 2020, under the category 'Responsible Business of the Year'. The award acknowledges BCSL's commitment towards sustainable development, being inclusive, ethical, transparent, and effectively engaging with stakeholders in the Company's CSE efforts to fight COVID-19.

Health, Safety & Environment

BCSL cares for the environment and the safety, health and well-being of people, whether they are employees, contractors, visitors or neighbours around its sites. The Company aims to enable safe and healthy workplaces and to protect people and environment, at the same time, ensuring responsible use of resources to support sustainable corporate growth. At the core of BCSL's Health, Safety & Environment



(HSE) programmes is 'Hazard Identification and Risk Assessment', which is conducted for all kinds of routine and non-routine manufacturing activities with an objective to eliminate or mitigate all occupational safety and process risks. Adequate controls are then implemented and monitoring mechanisms are put in place for effective control of risks.

The Company's major sites are certified by various HSE Management Systems as follows:

- ISO 14001:2015 Environmental Management System: Himatnagar active ingredient formulation, filling & packing (FFP) site; Silvassa FFP site and Shamirpet (Hyderabad) corn seeds processing site
- OHSAS 18001:2007 Occupational Health & Safety Management System: Silvassa glyphosate herbicide formulation site and Shamirpet corn seeds processing site
- ISO 45001:2018 Occupational Health and Safety Management System: Bengaluru R&D breeding site

By implementing these management systems, BCSL's sites foster a culture of continual improvement using the PDCA model (Plan-Do-Check-Act), in collaboration with internal and external stakeholders.

Led by the objective to create awareness amongst employees and to engage them with BCSL's HSE programmes, the World Environment Day, National Safety Week, Road Safety Week and Bayer Safety Day are celebrated across the Company. In addition, BCSL imparts all the required onsite training and defensive driver training to ensure employee safety, when at sites and on the road. The Company also ensures safe operations in its value chain by periodically reviewing its warehouses, suppliers and contract manufacturers.

Corporate Societal Engagement

At BCSL, science and innovation are at the heart of every process and endeavour. With a history of more than a century in India and core competencies in the areas of healthcare and agriculture, the Company provides solutions to some of the world's most pressing challenges. Its corporate charitable giving to partners helps drive positive societal change supporting BCSL's purpose "Science for a better life" and fuelling its vision "Health for all, Hunger for none", particularly contributing towards its global ambitious sustainability goals, which are aligned with the United Nations

Sustainable Development Goals, such as combating hunger and providing health care; empowering women; redoubling efforts to reduce greenhouse gases; and tackling the impacts of climate change.

The programmes under BCSL's Corporate Societal Engagement (CSE) function are aligned with its global objectives and adopt a long-term, well planned, multi-stakeholder participatory approach which results in creating a measurable impact on targeted communities.

Business Responsibility Reporting

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

Human Resources

BCSL follows a people-centric philosophy, with its employees at the core of its business and growth strategy, facilitating them with adequate opportunities for knowledge enhancement and skill development. Led by the Company's core values of "LIFE" (Leadership, Integrity, Flexibility and Efficiency), the Company continually strives to provide fair treatment at workplace, a transparent and equitable compensation system, flexible work timings, coupled with a positive work environment which encourages the employees to unleash their potential, deliver best performance and enhances their health and well-being.

The Company's Human Resource Policy is centred around the progressive growth of its employees through active engagement, professional trainings and an open environment for performance assessment and feedbacks. This, in alignment with Group's global human resources strategy, strengthens the Company in its objective of providing secure employment & stable incomes, thereby encouraging social cohesion, which enables it to retain the best employees in the Company.

Measuring Employee Satisfaction:

To map the employee satisfaction levels, BCSL has in place a system of institutionalised feedback discussions and Employee Surveys, which enables it to monitor the effectiveness of its initiatives and



accordingly improvise. To capture the sentiments of the employees during the integration phase, the Company conducted quarterly pulse surveys in the third quarter of the financial year which showed an engagement of 84%.

Fostering Growth:

At the heart of the Company's HR Policy is its focus on attracting, developing, and retaining the best managers and employees, and providing them with wide-ranging career opportunities. To strengthen the Talent Attraction efforts of the Company, it has now implemented a technology platform which provides a state-of-the-art experience to the talents, while they apply for positions in BCSL. Cognisant of the significant role played by Artificial Intelligence in the Talent Attraction efforts, the Company has also invested in an Artificial Intelligence platform which enables it to proactively reach out to candidates who can be looked at for the current as well as future career opportunities within the Company.

In today's age and in the new normal, growth will be characterised by learning. Fully aware of this, BCSL has launched a portal which brings a variety of learning tools at the fingertips of employees and allows them to decide on a topic and learn more about it through concepts, video, 2-minute read etc. The Company, this year, also launched a global mentoring tool, where employees can nominate themselves as mentors and mentees and build their perspectives by leveraging the strength of this global multi-cultural network.

In a constant endeavour to build on people's capabilities, two blended learning programmes, ACE and STEP UP, were also launched for the commercial teams. Virtual master classes were organised for these programmes, providing bit-sized learning content through an application, to ensure that the sales team remains engaged in the learning process throughout the duration of the course, with the flexibility to learn anytime, at any place.

Equal Opportunities:

The Company nurtures its internal talent, providing them with equal opportunities to growth, through a transparent and globally accessible platform of advertising job roles, right up to the Management level. The platform lists down the available job roles across domestic and international locations, facilitating the employees to undertake international assignments and enjoy greater exposure. The Company continues

to focus on women talent and has hired almost 28% women amongst the new hires.

Attractive Working Conditions:

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

In the last year, the Company paid special attention to welfare during the pandemic and various measures were undertaken to support employees. Measures like enhanced insurance cover, Resilience workshops for Mental Health, delivering masks at employee's residences, celebrating Bayer COVID-19 Heroes, COVID-19 pulse surveys, infrastructure assistance for work from home, frequent leadership connect etc. were based on providing care with empathy and were widely appreciated by the employees.

Awards & Recognition:

The Company has been recognised, for the fourth time in row, as Best Employer by Kincentric, based on a study backed with engagement research of multiple organisations. The study methodology involved a long rigorous process, vetted by a panel of external, independent jury members, representing eminent business leaders and academicians. The Company has also once again featured in the 100 Best Companies for Women in India. The Employers Federation of India also recognised the Company by conferring the National Award for Excellence in Employee Relations. Internally, the Company received the Crop Science Global Inclusion and Diversity Award for its 'Gender Smart Agriculture'.



Proposed Divestment of Environmental Science Business

As a part of a global organisational transformational strategy, Bayer AG plans to globally divest its Environmental Science Professional business. With this planned divestment, the CropScience division will be able to sharpen its focus on its core agricultural business, accelerate its strategy implementation and allow Environmental Science Business to find the growth resources it needs under new ownership.

Bayer AG will seek an acquirer who shares the Company's vision of creating an independent, sustainable, industry leader and who is committed to the long-term growth and success of Environmental Science. In this set-up, Environmental Science would be able to accelerate its innovation engine, bringing new chemistries, knowledge and stewardship, as well as digital and data-enabled solutions to our customers.

The announcement will not have any immediate impact on our business continuity globally, including in India and South Asia. Business continuity for the Environmental Science business and commitment to our customers and stakeholders remains our key priority. Bayer AG will work hard to identify an acquirer who will provide long-term growth opportunities for our business, employees and shares our commitment to building strong, lasting relationships with our stakeholders.

Update on Tax Litigation - VSV

In respect of certain past years, with a view to give certainty and effectively close long-pending disputes and litigations under the Income Tax Act, 1961, the Company had filed an application under The Direct Tax Vivad Se Vishwas Act, 2020 ("VSV Act") and related rules. Consequent to the tax authority's order under VSV Act in December 2020, the Board at its Meeting held on February 11, 2021 decided to accept the order passed under the VSV Act and recognised an additional tax expense of ₹ 1,272 million (net) for the quarter and nine months ended December 31, 2020.

Board of Directors

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have made the following appointments/re-appointments during the year under review:

- Dr. Sara Boettiger was appointed as an Additional Non-Executive Non-Independent Director with effect from February 12, 2021.

- Dr. Harsh Kumar Bhanwala was appointed as an Additional Non-Executive Independent Director with effect from February 12, 2021.
- Mr. Pankaj Patel was re-appointed as a Non-Executive Independent Director for a second term of five consecutive years.

The said appointments shall be subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company.

In accordance with the provisions of Section 161 of the Act, Dr. Boettiger and Dr. Bhanwala shall hold office up to the date of the forthcoming Annual General Meeting of the Company and being eligible, offer their candidature for appointment as Director of the Company.

Mr. Pankaj Patel's first term of appointment as a Non-Executive Independent Director concludes on September 11, 2021 and is eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. BCSL has sought the approval of all shareholders for Dr. Boettiger's appointment as Non-Executive Non-Independent Director, Dr. Bhanwala's appointment as Non-Executive Independent Director for a term of five consecutive years and Mr. Pankaj Patel's re-appointment as Non-Executive Independent Director for a second term of five consecutive years.

At the forthcoming 63rd Annual General Meeting (AGM) of the Company and in accordance with the applicable provisions of the Act, Dr. Thomas Hoffmann, Non-Executive Non-Independent Director retires by rotation and being eligible offers his candidature for re-appointment as Director of the Company.

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

In accordance with the provisions of Section 149(7) of the Act, Mr. Pankaj Patel, Ms. Ketaki Bhagwati, Mr. Sekhar Natarajan and Dr. Harsh Kumar Bhanwala, the Independent Directors of the Company as on March 31, 2021 have given their declarations to the Board that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended.



Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are Mr. Duraiswami Narain, Managing Director & Chief Executive Officer, Mr. Rolf Hoffmann, Executive Director & Chief Financial Officer and Mr. Nikunj Kumar Savaliya, Company Secretary.

Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and ensuring adherence to the Corporate Governance requirements, as set out by the Securities and Exchange Board of India (SEBI). As required by Regulation 24 of the SEBI Listing Regulations, a detailed Corporate Governance Report is annexed to this Report. The Company is in full compliance with the requirements and disclosures that must be made in this regard. A Certificate from a Company Secretary in whole-time practice, confirming compliance of the Corporate Governance requirements by the Company, is annexed with the Corporate Governance Report. A Certificate of Corporate Governance from the Chief Executive Officer and Chief Financial Officer of the Company, in terms of the SEBI Listing Regulations, inter alia confirming the correctness of the financial statements and cash flow statements, as well as adequacy of Internal Control Measures of the Company, also forms a part of the Corporate Governance Report.

Meetings of the Board

During the financial year 2020-21, six Board Meetings were convened and held. The details of the same are given in the Corporate Governance Report.

Audit Committee

During the financial year 2020-21, five Audit Committee Meetings were convened and held. The composition of the Audit Committee is given in the Corporate Governance Report. The Board accepted all the recommendations made by the Audit Committee.

Board Evaluation

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

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

Consolidated Policy - Nomination and Remuneration, Board Diversity & Performance Evaluation

During the year under review, the Board reviewed the existing policy on Nomination & Remuneration and Performance Evaluation and adopted a Consolidated Policy for Nomination & Remuneration, Board Diversity and Performance Evaluation, thereby making the policy more comprehensive. The said Consolidated Policy lays down the criteria for each of the responsibilities of the Nomination and Remuneration Committee ("NRC"). The NRC shall be guided by the said Consolidated Policy while discharging its duties on behalf of the Company. The Consolidated Policy is framed in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The detailed Consolidated Policy is available on the Company's website at www.bayer.in.

Whistle Blower Policy (Vigil Mechanism)

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



www.convercent.com/report for reporting such concerns. The Corporate Compliance Team addresses the whistle blower complaints and presents the status of such complaints at the Audit Committee meetings held on a quarterly basis.

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

Code of Conduct

The Company has in place a Code of Conduct ("Code") which is applicable to the members of the Board and Senior Management of Company. The Code lays down the standard of conduct expected to be followed by the Directors and Senior Management in their business dealings, and on matters relating to integrity in the workplace, dealings with stakeholders, and in business practices. This Code is intended to provide guidance to the Board of Directors and Senior Management of the Company to manage the affairs of the Company in an ethical manner and is formulated in accordance with the requirements of Companies Act, 2013 and SEBI Listing Regulations. During the year under review, the Board has reviewed and updated the Code for Board and Senior Management during its meeting held on February 11, 2021.

All the Board Members and the Senior Management employees have confirmed compliance with the Code.

Risk Management Policy

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

The policy covers the following key aspects:

- Overview of risk management;
- Roles and responsibilities of the Board of Directors, Audit Committee and other key managerial personnel of the Company with regards to risk management;
- Structure for identification, escalation and minimisation of risks; and
- Procedure for risk identification, escalation and minimisation of risks.

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

Dividend Distribution Policy

The Company has formulated its Dividend Distribution Policy based on the parameters laid down by SEBI Listing Regulations. The same is enclosed in Annexure "G" to the Directors' Report, and the same is also available on the Company's website at www.bayer.in.

Corporate Social Responsibility Policy

A brief outline of the Corporate Social Responsibility ("CSR") Policy, and the initiatives undertaken by the Company on CSR activities during 2020-21, is set out in Annexure "A" to the Directors' Report. The CSR Policy is uploaded on the Company's website at www.bayer.in.

Internal Control Systems

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

Internal Financial Controls

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

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

The information as prescribed under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out as Annexure "E" to the Directors' Report. However, as per the proviso to Rule 5, the Directors' Report and the Financial Statements of the financial year ended March 31, 2021 of the Company are being sent to the members, excluding the statement giving



particulars of employees under Section 197(12). Any member interested in obtaining a copy of such statement may write to the Company Secretary at the Registered Office of the Company.

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

The information as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo related matters is enclosed as Annexure “B” to the Directors’ Report.

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

During the financial year ended March 31, 2021, the Company did not give any loan, guarantee or provided security in connection with any loan to any group company.

Related Party Transactions

In accordance with the relevant provisions of the Companies Act, 2013 and rules framed thereunder, as well as Regulation 23 of the SEBI Listing Regulations, the Company has in place a Related Party Transaction Policy. All the transactions entered with related parties during the year are in accordance with the Related Party Transaction Policy and are in the ordinary course of business & at arm’s length. During the year under review, the Board reviewed the Related Party Transaction Policy as per the SEBI Listing Regulations and made relevant changes to bring it in line with the various amendments brought in during the last few years.

Information on transactions entered with the related parties pursuant to Section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, as prescribed in Form AOC -2 for the financial year ended March 31, 2021, are given under Annexure “C” to the Directors’ Report.

Prevention of Sexual Harassment at Workplace

The Company has a policy on Prevention of Sexual Harassment at Workplace to ensure a harassment-free workspace. Sexual harassment cases are dealt as per the Prevention of Sexual Harassment Policy and Internal Committees (IC) have been set up by the Company to redress such complaints. This Policy is applicable to all its employees (permanent, contractual, temporary and trainees).

During the financial year 2020-21, a Web Based Training (“WBT”) on Prevention of Sexual Harassment based on the local legislation of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 was extended to all employees (including IC members) of the Company. Further, a global WBT on the topic of sexual harassment and how to report non-compliance was also available for employees of the Company.

The following is a summary of sexual harassment complaints received and disposed off during financial year 2020-21:

Particulars	Details
Number of complaints pending as at the beginning of the financial year	Nil
Number of complaints filed during the financial year	1
Number of complaints disposed during the financial year	1
Number of complaints pending as at the end of the financial year	Nil

Extract of Annual Return

The details forming part of the extract of the Annual Return of the Company in Form MGT 9, for the financial year ended March 31, 2021, as per the provisions of Section 92 of the Act, is enclosed as Annexure “D” to the Directors’ Report. The same is available on the Company’s website at www.bayer.in.

Compliance with Secretarial Standards

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

Reporting of Frauds by Auditors

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

Management Discussion & Analysis Report

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



Cost Audit

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of 'Insecticides' are required to be audited. The Directors have, on the recommendation of the Audit Committee, appointed M/s. D.C. Dave & Co. to audit the cost accounts of the Company pertaining to 'Insecticides' for the financial year ending March 31, 2022. As required under the provisions of the Act, the remuneration payable to the Cost Auditor is to be placed before the Members in the Annual General Meeting for ratification. Accordingly, a resolution for seeking members' ratification for the remuneration payable to M/s. D.C. Dave & Co. is included at Item No. 7 of the Notice convening the Annual General Meeting.

Statutory Auditors

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

For the year ended March 31, 2021, the Company paid a consolidated sum of ₹ 11 Million to the Statutory Auditors and all their entities.

Ahmedabad, May 25, 2021

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. BNP & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ending March 31, 2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is enclosed as Annexure "F" to this Directors' Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India.

Acknowledgements

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

For and on behalf of the Board of Directors

Pankaj Patel

Chairman

(DIN: 00131852)



ANNEXURE “A”

Annual Report on Corporate Social Responsibility (CSR) Activities**1. Brief outline on CSR Policy of the Company:**

As a leader in the agriculture sector, we have the opportunity and the responsibility to shape agriculture through breakthrough innovation for the benefit of farmers, consumers, and our planet. With our innovative products, we are contributing to finding solutions to some of the major challenges of our time.

As with our business operations, our social commitment is based on innovation and pioneering spirit, and our CSR initiatives are aligned to the UN Sustainable Development Goals (SDGs) in the areas of nutrition and healthcare.

The CSR initiatives of the Company are guided by the vision of “Health for All, Hunger for None” and fuelled by the purpose “Science for a better life” and pursues a long-term, well-planned, multi-stakeholder participatory approach resulting in a measurable impact on targeted communities. The three value pillars that contribute to the vision are: Improving Lives, Sustainable Development & Partnerships.

Our CSR initiatives focus primarily on the following thematic areas:

- Fostering Rural Development by promoting alternate livelihoods, empowering women entrepreneurs, and strengthening and nurturing Farmer Producer Organizations (FPO)
- Preventive Health Care by enabling access to medical services and specialty health care systems using technology, and strengthening community awareness on health, hygiene, and nutrition
- Fostering Community Engagement with a focus on education in and around our areas of operation

2. Composition of CSR Committee as on March 31, 2021:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Duraiswami Narain, Chairman	Managing Director & CEO	2	2
2.	Mr. Pankaj Patel, Member	Non-Executive Independent Director	2	2
3.	Ms. Ketaki Bhagwati, Member	Non-Executive Independent Director	2	2
4.	Mr. Rolf Hoffmann, Member	Executive Director & CFO	2	2

3. The Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company and is available at www.bayer.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL
6. Average net profit of the Company as per Section 135(5): ₹ 4,520 Million
7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 100.98 Million
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
(c) Amount required to be set off for the financial year, if any: NIL
(d) Total CSR obligation for the financial year [7(a)+7(b)-7(c)]: ₹ 100.98 Million
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Million)	Amount Unspent (₹ in Million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
101.34	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project (in years) State District	Project duration (in years)	Amount allocated for the project (₹ in Million)	Amount spent in the current financial year (₹ in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1.	Prevention of drought and alleviation of farmer distress	CSR activity, under item (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Maharashtra, Punjab Pune, Ropar & Bhatinda	5	33.96	15.75	0	No	Bayer Foundation India* CSR00000641



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project (in years)		Project duration (in years)	Amount allocated for the project (₹ in Million)	Amount spent in the current financial year (₹ in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
2.	Bayer Fellowship Program	CSR Activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Assam, Andhra Pradesh, Maharashtra	Jorhat, Guntur, Rahuri	6	40.69	2.03	0	No	Assam Agriculture University, Acharya N. G. Ranga Agricultural University, Mahatma Phule Krishi Vidyapeeth. CSR 1 Registration Number - In Process	
3.	Future Agriculture Leaders of India (FALI)	CSR Activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Maharashtra, Gujarat	Pune, Satara, Kolhapur, Sangli, Ahmadnagar, Solapur, Raigad, Jalgaon, Nashik, Aurangabad, Dhule, Bhandara, Amrawati, Nagpur, Yawatmal, Beed, Buldhana, Nandurbar, Sabarkantha, Aravalli, Banaskantha	5	15.5	4.2	0	No	Gandhi Research Foundation CSR 1 Registration Number - In Process	
4.	Rural Development Programme - Healthcare	CSR activity, under item (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	No	Madhya Pradesh	Sheopur	2	10.12	4.3	0	No	Bayer Foundation India* CSR00000641	
Total							100.27	26.28	0	--	--	

*formerly known as Bayer Prayas Association



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	State	District	Amount spent for the project (₹ in Million)	Mode of implementation - Direct (Yes/No)	Name	CSR registration number
1.	COVID-19 Relief	CSR activity under item (i) Promoting healthcare, preventive healthcare & sanitation; (xii) Disaster Management	No	Pan India		37.69	No	Bayer Foundation India*	CSR00000641
2.	COVID-19 Relief	CSR activity under item (i) Promoting healthcare, preventive healthcare & sanitation; (xii) Disaster Management	No	Pan India		13.3	No	PM CARES Fund	-
3.	COVID-19 Relief	CSR activity under item (i) Promoting healthcare, preventive healthcare & sanitation; (xii) Disaster Management	No	Pan India		6.79	Yes	Direct Implementation	Direct Implementation
4.	PM Scholarship	CSR Activity, under item (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Karnataka	Bangalore	0.68	No	CII	-
5.	Rural Development initiatives focus on FPOs	CSR Activity, under item (x) Rural Development Programmes	No	Maharashtra	Dhule, Nandurbar, Pune	14.71	No	Bayer Foundation India*	CSR00000641
6.	Rural Development initiatives	CSR Activity, under item (x) Rural Development Programmes	No	Madhya Pradesh and Maharashtra	Sheopur, Nandurbar, Dhule, Pune	1.89	No	Bayer Foundation India*	CSR00000641
Total						75.06			

*formerly known as Bayer Prayas Association



- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year [8(b)+8(c)+8(d)+8(e)]: ₹ 101.34 Million
- (g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (₹ in Million)
(i)	Two percent of average net profit of the Company as per Section 135(5)	100.98
(ii)	Total amount spent for the Financial Year	101.34
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.36
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-*

*The Company is not setting off the excess amount of ₹ 0.36 Million in succeeding financial years.

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2017-18			Nil*			
2.	2018-19			Nil (No Unspent CSR Amount)			
3.	2019-20			Nil (No Unspent CSR Amount)			
Total							

*in 2017-18 ₹ 20.44 Million had remained unspent. The CSR amendments for transfer of unspent CSR amount to specific funds were made effective from January 22, 2021 and hence the unspent amount in 2017-18 is not transferred to any fund.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration (in years)	(6) Total amount allocated for the project (₹ in Million)	(7) Amount spent on the project in the reporting Financial Year (₹ in Million)	(8) Cumulative amount spent at the end of reporting Financial Year (₹ in Million)	(9) Status of the project - Completed / Ongoing
1.	201920-001	Prevention of Drought and alleviation of farmer distress	2019-20	5	33.96	15.75	33.96	Ongoing
2.	201516-001	Bayer Fellowship Program	2015-16	6	40.69	2.03	40.69	Completed
3.	201617-001	Future Agriculture Leaders of India (FALI)	2016-17	5	15.5	4.2	15.5	Ongoing
4.	201920-002	Rural Development Programme - Healthcare	2019-20	2	10.12	4.3	10.12	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :

- Date of creation or acquisition of the capital asset(s) : Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable.

For and on behalf of the CSR Committee

Duraiswami Narain

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

Pankaj Patel

Member – CSR Committee and
 Chairman of Board
 (DIN: 00131852)
 Ahmedabad, India

May 25, 2021

ANNEXURE “B”

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors’ Report for the financial year ended March 31, 2021.

I. Conservation of Energy

(a) Energy conservation measures at plants located across India:

- Developed parallel milling concept to reduce batch cycle time for SC and OD product, which resulted in reduction in energy consumption (Himmatnagar)
- Tree plantation done around the Silvassa Plant with an aim to preserve the environment by promoting sustainability initiatives (Silvassa)
- Bio Blocks (small balls containing bacteria that feeds on uric acids) to make urinals maintenance free (Shamirpet)
- Solar tubes for roof tops which provides free power for daytime lighting in office space thereby saving 2 KW per day (Shamirpet); and
- Implemented 100% drip irrigation system across plant for gardening and installed occupancy sensors in office spaces and conference halls, leading to reduced power utilisation (Shamirpet).

(b) Capital Investments on Energy/Water conservation equipment:

- Replaced Air Conditioner with 5 star rated inverter Air Conditioner – ₹ 0.3 Million
- Heat recovery system – ₹ 0.3 Million
- Replaced old water chillers with high efficiency trane chiller which helps in reducing energy consumption – ₹ 5 Million
- Replaced diesel operated forklift with battery operated ones – ₹ 2 Million
- Enhanced use of sustainable energy resources which helps in reducing electricity consumption from grid. Silvassa site generates 10% of total electricity requirement through solar – ₹1 Million

- Solar Tubes & Drip Irrigation – ₹ 1.1 Million
- Bio Blocks and Occupancy sensors – ₹ 0.08 Million

II. Technology Absorption

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

1. Specific Areas:

As a leader in Innovation and Excellence, BCSL continues to provide novel, innovative and effective crop protection products and solutions, greatly benefiting the Indian farming community, to keep pace with the dynamic scenario and enhance food productivity. The Company is also carrying out research activity for development and introduction of new products in the area of Public Health for vector control to prevent dreaded diseases like malaria, dengue etc. and for household hygiene purpose. As a part of ongoing research and development activities, the Company is evaluating in India, the feasibility of a number of early phase compounds which are under global development, with the prospect of introduction of some promising compounds in future. Further, new molecules and mixtures are also being evaluated for use in variety of agricultural and horticultural crops, covering a wide spectrum of pest and disease segments and Public Health and Hygiene purposes, to assess the suitability of product for marketing business.

Crop Protection:

During the year under review, the Company conducted 752 field research trials in 27 crops, including major field crops and horticultural crops, for evaluation of more than 50 products for their suitability under Indian conditions. These trials are with early stage chemicals, along with biologics, plant growth regulator and nutrient complex, which will help in effective management of insects, nematodes, diseases and weeds, and in securing higher yields in the coming years. The outcome from these research trials and development activity will help us to provide new solutions to the



farmers for managing different emerging pests and diseases that are the major cause of yield loss for them.

The Company has successfully secured key registration and launched the product 'Fenos Quick' (Flubendiamide 90 + Deltamethrin 60 SC) dual mode of action for the management of insect pests. The product is recommended as a foliar spray for the control of pod borers in Chickpea and Cucumber, and beetle and fruit fly in Cucumber. The product provides affordable modern pest management solution and is relatively safe with ease of application.

The Company has also successfully launched the newly registered product 'Buonos 430 SC' (Tebuconazole 430 SC), a high performance, broad spectrum, system fungicide formulation. The product ensures sustainable and long-standing management of yellow rust and powdery mildew diseases in Wheat and leafspot disease in Cabbage, with improved efficacy and higher yield.

The above two products launched are specially designed innovative formulations, Suspension Concentrate (SC), manufactured in the state of the art manufacturing facility of the Company.

BCSL was also successful in obtaining approvals for extending the use of existing products: 'Movento 150 OD' against insect pests of Grape, 'Lesenta 80 WG' against insect pests of Groundnut, 'Jump 80 WG' against insect pests of Chilli, and 'Decis 100 EC' against insect pests of Onion.

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

Further, in order to continue to provide innovative and effective solutions to the farmers, the Company has submitted applications for registration of an innovative fungicide and a herbicide product. The fungicide product will help Indian farmers in the management of fungal diseases in key crops like Rice, Chilli and Onion and the new herbicide product will help in effective weed management in direct, seeded and transplanted Rice.

Besides this, 21 new applications for label extensions of existing key products were submitted for approval on various crops like Rice, Tomato, Onion, Chilli, Cotton, Soybean, Grape, Cucumber, Cumin, Green peas, Apple, Citrus and Coffee.

With the focus on improving productivity, quality and return on investment of farmers, the Company is developing total package solution from 'seed to harvest' in key agriculture and horticulture crops like Rice, Cotton, fresh Fruits and Vegetables. The Company continuously provides guidance and inputs to farming community on safe and judicious use of pesticides through various Stewardship and Sustainable Agriculture Projects. The Company also supports a helpline dedicated to the farming community with the aim to help them seek clarifications on appropriate use of its products.

Environmental Science:

During the year, the Company has secured registration approval of key product 'Maxforce Forte Gel' (Fipronil 0.05% Gel) for household use. The ready to use innovative Gel formulation offers excellent efficacy against roaches and is recommended for the control of American cockroach & German cockroach, commonly found in the food handling areas of household and commercial premises. Besides, a new label extension application is also submitted for existing key product for mosquito control in household segment.

Seeds (Corn):

The demand for Corn has increased significantly in recent years, driven by its increasing demand as feed from Poultry and Starch industries, coupled with its use as a staple food in several countries. With increasing population and decreasing per capita arable land globally, the need of the hour is to increase farm productivity in a sustainable manner.

BCSL's Precision Breeding is focussed at delivering greater innovation, sustainability and agility in the development pipeline and adding more value to its customers and partners through a broad portfolio, providing superior product offerings and tailored solutions across India. With the Company's Research and Development innovations, it constantly adapts to continue shaping agriculture for the benefit of farmers, consumers, and the planet.

The goal of Corn breeding is to develop products with better adaptation to local environment, with higher yield, disease resistance, and tolerance to other biotic and abiotic stresses and facilitate a better quality crop. This, in turn, translates into better returns for the farmers. BCSL continues to invest significantly in breeding and discovery, to develop agricultural products, suitable to local conditions, which bring value to farmers and build a healthy pipeline. The key activities undertaken include:

- Precision Breeding will combine deep genomic, phenotypic and environmental data with the use of accelerated breeding methods and artificial intelligence (AI) to prescribe the development of the highest performing and most sustainable products;
- Precision Breeding builds a customer-centric pipeline, placing customers at the heart of BCSL's ecosystem, also integrating superior breeding methodologies and utilising forward designed genomes. The breeding pipeline will be data-driven and connected through Artificial Intelligence, coupled with digitally-enabled field testing, to develop next-gen field & seed solutions;
- Enhanced efforts on plant health and product placement has been placed to improve customer experience;
- Increased incorporation of advanced tools and technologies such as of molecular markers, Genome-Wide Selection, Double Haploid has been adopted to increase breeding efficiencies—
 - o The Company mapped the Quantitative Trait Locus (QTL) and implemented deployment strategies for various traits of economic importance in the region;
 - o A major shift is being made from conventional approach to a data & information driven approach, involving the use of predictive analytics for enhancing breeding and advancement in efficiencies across agricultural programmes;
- Strengthening of testing footprints across India for superior product characterisation and placement;
- Steered mechanisation & automation with improvement in drivers of quality data; and

- Initiated digitally-enabled projects on characterising testing locations and prioritised them to capture the right quality data, right way and at right time.

BCSL launched 4 products for different market segments of India-

- DKC9217 for Rabi South markets
- DKC9210 for Rain fed and irrigated markets of Maharashtra and the rest of South
- DKC9208 for spring market
- DKC8211 for Kharif markets of Uttar Pradesh, Rajasthan & Himachal Pradesh

2. Future Plans:

In the scenario of India's membership to the Organization for Economic Co-operation & Development (OECD) resulting in Regulatory Data Harmonisation and acceptance, move towards Regulatory Data Protection and Patent regime by the Government. In future, your Company has plan to introduce some excellent high technology products in Crop Protection as well as Environmental Science.

3. Expenditure on Research and Development (₹ in Million) :

(a)	Capital	266
(b)	Recurring	558
(c)	Total	824
Total R&D Expenses are 2% of the Revenue from Operation		

III. Foreign Exchange Earnings and Outgo

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

Particulars	(₹ in Million)
Value of imports on C.I.F. Basis	1,305
Expenditure in Foreign Currency	621
Earnings in Foreign Exchange	
Export of Goods calculated on FOB Basis	1,723
Recoveries from Group Companies	351

ANNEXURE "C"
FORM NO. AOC-2

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

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

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

The Company has not entered into any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year 2020-21.

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

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

(I)	
Name of the Related Party and nature of relationship	Bayer BioScience Private Limited ("BBPL"). Related Party as per Section 2(76) of the Companies Act, 2013.
Nature of contracts/arrangements/transactions	Purchase of goods (seeds variety), sale of goods, professional and support services, recoveries, rent income/expenses, services and other obligations, if any. These transactions are in the ordinary course of business and are conducted on an arm's length basis.
Duration of contracts/arrangements/transactions	Ongoing contracts
Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of goods (seeds variety), sale of goods, professional and support services, recoveries, rent income/expenses, services, loans and other obligations, if any.

(I) contd...	
Date of approval by the Board, if any	Not applicable, since the transaction is in the ordinary course of business and at arm's length.
Amount paid as advances, if any	Nil

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

For and on behalf of the Board of Directors

Ahmedabad, May 25, 2021

Pankaj Patel
Chairman
(DIN: 00131852)



ANNEXURE “D”

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN****As on the Financial Year Ended on March 31, 2021**

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

I. Registration and Other Details:

CIN	L24210MH1958PLC011173
Registration Date	September 09, 1958
Name of the Company	Bayer CropScience Limited
Category	Company limited by shares
Sub-Category of the Company	Indian Non-government Company
Address of the Registered office and contact details	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400 607 Tel. No.: +91 22 2531 1234
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	TSR Darashaw Consultants Private Limited C-101, 1 st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai – 400 083 Tel. No.: +91-22-6656 8484 Extn : 411 / 412 / 413 Fax No.: +91-22-6656 8494 E-mail: csg-unit@tcplindia.co.in Website: www.tcplindia.co.in

II. Principal Business Activities of the Company:

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

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of insecticides, rodenticides, fungicides, herbicides	20211	79
2.	Growing of other cereals	01113	13

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1.	Bayer AG Leverkusen, Germany	NA	Holding	8.43	2(46)
2.	Bayer CropScience AG Monheim, Germany	NA	Holding	11.91	2(46)
3.	Bayer SAS Lyon, France	NA	Holding	14.73	2(46)
4.	Bayer Vapi Private Limited Plot No. 306/3, II Phase, GIDC, Vapi - 396 195	U99999GJ1990PTC049322	Holding	17.89	2(46)
5.	Monsanto Company St. Louis, USA	NA	Holding	3.44	2(46)
6.	Monsanto Investments India Private Limited Bayer House, Hiranandani Estate, Thane – 400 607	U65191MH2014PTC254886	Holding	15.04	2(46)

IV. Shareholding Pattern (Equity Share Capital breakup as percentage of Total Equity):

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2020)				No. of Shares held at the end of the year (March 31, 2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	14,797,818	0	14,797,818	32.93	14,797,818	0	14,797,818	32.93	0.00
(d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	14,797,818	0	14,797,818	32.93	14,797,818	0	14,797,818	32.93	0.00
(2) Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate	17,305,181	0	17,305,181	38.51	17,305,181	0	17,305,181	38.51	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	17,305,181	0	17,305,181	38.51	17,305,181	0	17,305,181	38.51	0.00
Total Shareholding of Promoter and Promoter Group (A)	32,102,999	0	32,102,999	71.43	32,102,999	0	32,102,999	71.43	0.00
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds / UTI	4,409,854	533	4,410,387	9.81	4,290,699	533	4,291,232	9.55	-0.27
(b) Financial Institutions / Banks	22,832	3,346	26,178	0.06	11,257	3,313	14,570	0.03	-0.03
(c) Central Government / State Government(s)	311	0	311	0.00	311	0	311	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	1,703,746	100	1,703,846	3.79	1,286,569	100	1,286,669	2.86	-0.93
(f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (specify)									
(i-i) Foreign Portfolio Investors (Corporate)	973,912	500	974,412	2.17	1,290,246	500	1,290,746	2.87	0.70
Sub-total (B) (1)	7,110,655	4,479	7,115,134	15.83	6,879,082	4,446	6,883,528	15.32	-0.52



	Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2020)				No. of Shares held at the end of the year (March 31, 2021)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
(a)	Bodies Corporate	1,132,379	2,284	1,134,663	2.52	1,236,519	2,284	1,238,803	2.76	0.23
(b)	Individuals -									
i	Individual shareholders holding nominal share capital up to ₹ 1 lakh	2,942,941	274,396	3,217,337	7.16	3,191,451	264,731	3,456,182	7.69	0.53
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	194,992	27,160	222,152	0.49	327,445	27,160	354,605	0.79	0.29
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	1,148,642	1,165	1,149,807	2.56	904,744	1,231	905,975	2.02	0.54
i	HUF	343,638	0	343,638	0.76	356,424	0	356,424	0.79	0.03
ii	Non-Resident Indian (NRI)	469,718	1,165	470,883	1.05	340,679	1,231	341,910	0.76	-0.29
iii	LLP	4,915	0	4,915	0.01	10,481	0	10,481	0.02	0.01
iv	Trusts	2,365	0	2,365	0.01	2,196	0	2,196	0.00	0.00
v	Clearing Members	87,431	0	87,431	0.19	69,865	0	69,865	0.16	-0.04
vi	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
vii	Foreign Nationals	33	0	33	0.00	33	0	33	0.00	0.00
viii	Alternate Investment Funds	113,570	0	113,570	0.25	20,055	0	20,055	0.04	-0.21
ix	Other Directors	0	0	0	0.00	533	0	533	0.00	0.00
x	NBFCs registered with RBI	26,410	0	26,410	0.06	100	0	100	0.00	-0.06
xi	Body Corp. - Non NBFC	156	0	156	0.00	156	0	156	0.00	0.00
xii	IEPF A/c	100,406	0	100,406	0.22	104,222	0	104,222	0.23	0.01
	Sub-total (B) (2)	5,418,954	305,005	5,723,959	12.74	5,660,159	295,406	5,955,565	13.25	0.51
	Total Public Shareholding (B) = (B)(1)+(B)(2)	12,529,609	309,484	12,839,093	28.57	12,539,241	299,852	12,839,093	28.57	0.00
	Total (A)+(B)	44,632,608	309,484	44,942,092	100.00	44,642,240	299,852	44,942,092	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A)+(B)+(C)	44,632,608	309,484	44,942,092	100.00	44,642,240	299,852	44,942,092	100.00	0.00

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2020)			Shareholding at the end of the year (March 31, 2021)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1.	Bayer CropScience AG	5,354,030	11.91	0.00	5,354,030	11.91	0.00	0.00
2.	Bayer AG	3,788,433	8.43	0.00	3,788,433	8.43	0.00	0.00
3.	Bayer SAS	6,618,105	14.73	0.00	6,618,105	14.73	0.00	0.00
4.	Bayer Vapi Private Limited	8,039,736	17.89	0.00	8,039,736	17.89	0.00	0.00
5.	Monsanto Investments India Private Limited	6,758,082	15.04	0.00	6,758,082	15.04	0.00	0.00
6.	Monsanto Company	1,544,613	3.44	0.00	1,544,613	3.44	0.00	0.00
	Total	32,102,999	71.43	0.00	32,102,999	71.43	0.00	0.00

(iii) Change in Promoters' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year (April 01, 2020)		Cumulative Shareholding during the year (March 31, 2021)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Bayer CropScience AG				
	At the beginning of the year	5,354,030	11.91	--	--
	At the end of the year	--	--	5,354,030	11.91
2.	Bayer AG				
	At the beginning of the year	3,788,433	8.43	--	--
	At the end of the year	--	--	3,788,433	8.43
3.	Bayer SAS				
	At the beginning of the year	6,618,105	14.73	--	--
	At the end of the year	--	--	6,618,105	14.73
4.	Bayer Vapi Private Limited				
	At the beginning of the year	8,039,736	17.89	--	--
	At the end of the year	--	--	8,039,736	17.89
5.	Monsanto Investments India Private Limited				
	At the beginning of the year	6,758,082	15.04	--	--
	At the end of the year	--	--	6,758,082	15.04
6.	Monsanto Company				
	At the beginning of the year	1,544,613	3.44	--	--
	At the end of the year	--	--	1,544,613	3.44

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

Sr. No.	Name	Shareholding at the beginning of the year (April 01, 2020)		Shareholding at the end of the year (March 31, 2021)		Net Changes	% to Capital
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
1.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	2,702,432	6.01	2,645,002	5.89	-57,430	-0.13
2.	HDFC Life Insurance Company Limited	790,256	1.76	566,315	1.26	-223,941	-0.50
3.	Life Insurance Corporation of India	612,792	1.36	384,132	0.85	-228,660	-0.51
4.	Indian Syntans Investments Private Limited	469,185	1.04	469,185	1.04	0	0.00
5.	L&T Mutual Fund Trustee Ltd. - L&T Mid Cap Fund	412,200	0.92	507,077	1.13	94,877	0.21
6.	Meenakshi Narayanan Investments (P) Ltd.	398,673	0.89	398,673	0.89	0	0.00
7.	Nippon Life India Trustee Ltd.	364,118	0.81	489,838	1.09	125,720	0.28
8.	Romesh Chandra Khanna	259,984	0.58	259,984	0.58	0	0.00
9.	Kotak Flexicap Fund	258,148	0.57	260,000	0.58	1,852	0.00
10.	Vanguard Total International Stock Index Fund	122,260	0.27	147,778	0.33	25,518	0.06

(v) Shareholding of Directors and Key Managerial Personnel as on March 31, 2021:

For each of the Directors and Key Managerial Personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
(a) Mr. Pankaj Patel, Chairman	-	-	-	-
(b) Mr. Sekhar Natarajan, Director	533	0.001	533	0.001
(c) Ms. Ketaki Bhagwati, Director	-	-	-	-
(d) Mr. Duraiswami Narain, (KMP) Vice Chairman & Managing Director and Chief Executive Officer	-	-	-	-
(e) Mr. Rolf Hoffmann (KMP) Executive Director and Chief Financial Officer	-	-	-	-
(f) Mr. Jens Hartmann, Director	-	-	-	-
(g) Dr. Thomas Hoffmann, Director	-	-	-	-
(h) Dr. Sara Boettiger, Director	-	-	-	-
(i) Dr. Harsh Kumar Bhanwala, Director	-	-	-	-
(j) Mr. Nikunj Kumar Savaliya (KMP) Company Secretary & Compliance Officer	-	-	-	-

V. Indebtedness

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

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Mr. Duraiswami Narain	Mr. Rolf Hoffmann	Total Amount
		Vice Chairman & Managing Director and CEO	Executive Director & CFO	
1.	Gross salary			
	(a) Salary as per provisions contained under Section 17(1) of the Income tax Act, 1961	129.00	58.84	187.84
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	18.38	9.41	27.79
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	147.38	68.25	215.63
	Ceiling as per the Act	₹ 810.50 Million (being 10% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other Directors

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Pankaj Patel	Ms. Ketaki Bhagwati	Mr. Sekhar Natarajan	Dr. Harsh Kumar Bhanwala#	
(1)	Independent Directors					
	Fee for attending Board and committee meetings	0.51	0.91	0.91	0.06	2.39
	Commission for 2020-21 [§]	1.50	1.50	1.50	0.19	4.69
	Others, please specify	-	-	-	-	-
	Total (1)	2.01	2.41	2.41	0.25	7.08
(2)	Other Non-Executive Directors	Dr. Thomas Hoffmann	Mr. Jens Hartmann	Dr. Sara Boettiger	Total Amount	
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)					7.08
	Ceiling as per the Act	₹ 81.05 Million (being 1% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				
	Total Managerial Remuneration (A+B)	₹ 222.71 Million				
	Overall Ceiling as per the Act	₹ 891.55 Million (being 11% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)				

Appointed with effect from February 12, 2021.

§ Commission for the year 2020-21 will be paid after the 63rd Annual General Meeting.

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

		(₹ in Million)
Sr. No.	Particulars of Remuneration	Mr. Nikunj Kumar Savaliya Company Secretary & Compliance Officer
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	4.74
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.51
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	-
	Total	5.25

VII. Penalties / Punishment / Compounding of Offences:

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

For and on behalf of the Board of Directors

Ahmedabad, May 25, 2021

Pankaj Patel
Chairman
(DIN: 00131852)

ANNEXURE “E”

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

- a. **Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company and Percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary as on March 31, 2021:**

Sr. No.	Name of the Director/ KMP	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees*	Percentage increase in remuneration
1.	Mr. Duraiswami Narain	Vice Chairman & Managing Director and Chief Executive Officer	117:1	3%
2.	Mr. Rolf Hoffmann	Executive Director & Chief Financial Officer	54:1	1.4%
3.	Mr. Nikunj Kumar Savaliya	Company Secretary	NA	3.7%

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

- b. **The percentage increase in the median remuneration of employees in the financial year: 3.7%**
- c. **The number of permanent employees on the rolls of the Company: 1,254**
- d. **Average Percentile increase already made in the salaries of employees other than the managerial personnel in last financial year and Comparison with percentile increase in the managerial remuneration and justification thereof:**
The Average annual increase for Managerial grade and Non-Managerial grade was 3.7%.
- e. **Affirmation that the remuneration is as per remuneration policy of the company:**
The Company affirms that remuneration is as per the remuneration policy of the Company.



ANNEXURE "F"

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bayer CropScience Limited [CIN: L24210MH1958PLC011173] (hereinafter called the "Company") for the audit period from April 1, 2020 to March 31, 2021 ('audit period'/ 'period under review').

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

We are issuing this report based on:

- (i) our verification of the books, papers, minute books, soft copy of the various records sent over mail as provided by the Company and other records maintained by the Company and furnished to us, forms/returns filed and compliance related action taken by the Company during the financial year ended March 31, 2021 as well as before the issue of this report,
- (ii) Compliance Certificates confirming Compliance with all laws applicable to the Company given by Key Managerial Personnel / Senior Manager Personnel of the Company and taken on record by Audit Committee / Board of Directors, and
- (iii) Representations made, documents shown, and information provided by the Company, its officers, agents, and authorised representatives during our conduct of Secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2021, the Company has:

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

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

1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/clauses of:
 - i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-



- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and
- d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").
- vi. Secretarial Standards issued by The Institute of Company Secretaries of India ("Secretarial Standards").
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2021, but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :
- i. Complied with the applicable provisions/ clauses of the Act, Rules and SEBI Regulations mentioned under sub-paragraphs (ii), (iii) and (v) of paragraph 1.1 above.
- ii. Complied with the applicable provisions/ clauses of:
- a) The Act and rules mentioned under paragraph 1.1 (i); and
- b) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board meetings and Committee meetings held during the review period and the 62nd Annual General Meeting ("AGM") held on August 7, 2020. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi)] with regard to the Board meeting and Committee meetings held through video conferencing during the review period were verified based on the minutes of the meeting provided by the Company.
- 1.3 We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/returns thereunder:
- i. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings;
- ii. The following Regulations and Guidelines prescribed under the SEBI Act: -
- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- 1.4 Based on the nature of business activities of the Company, the following Acts and Rules were specifically applicable to the Company, which has been duly complied with:
- the Insecticides Act, 1968 and the Insecticides Rules, 1971; and
 - the Seeds Act, 1966 and the Seeds Rules, 1968.



2. Board processes

We further report that:

2.1 The Board of Directors of the Company as on March 31, 2021, comprised of:

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

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

- i. Re-appointment of Mr. Jens Hartmann (DIN: 08338494) as the Non-Executive Director retiring by rotation at the 62nd AGM.
- ii. Appointment of Mr. Sekhar Natarajan (DIN: 01031445) as a Non-Executive Independent Director by the members of the Company at their 62nd AGM with effect from August 7, 2020.
- iii. Appointment of Dr. Thomas Hoffmann (DIN: 06485949) as a Non-Executive Director of the Company with effect from September 16, 2019, which was regularised and approved by the members at the 62nd AGM.
- iv. Appointment of Dr. Sara Boettiger (DIN: 9012747) as an Additional Non-Executive Director by the Board of Directors with effect from February 12, 2021 subject to approval by the members.

v. Appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704) as an Additional Non-Executive Independent Director by the Board of Directors with effect from February 12, 2021 subject to approval by the members.

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

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

2.5 Decisions at the Meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the Audit Period.

3. Compliance mechanism

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

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

During the year, no specific event(s)/action(s) having a major bearing on the Company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards.

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

Avinash Bagul
Partner

FCS 5578 / CP No. 19862
UDIN: F005578C000364851

Place: Mumbai
Date: May 25, 2021

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

Annexure A to the Secretarial Audit Report

To,
The Members,
Bayer CropScience Limited

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2021, but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Avinash Bagul
Partner
FCS 5578 / CP No. 19862
UDIN: F005578C000364851

Place: Mumbai
Date: May 25, 2021

ANNEXURE “G”

Dividend Distribution Policy

Background and applicability

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

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

Objective

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

Considerations

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

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

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

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

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

Retained Earnings

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

Review & Amendment

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

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

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

Bayer CropScience Limited believes in strong Corporate Governance that upholds its goodwill, enhances long-term shareholder value and protects the interest of its stakeholders. Good Corporate Governance is a key pillar of its growth strategy that ensures that the business is run in a legal, ethical and transparent manner. The Corporate Governance practices adopted by the Company goes beyond the legal requirements and are derived from the Company's vision and common values, which form the basis of the mutually respectful working relationship between the employees and the external partners.

The corporate culture at Bayer CropScience Limited is built on its "LIFE" values, epitomising Leadership, Integrity, Flexibility and Efficiency, which guide the Company in its day-to-day work. Corporate Governance at Bayer CropScience Limited seeks to uphold these values and the Company's core values with ethical business conduct and a commitment to maximise value for all stakeholders and the Company over long-term through innovation-driven projects, aimed at promoting sustainable business activity. This is supported by the Board of Directors commitment to a responsible and transparent style of management and supervision. The Company is also continuously striving towards improving people's quality of life, by helping provide an adequate supply of high quality food and feed.

Bayer CropScience Limited believes in the importance of building shareholder trust, attained by adhering to the highest levels of ethical business practices, as ingrained in the Bayer Code of Conduct and Corporate Compliance Policy, which lays down the guidelines for ethical conduct by the Directors and its employees.

Corporate Compliance

The Company's corporate activities are governed by local and national laws and statutes as well as internal policies and guidelines, placing multiple obligations on the Company and its employees. The global Corporate Compliance Policy ("the Policy") ensures that the Company manages its

corporate activities and business responsibly and remains compliant with the statutory and regulatory requirements of the countries it operates in.

The Policy states that compliance and integrity protect the Company's licence to operate worldwide, and therefore, we place great importance on responsible corporate governance and act responsibly towards our employees, customers, business partners and society in general.

The Policy outlines the Company's principles of business conduct and promulgates the 'Compliance Management System', which is driven by compliance specialists under the direction of the senior management and is focussed on proactive risk identification and mitigation, thus ensuring that employees and the business are reliably protected against compliance breach. The Policy also details the organisational framework for corporate compliance and specifies areas in which violations of applicable law can have particularly serious adverse consequences, both for the Group as also for individual employees. Employees are guided and trained to protect themselves from potential misconduct in high-risk areas such as Antitrust, Anti-Corruption, Conflict of Interest, Data Privacy, Foreign Trade Law, and Fairness & Respect at Work. The effectiveness of the processes laid for mitigation of such risks are also monitored. The Company encourages its employees to Speak Up and report any violation of the Policy through the various avenues offered for reporting, without having any fear of retaliation.

The Company expects legally and ethically impeccable conduct from all its employees in day-to-day business operations, as the way they carry out their duties affects the Company's reputation. By ensuring regular dialogue between employees and their supervisors, monitoring the processes, providing training courses and, creating awareness through frequent communications, the Company endeavours to acquaint its employees with internal codes of behaviour, and with the numerous statutory and relevant regulatory requirements, as applicable. The Company also expects its suppliers and subcontractors to abide by the Supplier Code of Conduct which sets forth

key social, ecological, and ethical standards based on the principles of the U.N. Global Compact and Bayer's Human Rights Position, thereby fostering our aim of conducting business in a responsible and ethical manner.

2. Board of Directors

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

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

The Board operates within a well-defined framework, which enables it to discharge its responsibilities and duties of safeguarding the interests of the Company, thereby enhancing stakeholder value. The Board has identified certain core skills and competencies which are required in the context of the business, viz. understanding of governance, strategy, regulatory, fiduciary and

ethical requirements, financial knowledge, integrity, credibility, trustworthiness, strong interpersonal skills, intercultural management and willingness to address issues proactively and has demonstrated all the required core skills as well as competencies.

The Company's Board composition is in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"). As on the date of the Report, the Board consists of total 9 (nine) Directors, of which two are Executive Directors, four are Non-Executive Independent Directors, including an Independent Woman Director, and three are Non-Executive Non-Independent Directors. None of the Directors of the Company are related to each other. The number of Directorships, Committee Memberships/Chairmanship of all Directors is within respective limits prescribed under the Companies Act, 2013 ("the Act") and SEBI Listing Regulations. All the Directors have made the necessary disclosures regarding their Committee positions and Directorships.

The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s) are provided herein.

Directorship(s) in other companies / committee position as on March 31, 2021

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



Sr. No.	Name of Director	Category	Key Skills	No. of Directorship(s) held in other companies ¹	No. of Directorship(s) held in listed companies other than BCSL	No. of other Committee Memberships ²	Chairperson Memberships
6.	Dr. Thomas Hoffmann	Non-Executive Non-Independent Director	Finance & Controlling, Intercultural Management	-	-	-	-
7.	Mr. Sekhar Natarajan	Non-Executive Independent Director	Finance, Strategy and Business Development	3	<ul style="list-style-type: none"> • Ingersoll Rand (India) Limited • Accelya Solutions India Limited • Colgate-Palmolive (India) Limited 	3	1
8.	Dr. Harsh Kumar Bhanwala	Non-Executive Independent Director	Organisational Transformation, Developmental Finance, Solving Rural Problems	1	<ul style="list-style-type: none"> • Capital India Finance Limited 	-	-
9.	Dr. Sara Boettiger	Non-Executive Non-Independent Director	Strategy, Sustainability, Public Affairs	-	-	-	-

Notes:

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

Board Independence

Bayer CropScience Limited's Corporate Governance framework is steered by the belief that Independent Directors play a vital role in bringing objectivity and transparency in the overall functioning of the Company, and in enhancing the decision-making process through valuable contributions. The Company's definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

The Company has received the annual confirmation and disclosures from all the Non-Executive Independent Directors. All Non-Executive Independent Directors comply with the requirements laid down by the SEBI Listing Regulations that are applicable to an Independent Director and are professionals, with expertise and experience in general corporate management, finance, accounting, legal and other allied fields. Apart from drawing sitting fees and commission, none of these Directors have any other material pecuniary relationship or transaction with the Company, its Promoters and its Management, which, in the judgement of the Board, would affect the independence of the Directors.

Ms. Ketaki Bhagwati has been nominated by the Board of Directors to represent the Company at the Bayer South Asia Advisory Council ("Council") with effect from February 11, 2021. Apart from receiving sitting fees and commission from the Company, Ms. Bhagwati is paid an honorarium of ₹ 50,000/- per meeting for attending the meetings of the said Council.

Certification from Company Secretary in Practice

Mr. Avinash Bagul, partner at BNP & Associates, Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as an Annexure to this section.

3. Board Procedure

As part of a well streamlined and transparent process, the Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to



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

The Company held six Board meetings during the financial year 2020-21 and the gap between two meetings did not exceed 120 days. The dates on which the Board meetings were held are May 22, 2020, June 12, 2020, August 06, 2020, November 09, 2020, February 11, 2021 and March 25, 2021.

Information given to the Board

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

- Quarterly and Annual business performance of the Company
- Minutes of meetings of Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any sale of material nature of investments, subsidiaries and assets, that is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements and members' service, such as non-payment of dividend, delay in share transfer etc.
- Budget Update & Business Updates

Board Support

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

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

Statutory Compliance Monitoring Tool

The Company has in place a web-based Statutory Compliance Monitoring Tool, which has been implemented to ensure tracking of all the statutory & legal compliances needed to be followed by the Company and is intended to provide the necessary assurance to the Board of Directors. The said tool covers all the tasks that are applicable as per the various statutes at the plant locations, registered and corporate offices and regional offices. Post the merger of Monsanto India Limited ("MIL") with the Company, all the plant locations, regional offices and sites of legacy MIL have been integrated into the Statutory Compliance Monitoring Tool, thereby, making the existing tool more robust and comprehensive.



Attendance Record of the Directors at Meetings of the Board and AGM

The attendance of the Directors at the Board Meetings held during the financial year ended March 31, 2021 and AGM held on August 07, 2020 is as under:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance	
			Board Meeting (including attendance by video conferencing)	Annual General Meeting (held virtually)
1.	Mr. Pankaj Patel	6	6	Yes
2.	Mr. Duraiswami Narain	6	6	Yes
3.	Mr. Rolf Hoffmann	6	6	Yes
4.	Mr. Sekhar Natarajan	6	6	Yes
5.	Ms. Ketaki Bhagwati	6	6	Yes
6.	Mr. Jens Hartmann	6	6	Yes
7.	Dr. Thomas Hoffmann	6	6	Yes
8.	Dr. Sara Boettiger*	1	1	Not Applicable
9.	Dr. Harsh Kumar Bhanwala*	1	1	Not Applicable

*Dr. Boettiger and Dr. Bhanwala were not a part of the Board of Directors as on the date of AGM, viz. August 07, 2020, as they were appointed as Additional Director with effect from February 12, 2021.

Meeting of Independent Directors

During the year under review, the Non-Executive Independent Directors of the Company met on February 10, 2021, without the attendance of Executive and Non-Independent Directors and the members of the Management. During the said meeting, the following points were discussed:

- Performance of Non-Independent Directors and the Board as a whole
- Performance of the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors
- Quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties

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

Board Evaluation

In accordance with the provisions of the Act and the SEBI Listing Regulations, the Company has adopted a comprehensive Performance Evaluation Policy ("the Policy"), which provides for evaluation

of the Board, the Committee of the Board, and the Individual Directors, including the Chairman of the Board. The criteria for Board Evaluation includes the experience and qualification possessed by the Directors, their relevant expertise that will be of assistance to the Management in operating the Company's business, integrity and accountability, as well as their judgement in bringing in objectivity in the Board proceedings. The Policy also sets independence standards for the Independent Directors to follow and adhere to. It also provides the procedure for evaluation of the Independent Directors and the Board as a whole.

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

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

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



In line with the provisions of the SEBI Listing Regulations, the Company has adopted a familiarisation programme for its Non-Executive Independent Directors. The programme aims to provide the Independent Directors with insights into the Company, to enable them to understand the Company's business in detail and facilitates their active participation in Board proceedings. At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which, inter alia, explains his/her, functions, roles, duties and responsibilities, as well as the Board's expectations.

Dr. Harsh Kumar Bhanwala and Dr. Sara Boettiger who were inducted as Board members in February 2021 were introduced to the Senior Management of the Company. They were apprised of the key business initiatives undertaken by the Company and were taken through the processes and approach followed by the Company in Legal, Accounting, Internal Controls and Risk Management, Human Resources, Public Affairs and Sustainability functions. The familiarisation programme of the newly inducted Board members gave them an opportunity to closely interact with the Senior Leadership and further provided them with better insight on important aspects related to the Company.

The familiarisation programme for Independent Directors is uploaded on the Company's website under the Corporate Governance section at www.bayer.in.

4. Committees of the Board

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

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

Audit Committee

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

The Company's Audit Committee, as on March 31, 2021, comprised of four Non-Executive Directors, of whom three are Non-Executive Independent Directors and one is a Non-Executive Non-Independent Director. The members of the Audit Committee have relevant experience in financial matters.

The Audit Committee met five times during the financial year ended March 31, 2021. The meetings were held on May 22, 2020, August 06, 2020, November 09, 2020, February 11, 2021 and March 25, 2021. Necessary quorum was present at all the meetings. The attendance of the Committee members at the meetings for 2020-21 was as under:

Name of Member	Category	No. of Meetings during the tenure	No. of Meetings attended during 2020-21
Mr. Sekhar Natarajan, Chairman	Non-Executive Independent Director	5	5
Ms. Ketaki Bhagwati, Member	Non-Executive Independent Director	5	5
Mr. Pankaj Patel, Member*	Non-Executive Independent Director	3	3
Dr. Thomas Hoffmann, Member	Non-Executive Non-Independent Director	5	5

*Mr. Patel was inducted as a member of the Audit Committee with effect from August 10, 2020.



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

Role of the Audit Committee

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible;
2. Making recommendations for appointment, remuneration and terms of appointment of auditors of the Company;
3. According approval for payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon, before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement, to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices, and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by the Management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report, if any.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approving, or making any subsequent modification to, transactions of the Company with related parties;
9. Scrutinising inter-corporate loans and investments;
10. Valuating undertakings or assets of the Company, where necessary;
11. Evaluating internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
13. Reviewing the adequacy of the internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit;
14. Discussing with Internal Auditors any significant findings and follow-ups thereon;

15. Reviewing the findings of any internal investigations by the Internal Auditors in matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature, and reporting the matter to the Board;
16. Discussing with Statutory Auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism;
19. Approving the appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the Finance function or discharging that function), after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Risk Management Committee

Knowing the importance of managing and pre-empting risks effectively for having a sustainable business, the Company has constituted a Risk Management Committee, in line with the SEBI Listing Regulations.

The Risk Management Committee, as on March 31, 2021, comprises of Mr. Duraiswami Narain, Managing Director & Chief Executive Officer as the Chairman, with Mr. Sekhar Natarajan, Non-Executive Independent Director and Mr. Amit Narkar, Country Group Head-Internal Audit & Risk Management, South Asia, as members. The Risk Management Committee met once during 2020-21, on May 22, 2020.

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

- To formulate a detailed risk management policy which shall include a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG

related risks), information, cyber security risks, or any risk arising out of epidemic/pandemic or any other risk as may be determined by the Risk Management Committee;

- Measures for risk mitigation including systems and processes for internal control of identified risks and Business Continuity Plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- Supporting the executive management in the establishment of a culture which balances risks and opportunities facilitated by conscious risk decisions and a suitable "Tone from the Top".

Stakeholders Relationship Committee

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

- To consider and effectively redress the shareholders and investor complaints including complaints related to transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends;
- To review the measures taken for effective exercise of voting rights by shareholders;
- To review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;



- To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

The Stakeholders Relationship Committee as on March 31, 2021 comprises of Mr. Pankaj Patel, Non-Executive Independent Director as the Chairman, Mr. Duraiswami Narain, Managing Director & CEO and Mr. Rolf Hoffmann, Executive Director & CFO as members.

The Committee held four meetings during the financial year 2020-21. The meetings were held on May 22, 2020, August 06, 2020, November 09, 2020 and February 11, 2021. The attendance of the Committee members at the meetings was as under:

Sr. No.	Name of Member	Stakeholders Relationship Committee Meetings held in Member's tenure	No. of meetings attended during 2020-21
1.	Mr. Pankaj Patel, Chairman	4	4
2.	Mr. Duraiswami Narain, Member	4	4
3.	Mr. Rolf Hoffmann, Member	4	4

Complaints received and resolved by the Company during the financial year ended March 31, 2021 are given below:

Source of complaints	April 01, 2020 to March 31, 2021	
	Received	Resolved
Referred by SEBI SCORES	5	4*
Referred by Stock Exchange/NSDL	2	2
Referred by Ministry of Corporate Affairs	0	0

*Action Taken Report (ATR) for one unresolved complaint was uploaded on March 5, 2021 by the Company and was disposed off by SEBI on May 17, 2021. As on the date of this report there are no pending investor complaints.

Share Transfer Committee

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

Further, a sub-committee has been constituted for attending to matters relating to issue of duplicate share certificates, transmission of shares, split and consolidation, etc. The composition of the aforementioned Committee as on March 31, 2021 is as under:

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

Nomination and Remuneration Committee

As per Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee. As on March 31, 2021, the Committee comprises of Ms. Ketaki Bhagwati, a Non-Executive Independent Director, as the Chairperson, along with Mr. Sekhar Natarajan, Non-Executive Independent Director and Dr. Thomas Hoffmann, Non-Executive Non-Independent Director as members.

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

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of performance of the Independent Directors and the Board;

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

The Committee met six times during the financial year ended March 31, 2021. The meetings were held on May 22, 2020, August 04, 2020, October 22, 2020, January 19, 2021, February 10, 2021 and March 24, 2021. The attendance at the meetings was as under:

Sr. No.	Name of Member	Nomination and Remuneration Committee Meetings held in Member's tenure	No. of meetings attended during 2020-21
1.	Ms. Ketaki Bhagwati	6	6
2.	Mr. Sekhar Natarajan	6	6
3.	Dr. Thomas Hoffmann	6	6

Corporate Social Responsibility Committee

With the objective to drive its Corporate Social Responsibility agenda in letter and in spirit, the Company has constituted a Corporate Social Responsibility ("CSR") Committee, as required under Section 135 of the Act. The Committee, as on March 31, 2021, comprises of Mr. Duraiswami Narain, Managing Director & CEO, as the Chairman, with Mr. Pankaj Patel, Non-Executive Independent Director, Ms. Ketaki Bhagwati, Non-Executive Independent Director and Mr. Rolf Hoffmann, Executive Director & CFO as members.

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

- Formulating and recommending to the Board the structure of the Corporate Social

Responsibility Policy and the activities to be undertaken by the Company;

- Recommending the amount of expenditure to be incurred on the activities undertaken;
- Reviewing the performance of the Company in the area of Corporate Social Responsibility;
- Monitoring the Corporate Social Responsibility Policy of the Company;
- Formulating policies and procedures based on the requirement of SEBI for Business Responsibility Reporting;
- Ensuring implementation of all the policies pertaining to Business Responsibility;
- Ensuring effective communication of all the policies to all relevant stakeholders;
- Reviewing and assessing the Business Responsibility performance annually;
- Reviewing the Business Responsibility initiatives and encouraging participation; and
- Reviewing the Business Responsibility Report and recommending it to the Board for approval.

During the financial year 2020-21, the Committee met twice on May 22, 2020 and February 10, 2021. The attendance at the meetings was as under:

Sr. No.	Name of Member	CSR Committee Meetings held in Member's tenure	No. of meetings attended during 2020-21
1.	Mr. Duraiswami Narain	2	2
2.	Mr. Pankaj Patel	2	2
3.	Ms. Ketaki Bhagwati	2	2
4.	Mr. Rolf Hoffmann	2	2

5. Remuneration of Directors

Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors during the financial year ended March 31, 2021.

a) Non-Executive Independent Directors

The details of the sitting fees and commission paid during the financial year ended March 31, 2021 are given in the table below:

(₹ in Million)

Sr. No.	Name of Director	Sitting Fees	Commission	Total
1.	Mr. Pankaj Patel	0.51	1.50	2.01
2.	Ms. Ketaki Bhagwati	0.91	1.50	2.41
3.	Mr. Sekhar Natarajan*	0.91	0.75	1.66
4.	Dr. Harsh Kumar Bhanwala#	0.06	--	0.06

* Mr. Sekhar Natarajan was paid a commission for the period October 01, 2019 – March 31, 2020.

Dr. Bhanwala was appointed as Additional Director with effect from February 12, 2021.

Note: Commission was paid for the period 2019-20 in the month of August 2020.

b) Executive Directors

The details of the remuneration paid to the Executive Directors during the financial year ended March 31, 2021 is as under:

(₹ in Million)

Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
1.	Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO	129.00	18.38	147.38	December 01, 2018 – November 30, 2023
2.	Mr. Rolf Hoffmann	Executive Director & CFO	58.84	9.41	68.25	July 01, 2019 – June 30, 2024

c) Service contract, notice period and severance fees

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

Mr. Rolf Hoffmann was appointed as Whole-time Director of the Company with effect from July 01, 2019 by the Board of Directors. The employment contract with Mr. Hoffmann is for a period of 5 years, terminable by 3 months' notice on either side.

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

6. Policies

Whistle Blower Policy

Bayer CropScience Limited's commitment to high standards of Corporate Governance and stakeholder responsibility are deeply ingrained in its business fabric. The Company strives to achieve its business goals with utmost respect for human values, and to serve the interests of Bayer with integrity.

In terms of the Corporate Compliance Programme and the SEBI Listing Regulations, the Company has in place a well-structured 'Whistle Blower Policy', with the objective to provide appropriate avenues to the employees and Directors of the Company to bring to the attention of the Management any genuine concerns regarding unethical behaviour, actual or suspected frauds, including potential breach of Company's policies



and standards, values or any laws within the country or elsewhere. This is a robust vigil mechanism that also provides for adequate safeguards against victimisation of persons who use such mechanism. It basically enables the employees to raise their concerns, which are looked into, and fully investigated and acted upon.

Policy for Prevention of Sexual Harassment

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

Code of Conduct for Directors and Senior Management

The Corporate Governance framework at the Company extends across its hierarchical structure, right up to the Company's Directors and top Management. In compliance with the requirements of Regulation 17(5) of the SEBI Listing Regulations, the Board of Directors had adopted a Code of Conduct for Directors, including Non-Executive Directors and Senior Management of the Company. All Board members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct. A certificate to this effect, from Mr. Duraiswami Narain, Vice Chairman & Managing Director and CEO, and Mr. Rolf Hoffmann, Executive Director & CFO, is attached with this Report. The policies as well as codes are posted on the website of the Company at www.bayer.in.

Risk Management Policy

As an integral component of the overall governance process, Risk Management, at Bayer CropScience Limited comprises of all the organisational rules and actions for early identification of risks in the course of doing

business as well as effective management of such risks. It includes implementing systems to identify risks at an early stage, take necessary and timely measures to mitigate them, and report them to the appropriate authority.

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

The Country Group Head – Internal Audit & Risk Management, South Asia, is responsible for coordinating with the various Heads of departments with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors, recommending corrective action, and reporting to the Audit Committee.

Code of Conduct & Code of Fair Disclosures - For Prohibition of Insider Trading

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

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

The objective of the Code is to protect the interest of the shareholders, to prevent the misuse of any unpublished price sensitive information, and to prevent any insider trading activity. The Code



is available on the website of the Company at www.bayer.in.

Dividend Distribution Policy

As per Regulation 43A of the SEBI Listing Regulations, the Company has formulated a Dividend Distribution Policy based on the parameters laid down by SEBI Listing Regulations, and the details of the same are available on the Company's website at www.bayer.in.

Policy for Determining Material Subsidiary

The Board has adopted a Policy for determining material subsidiary of the Company as well as to provide a governance framework for such material subsidiary. At present, Bayer CropScience Limited does not have any material subsidiary. The Policy for determining material subsidiary is adopted in accordance with the SEBI Listing Regulations and is available on the Company's website at www.bayer.in.

7. Compliance Officer

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

8. General Shareholder Information

Annual General Meeting

Date of AGM	: Thursday, August 12, 2021
Time	: 03:00 p.m. IST
Venue	: The Company is conducting the AGM through VC/OAVM pursuant to the MCA circulars and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of the AGM.

Record Date

The Register of Members and Share Transfer Books of the Company will remain closed from July 29, 2021 till August 05, 2021 (both days inclusive).

Proposed Date of Dividend Payment

The final dividend of ₹25 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid at par within 30 days of the said date:

- (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares as on July 28, 2021.
- (ii) in respect of shares held in Dematerialised form, to the beneficial owners of the shares as at the close of business hours on July 28, 2021 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Financial Calendar of the Company is from April 01 to March 31.

Board Meetings for Quarterly Results*

First Quarter Results	On or before August 14, 2021
Second Quarter and Half yearly results	On or before November 14, 2021
Third Quarter Results	On or before February 14, 2022
Fourth Quarter and Annual Results	On or before May 30, 2022

*Tentative and subject to change

Corporate Identity Number (CIN)	L24210MH1958PLC011173
Registered Office Address	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607, Maharashtra

Listing of Equity Shares on Stock Exchange

Name and Address of Stock Exchange	: BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Scrip Code	: 506285
Scrip ID	: BAYERCROP
ISIN	: INE462A01022 (NSDL & CDSL)
Annual Listing Fees	: The Company has paid the Annual Listing Fees



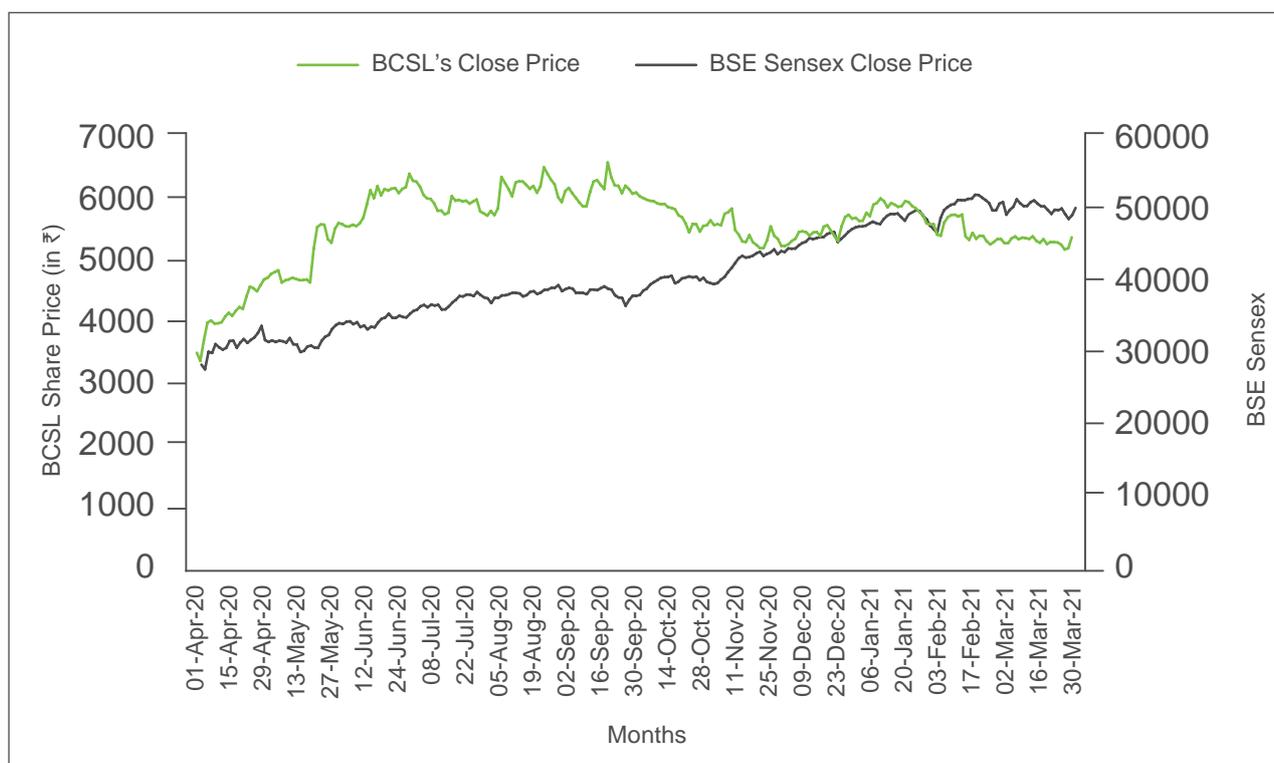
Stock Price Data

The monthly high and low price of the Company's shares on BSE Limited from April 01, 2020 to March 31, 2021 was as under:

Share Price (In ₹)		
Month	High Price	Low Price
April 2020	4460.00	3155.00
May 2020	5441.85	4225.80
June 2020	6091.00	5020.75
July 2020	6342.00	5459.20
August 2020	6449.00	5490.00
September 2020	6550.00	5575.55
October 2020	5952.35	5210.00
November 2020	5730.00	4970.00
December 2020	5600.00	5000.00
January 2021	5870.00	5329.40
February 2021	5629.80	4940.55
March 2021	5359.90	4928.25

Stock Performance

Bayer CropScience Limited ("BCSL") Share Price vis-à-vis BSE Sensex April 01, 2020 to March 31, 2021:



**Registrar & Share Transfer Agent**

TSR Darashaw Consultants Private Limited (“TCPL”) acts as the Registrar and Share Transfer Agent of the Company. Share transfers, dividend payment, requests for duplicates, revalidation, transmission and other investor related requests are attended by TCPL at its Registered Office situated at:

TSR DARASHAW CONSULTANTS PRIVATE LIMITED (Unit - Bayer CropScience Limited)

C-101, 1st Floor, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai - 400083

Tel: +91-22-66568484

Extn: 411 / 412 / 413

Fax: +91-22-66568494

E-mail ID: csg-unit@tcplindia.co.in

Website: <https://www.tcplindia.co.in>

Contact Person: Ms. Mary George

a) Branch Offices of TCPL**1. BENGALURU**

C/o. Mr. D. Nagendra Rao
“Vaghdevi” 543/A, 7th Main
3rd Cross, Hanumanthnagar
Bengaluru – 560019
Tel: +91-80-26509004
E-mail : tsrdlbg@tcplindia.co.in

2. KOLKATA

C/o. Link Intime India Private Limited
Vaishno Chamber, Flat No. 502 & 503
5th Floor, 6, Brabourne Road
Kolkata – 700001
Tel: +91-33-40081986
E-mail : tsrdlcal@tcplindia.co.in

3. NEW DELHI

C/o. Link Intime India Private Limited
Noble Heights, 1st Floor
Plot No. NH-2, C-1 Block, LSC
Near Savitri Market, Janakpuri
New Delhi – 110058
Tel: +91-11-49411030
E-mail : tsrdldel@tcplindia.co.in

4. JAMSHEDPUR

Bungalow No. 1, ‘E’ Road,
Northern Town Bistupur,
Jamshedpur – 831001
Tel: +91-657-2426937
E-mail : tsrdljsr@tcplindia.co.in

5. AHMEDABAD

C/o. Link Intime India Private Limited
Amarnath Business Centre-1 (ABC-1)
Beside Gala Business Centre
Nr. St. Xavier’s College Corner
Off. C.G. Road, Ellisbridge
Ahmedabad – 380006
Tel: +91-79-26465179
E-mail : csg-unit@tcplindia.co.in

Share Transfer System

The shares of the Company being in compulsory dematerialised form, are transferable through the depository system. The transfers are processed if technically found to be in order and complete in all respects. The transfers processed are approved by the Company on a weekly basis.

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



Distribution of shareholding as on March 31, 2021

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1-500	66,037	2,360,144	97.70
501-1,000	924	627,343	1.37
1,001-2,000	333	463,633	0.49
2,001-3,000	86	213,919	0.13
3,001-4,000	33	114,826	0.05
4,001-5,000	31	136,095	0.05
5,001-10,000	60	408,893	0.09
10,001-20,000	23	337,769	0.03
20,001-99,999,999,999	64	40,279,470	0.09
Total	67,591	44,942,092	100.00

Shareholding Pattern as on March 31, 2021

Category of Shareholder	Number of Shareholders	Number of Shares	Number of Shares in Dematerialised Form	Shareholding as a Percentage of Total Number of Shares
(A) Promoter and Promoter Group				
1 Indian Body Corporate	2	14,797,818	14,797,818	32.93
2 Foreign Body Corporate	4	17,305,181	17,305,181	38.51
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	6	32,102,999	32,102,999	71.43
(B) Public Shareholding				
1 Institutions				
(a) Mutual Funds / UTI	17	4,291,232	4,290,699	9.55
(b) Financial Institutions / Banks	10	14,570	11,257	0.03
(c) Insurance Companies	11	1,286,669	1,286,569	2.86
(d) Foreign Institutional Investors / Foreign Portfolio Investors - Corps	112	1,290,746	1,290,246	2.87
Sub-total (B)(1)	150	6,883,217	6,878,771	15.32
2 (a) Central Govt / State Govt	1	311	311	0.00
Sub-total (B) (2)	1	311	311	0.00
3 Non-Institutions				
(a) Bodies Corporate	837	1,238,803	1,236,519	2.76
(b) Individuals –				
Individual shareholders holding nominal share capital up to ₹ 2 lakh	59,716	3,505,527	3,240,796	7.80
Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	6	305,260	278,100	0.68
(c) Any other				
i. HUF	1,430	356,424	356,424	0.79
ii. Non-Resident Indian (NRI)	2,877	341,910	340,679	0.76
iii. LLP	49	10,481	10,481	0.02
iv. Trust	11	2,196	2,196	0.00

Category of Shareholder	Number of Shareholders	Number of Shares	Number of Shares in Dematerialised Form	Shareholding as a Percentage of Total Number of Shares
Clearing Members	190	69,865	69,865	0.16
Alternate Investment Funds	6	20,055	20,055	0.04
NBFCs registered with RBI	1	100	100	0.00
Bodies Corp - Non-NBFC	2	156	156	0.00
Foreign Nationals	1	33	33	0.00
Directors & Relatives	1	533	533	0.00
IEPF A/c	1	104,222	104,222	0.23
Sub-total (B) (3)	65,128	5,955,565	5,660,159	13.25
Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	65,279	12,839,093	12,539,241	28.57
Total (A)+(B)	65,285*	44,942,092	44,642,240	100.00

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

List of Top 10 shareholders as on March 31, 2021

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

Pledge of Equity Shares

None of the Equity Shares held by the Promoters and / or Promoter Group as on March 31, 2021 have been pledged or otherwise encumbered.

Dematerialisation of Shares and Liquidity

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

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

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

Not Applicable

Plant Location

Sr. No.	Address
1.	Plot Nos. 66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat
2.	Plot No. 1, 4 & 5, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi, Silvassa – 396 240, Union Territory of Dadra & Nagar Haveli
3.	Survey No. 677, 678, Village Lalgadi Malakpet, Shamirpet Mandal, Medhchal District – 500078, Telangana

List of Bankers

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

Address for Investor Correspondence

- The Company at the following address:
Bayer CropScience Limited
Law, Patents & Compliance Department
Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) - 400 607.
Tel. No.: 022 - 2531 1234
Fax No.: 022 - 2545 5063
E-mail: ir_bcs1@bayer.com
Website: www.bayer.in
- TCPL at their following address:
TSR Darashaw Consultants Private Limited
(Unit – Bayer CropScience Limited)
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai – 400083
Tel: +91-22-6656 8484
Extn.: 411 / 412 / 413
Fax: +91-22-6656 8494
E-mail: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in
- The Company has a specific Investor Grievance E-mail ID: ir_bcs1@bayer.com
All information / requests for share transfers, dematerialisation, transmissions, change of address, non-receipt of dividend warrants, duplicate/missing share certificates, and other matters connected therewith, may be addressed to TCPL at the address mentioned above.

9. Other Disclosures

Details of Annual General Meetings held in the past 3 years

Year	Venue	Date	Time
2019-2020	AGM conducted through Video Conferencing/Other Audio Visual Means (OAVM)	August 07, 2020	11:00 a.m.
2018-2019	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	July 24, 2019	11:00 a.m.
2017-2018	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	August 21, 2018	11:00 a.m.

Special Resolutions passed in the previous 3 Annual General Meetings

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

Postal Ballot

During the financial year 2020-21, no resolution(s) were passed through postal ballot.

Related Party Disclosures

The Board has in place a policy for Related Party Transactions which was reviewed on February 11, 2021 by the Audit Committee and Board as per the SEBI Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for the Related Party Transaction on a yearly basis for the transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are reviewed to establish compliance with the requirements of Related Party Transactions under the Act and SEBI Listing Regulations.

The Company has not entered into any materially significant Related Party Transactions with its Promoters, Directors, or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. All material transactions entered into with the Related Parties, as defined under the Act and Regulation 23 of the SEBI Listing Regulations, during the financial year, were as per the Board

approved policy, in the ordinary course of business and at arm's length. Transactions with Related Parties as per the requirements of Accounting Standards 18 are disclosed in the Notes to Financial Statements. The Related Party Transaction Policy has been uploaded on the website of the Company at www.bayer.in.

Details of non-compliance

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

Means of communication

The Company provides all the statutory information to its shareholders using multiple channels of communication, including dissemination of information on the online portal of BSE Limited, Press Releases, Annual Reports, Investor Presentations, and by placing relevant information on its Website.

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

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

For and on behalf of the Board of Directors

Pankaj Patel
 Chairman
 (DIN: 00131852)

Ahmedabad, May 25, 2021



Corporate Governance Compliance Certificate

To
The Members
Bayer CropScience Limited

We have examined the compliance of conditions of Corporate Governance by Bayer CropScience Limited (“the Company”), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of the conditions of Corporate Governance is a responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

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

Nilesh A. Pradhan
Partner

FCS No: 5445
COP No: 3659

UDIN: F005445C000364771

Place: Mumbai
Date: May 25, 2021

Certificate of Non-Disqualification of Directors

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company*
1.	Mr. Pankaj Ramanbhai Patel	00131852	July 5, 2016
2.	Mr. Sekhar Natarajan	01031445	October 1, 2019
3.	Mr. Narain Duraiswami	03310642	October 23, 2018
4.	Dr. Harsh Kumar Bhanwala	06417704	February 12, 2021
5.	Dr. Thomas Hoffmann	06485949	September 16, 2019
6.	Ms. Ketaki Sanat Bhagwati	07367868	January 15, 2019
7.	Mr. Jens Hartmann	08338494	February 4, 2019
8.	Dr. Sara De Noyelles Boettiger	09012747	February 12, 2021
9.	Mr. Rolf Axel Hoffmann	08460583	June 1, 2019

*Date of appointment is taken from MCA.

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

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

Avinash Bagul
Partner

Place: Mumbai
Date: May 25, 2021

FCS 5578 / CP No. 19862
UDIN: F005578C000364915



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

We, Duraiswami Narain, Vice Chairman & Managing Director and Chief Executive Officer and Rolf Hoffmann, Executive Director & Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief we state that:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes in internal control over financial reporting during the financial year;
 - b) significant changes, if any, in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- E. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to the 'whistle blowers' from unfair termination and other unfair or prejudicial employment malpractices; and
- F. We further declare that all the Board members and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct for the year under review.

For and on behalf of the Board of Directors

Duraiswami Narain
Vice Chairman & Managing Director and
Chief Executive Officer
(DIN: 03310642)
Chicago, USA

Rolf Hoffmann
Executive Director &
Chief Financial Officer
(DIN: 08460583)
Mumbai, India

May, 25, 2021

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24210MH1958PLC011173
2.	Name of the Company	Bayer CropScience Limited
3.	Registered address	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607. Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 5063 E-mail: ir_bcsI@bayer.com
4.	Website	www.bayer.in
5.	E-mail ID	ir_bcsI@bayer.com
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code : 20211 - Manufacture of insecticides, rodenticides, fungicides, herbicides 01113 - Growing of other cereals
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Dekalb, Nativo WG and Roundup
9.	Total number of locations where business activity is undertaken by the Company	Number of International Locations (Provide details of major 5) – None Number of National locations – 25 locations including Manufacturing plants, Multi-breeding stations, Registered office and Regional offices
10.	Markets served by the Company	Pan India

Section B: Financial Details of the Company

1.	Paid-up capital (₹)	449,420,920
2.	Total Turnover (₹)	42,613 Million
3.	Total profit after taxes (₹)	4,931 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	2.05%
5.	List of activities in which expenditure in 4 above has been incurred	Rural Development Preventive Healthcare Education & Community Engagement



Section C: Other Details

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

There are no subsidiary companies.

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

Not applicable

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

As a responsible organisation, our top priority during the pandemic was to ensure well-being of our employees and other associated workmen at the site. This includes facilitating Work From Home with the required support, temperature checks, conducting more awareness sessions, providing good quality mask & sanitisers, etc. We associate with third party toll manufacturers for procuring raw material required in manufacturing processes. In the challenging times of Pandemic, 30% - 60% of our third party toller's supported our BR initiatives and actively participated by:

- Providing training by third party vendor at the site for health and safety measures and general health checkup of sprayer and employees
- We also distributed 250 Ration kits to workers and migrant workers during COVID-19 pandemic situation
- Training on importance and usage of Personal Protective Equipment (PPE), social distancing, Sanitation, first aid & safe handling of substances
- Supporting many continuous projects like road construction, installation of energy-efficient light fixtures, development of sanitation infrastructure for the development of the village

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

- a) **Details of the Director/Directors responsible for the implementation of the BR policy/policies:** The CSR Committee of the Company is responsible for the implementation of the Business Responsibility Reporting. The composition of the CSR Committee as on March 31, 2021 is given herein:

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

b) Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	03310642
2.	Name	Mr. Duraiswami Narain
3.	Designation	Vice Chairman & Managing Director and CEO
4.	Telephone Number	+91 22 2531 1234
5.	E-mail ID	ir_bcs1@bayer.com

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

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

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

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

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

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

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

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

Not Applicable

Governance related to BR

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

CSR committee of the Company assesses the business responsibility performance on an annual basis.

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

This is the Company’s fifth Business Responsibility Report which is published annually in the Annual Report. It can be viewed at www.bayer.in. We also disclose our sustainability related performance in our parent company Bayer AG’s Global sustainability report which can be accessed at www.bayer.com

Section E: Principle-Wise Performance

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

Global pandemic challenged the survival and sustenance of the organisations. As a leader in the agricultural sector, it was our responsibility to undertake measures to minimise the impact of COVID-19 on the operations. Given the disruptions in the supply chain, various measures were undertaken for a continuous operation like working from a remote location through a digital interface. Digital transformation also enhanced our ethical standards of integrity, transparency, and accountability in our processes. We are governed by our deep-rooted values of Leadership, Integrity, Flexibility, and Efficiency (LIFE), and ethical conduct. Our management played a major role in monitoring and taking required actions to deliver the utmost quality product.

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

Bayer's Code of Business Conduct applies to all its employees, agents, contractors and other business partners whereas suppliers are covered through the dedicated Supplier Code of Conduct. Our ethical standards are diligently practised across the organisation and dedicated functions assess the compliance towards the same.

Integrated Compliance Management (ICM) is the Bayer global program designed to upscale the compliance level and address critical risk areas from antitrust, anti-corruption, conflict of interest, data privacy, etc. perspective through policies, processes, training & monitoring. Our Corporate Compliance Policy outlines the compliance standards expected from all our employees to abide by and stick with legal norms during the operations.

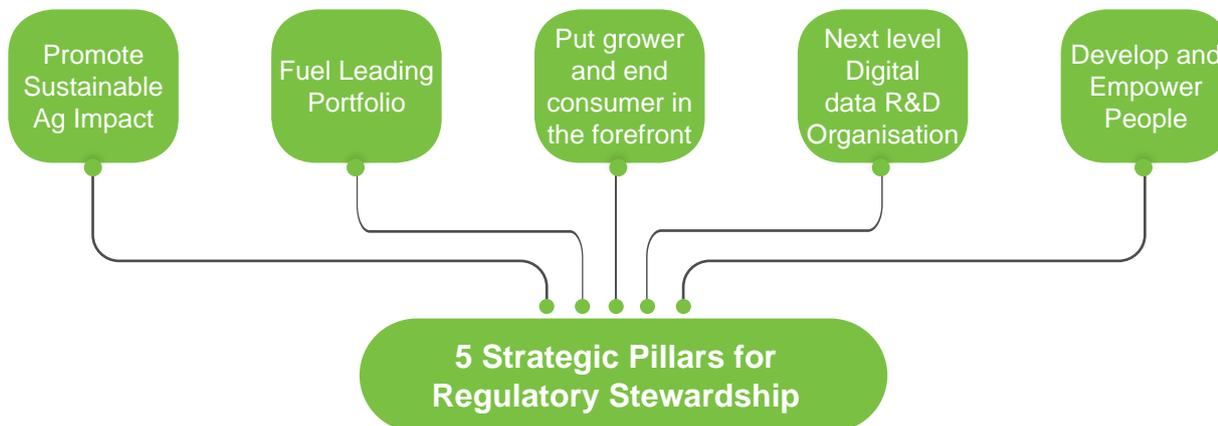
2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Under Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, Whistle Blower Policy has been set for employees where they can update and raise awareness against unethical practices within the organisation. For an effective, punctual, and assuring redressal mechanism, we have established a dedicated hotline number and a web-reporting mechanism, the details of which are given in the Whistle Blower Policy as uploaded on the website of the Company at www.bayer.in. To attend investor concerns, we also have a dedicated Stakeholders Relationship Committee.

During the reporting year, we have received 7 investor complaints and all have been satisfactorily resolved as on the date of this report.

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

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





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



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

Our product portfolio is designed to support and nurture the environment. Our Crop Science division nearly caters to 20 million farmers' needs, while providing solutions related to crop protection, seeds, traits, biologicals, digital farming, and environmental science.

Our products can be mainly categorised into:

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

We incorporate direct and indirect environmental and social risks associated with upstream and downstream manufacturing processes into our technology enhanced plans. Our facilities are aimed to conserve resources like energy & water and minimise waste generation through recycling and reuse of resources.

Some of our unique initiatives are mentioned below:

Preventing unhealthy reuse of discarded and used packaged products

Our program was aimed at removing the discarded and used packaged products from rural and back urban regions. Unhealthy reuse of these discarded bags and containers can be a health hazard. To overcome this issue, we obtained a licence from Pollution Control Board and onboarded vendors to collect these wastes and incinerate them. We also raised awareness in the farmer groups on health risk associated with reuse of bags and containers and the importance of usage of large disposal bin.

2D- Anti-Counterfeiting

Counterfeiting of products not only impacts farmers but also the environment. Due to lack of awareness, there has been a high insurgence of fraudulent activity. To tackle this issue, we had developed a unique 2D code for all our products which gets printed during packaging. This code helps farmers to identify genuine products and avoid being victims of duplicate products. To verify the code, farmer can simply scan the code and share the number to Bayer's helpline or point of contact. The request would be followed by a confirmation message to the farmer authenticating the registered product. In case of unavailability of technology infrastructure, a requestor can reach out to the nearest supplier with a leaflet or

a photograph and the supplier can request the confirmation of the authenticity of the product. In the last 4 years, multiple farmers have reached out to validate the product which saved them from falling prey to counterfeited products.

Mono dose pack and Measuring cup with products

Overdosage or under dosage of pesticide can result in long-term damage to the crop due to low resistance towards pests. To ensure the safety of crops, we analysed the optimum level of dosage required to prevent pests. We packaged fixed mono dosage amounts of 2g, 5g and 10g packs with measuring cups for easier utilisation of the product. This initiative helped us to standardise the process and help farmers to achieve the best results and deliver consistent and high-quality crops.

Training

We are committed to advancing the agricultural market by raising awareness towards responsible

and safe use of products. During product promotion campaigns, protecting the interest of the customer is one of the core activities for Bayer. The programmes highlight safety management (for the user), its implementation (for the crop & user), and its final disposal (for the environment) and it outlines:

- Acquaintance with the labelled guideline on the product for safe usage
- Awareness and recommendation towards disposable hand gloves while handling the Fipronil Granules
- Partnering with industries to create mass impact by demonstrating pilot trials to showcase the methods and practice of safe disposal of agrochemical products

We partner with academia on an ongoing basis to carry out geographical investigations to map and identify crop areas, soil and water nature, type, quantity, and quality for additional information on the product label.

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

Products whose design has incorporated environmental/social concerns, risks and opportunities	Reduction in resource use (raw material, energy, water, any other) per unit of production achieved throughout the value chain with respect to the previous year	
	Energy (MWh)	Water (Million Cubic Meter)
WP Products (Melody duo WP, Aliette WP, K-Obiol WP)	0.11	NA
WG Products (Glamore WG, Jump WG, Lesanta WG, Profiler WG, Admire WG)	NA	1.0 x 10 ⁻⁷
SC Products (Movento Energy, Gaucho FS, K - Othrine SC, Premise SC, Monceren SC, Velum Prime SC, Evergol Extent, Emisto Prime, Raxil, Responsar, Regent Gold, Luna Experience, Infinito)	0.12	0.2 x 10 ⁻⁷
Roundup 41% SL	0.03	0.222
IPA Salt of Glyphosate 54% SL	0.03	0.044
Tonnes of raw seed (Corn)	0.198	NA
Corn and Cotton Breeding and R&D	953.160	450789.2

Increased focus and significant efforts in conservation, recycling, and reuse of resources have resulted in achieving near optimum levels. We have been working on reducing water consumption and wastewater generation by the use of Corn oil (20% replacement) and Sunflower oil (25% replacement) as alternatives. Other initiatives to conserve resources are as follows:

- Certified Zero Liquid Discharge (ZLD) at Himatnagar and Silvassa plants
- Installed 20 KLD capacity sewage treatment plant at Shamirpet site for in-house handling of sewage water and reusing the treated water for surface gardening
- Installed 70 KW solar power generation plant at Shamirpet site and 20 KWp Solar power generation plant at Silvassa Site

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

As a global Company, we procure material and services from different geographies. While procuring supply chain, sustainability plays a crucial factor. Our Procurement policy and supplier management processes have anchored a high level of ethical, social, and environment-related principles. We also expect our suppliers to observe these principles and adhere to these values to minimise risks and create stable, long-term business relationships.

Procurement is an enabling function that acts centrally on behalf of all divisions and enabling functions and leverages synergies by bundling know-how and procurement spend. Our main direct procurement materials include active ingredients, raw materials, intermediates, finished products and seeds. Technical goods and

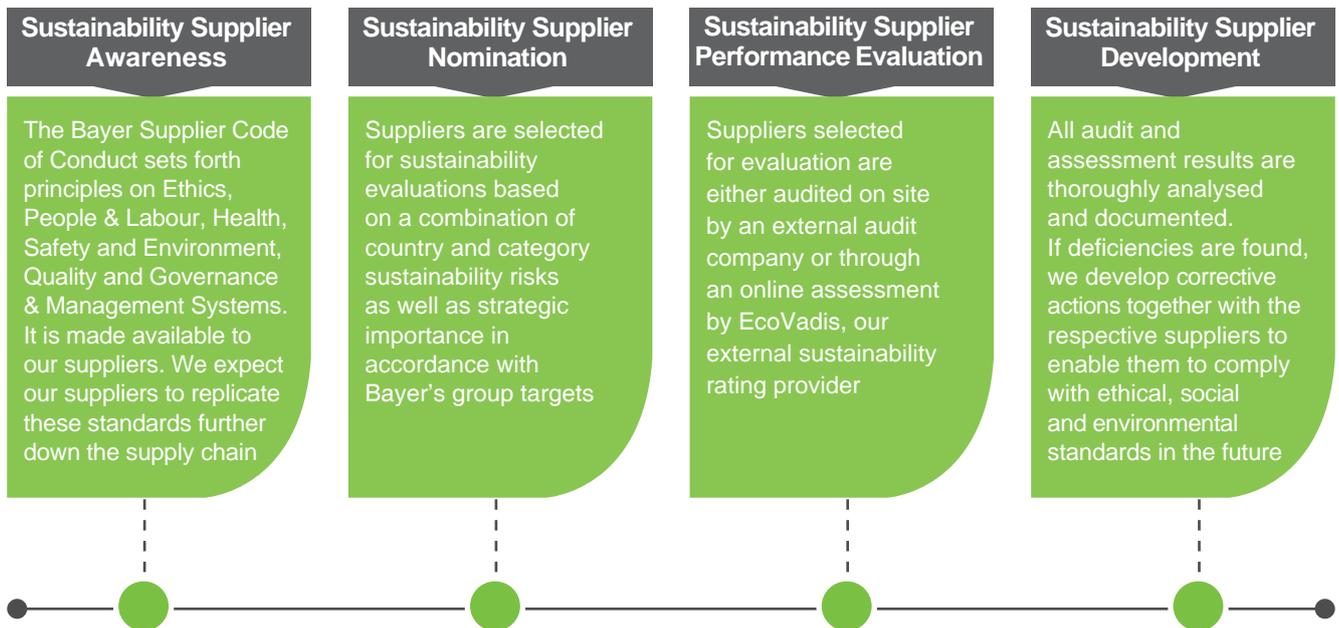
services, marketing services and research and development services are important components of our indirect procurement portfolio.

Sustainability in the Supply Chain

Sustainability-oriented criteria and standards apply to our supply chain at both a global and regional level. A four-step process is established throughout the Company to improve sustainability practices in the supply chain. Bayer's procurement employees are supported in the implementation of our sustainability requirements through targeted Group-wide training measures.

Furthermore, a worldwide network of local sustainability experts provides support in the communication and implementation of measures in countries where heightened sustainability risks predominate. These experts undergo regular training and then share the acquired knowledge in their teams and countries, as well as with suppliers.

Four-stage Management Process to improve Sustainability Practices in the Supply Chain:



Step 1: Raising awareness

The core principles of our sustainability requirements are established in Bayer's Supplier Code of Conduct, which is based on our Bayer Human Rights Policy, the principles of the U.N. Global Compact. The code covers the areas of ethics, relations with employees and other stakeholders (including human rights), health,

safety, environment and quality, and governance & management systems.

The code is applied in the selection and evaluation of our suppliers and is integrated into electronic ordering systems and contracts throughout the Bayer Group. As a result, suppliers must already commit to our core principles upon registration.



Step 2: Selecting suppliers for evaluation

Each year, Bayer systematically selects suppliers whose observance of the code requirements needs to be reviewed through an online evaluation or an audit. The first step is to identify all suppliers of strategic relevance to Bayer who must automatically undergo a sustainability evaluation.

In the second step, Bayer gives the remaining suppliers a sustainability risk classification based on the country/category risk and significant procurement spend. The suppliers identified in these two steps are once again validated by the procurement organisation, and the suppliers requiring evaluation are then conclusively specified.

Also included are suppliers for which evaluations were performed through our industry initiatives 'Together for Sustainability' ("TfS") as well as those who have proactively allowed themselves to be evaluated.

Step 3: Evaluating sustainability performance

Bayer verifies the observance of the code requirements by the suppliers selected in Step 2 through EcoVadis online assessments or on-site audits conducted by external and Bayer auditors. The online assessment criteria of EcoVadis – broken down into the areas of environment, ethics, labour practices & human rights, and sustainable procurement – correspond to the requirements of our code and also take into account country and industry-specific conditions and supplier size. The audit criteria included both the specifications of our code and the industry-specific requirements of the TfS.

Step 4: Developing suppliers

The online assessments and on-site audits are analysed so that specific improvement measures can be defined. A supplier receives a critical result if a serious violation or several major findings in sustainability performance are identified. In these cases, Bayer requests that the suppliers remedy the identified weaknesses within an appropriate timeframe based on specific action plans. We monitor the implementation of these activities by way of re-assessments or follow-up audits.

A key factor in this cooperation is helping our suppliers to improve their sustainability performance. Here we focus both on remedying deficiencies and on cooperating on sustainability issues. The industry initiatives TfS also organised training courses and workshops for suppliers.

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

The Supplier Code of Conduct is the guiding principle for procurement and all our suppliers must adhere to the same which ensures sustainability in our supply chain. Bayer reviews the sustainability performance of the supplier, either by assessment or by audit executed by an in-house team or a third party. Audits for Quality, Health, Safety, and Environment (QHSE) are carried out for numerous suppliers to ensure 100% responsible procurement.

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

Bayer collaborates with local suppliers and vendors to strengthen the local value chain. Such associations present opportunities to upscale and improve operations. We strategically ally with local vendors and suppliers who affirm to meet the business requirements and provide enough livelihood opportunities to nearby manpower.

Bayer directed reach to smallholder farmers through Project Sahbhaagi, an app-based service for local farmers. This platform creates employment for rural area as well as provides the convenience to farmers for purchasing product from anywhere, anytime. The application comes with a loyalty programme where farmers can get loyalty benefits on purchase. More than 700 Sahbhaagi reached 31,000 growers which created additional earning opportunity for Sahbhaagi in rural areas and farmers get an assurance of buying genuine products from the Company.

For improving capability of local farmers, various Farmer Producer Organization ("FPO") engagements were undertaken. Key enablers of these programmes were resource planning, developing crop solution, potential mapping of FPO's, partnerships, etc. Through FPO engagement few key highlights are as follows:

- Engagement with approximately 900 FPOs
- Extended reach to FPO smallholder farmers

- Formation of FPO clusters
- Enabling 100 FPO clusters
- Collaboration with 25 supporting organisations
- Developing crop value chains for FPOs
- Up-skilling with training series on finance to governance along with partners

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

Bayer has adopted a focussed strategy towards waste management through waste minimisation and conservation of resources. This continued effort to eliminate, recycle, and reuse waste, has resulted in less waste being disposed. Water being a major constituent of our manufacturing process, we have taken various initiatives to recycle 95% of washed water for Suspension Concentrates and Wettable Granule products.

Below are some of the initiatives undertaken by the Bangalore R&D station with estimated savings:

- 72% of water was recycled through 10KLD of STP
- 62% of the water from seed washing and RO reject water recycling system was reused for using for gardening
- Around 88% of compost was generated from compost pit which was later used in agricultural research
- Reducing Packaging Waste

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

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

b) Sourcing of Raw Materials into Bigger Packs

We have normalized our packing size of raw materials to bigger packs instead of the small ones. This has indeed reduced waste generation and decreased the production of contaminated waste. We have also changed the sourcing of few liquid raw materials from high-density polyethylene (HDPE) drums to tankers. This has increased reusability, storage, and decreased contamination matters.

c) Packing of Finished Goods into Big Packs

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

1. Increasing the packing quantity has resulted in reduced exposure of the chemicals, reduced human intervention and it also improves handling. Our imports of 20kg packs have been increased to 180kg packs.
2. Modifying Roundup 5-litre bottle for finished products at Silvassa site, which has resulted in reduced 10% weight; expected to reduce HDPE usage by 15MT.

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

Principle 3 (P3): Businesses should promote the well-being of all employees

At Bayer, we aim to help solve some of the most pressing challenges faced by mankind, and by doing this exceptionally well we strive to achieve and maintain leadership positions in our markets.

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



Since last year due to the COVID-19 pandemic, the situation has changed the corporate working notably. Bayer had taken all care of employees to support them to adopt work from home/anywhere culture smoothly. Bayer has supported employees with enhanced insurance cover for employees, make available the services of specialist doctors through Medibuddy service, conducted Wellness sessions by experts, Resilience Workshops for mental wellbeing. The employees were also encouraged to avail services of the Employee Assistance Facility for personalising discussions with expert counsellors in case they needed any advice on personal issues.

Bayer also celebrated and recognised employees as COVID heroes who had gone beyond their normal duty to support or help the community in whichever manner possible for them from distribution of homemade masks, food to needy people or supporting with provisions to needy.

1. **Please indicate the total number of employees.**
1,254
2. **Please indicate the total number of employees hired on a temporary/ contractual/casual basis.**
3,809
3. **Please indicate the number of permanent women employees.**
187

4. **Please indicate the number of permanent employees with disability.**
1
5. **Do you have an employee association that is recognised by management?**
Yes, we have Sabarkantha Jhila Mazdoor Sangh, an employee association that supports collective bargaining amongst our employees.
6. **What percentage of your permanent employees are a member of this recognised employee association?**
6.4% of our permanent employees are members of the association.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending, as on the end of the financial year.**

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

Category	No. of complaints during financial year	No. of complaints pending at the end of the financial year
Child Labour	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil
Sexual Harassment	1	Nil

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

Everything we do begins with our people. Employees are any company’s most essential resource and asset. Our employees and their knowledge & skills play an important role in our success. To enhance the skill set of our employees, we offer a broad portfolio of development and training opportunities that ensure real-life application. Learning & Training is not a stand-alone solution; it is part of a holistic

talent management approach, driven by the Check-Ins, Development Dialogue discussions, PMP discussions, and feedback tools like the 360° feedback, Mentoring Connects, Leadership Pulse surveys, etc.

All our learning solutions are built upon the foundation of our LIFE Values, which are centric to all the key people-processes and Life at Bayer. The LIFE values speak about the culture we wish to imbibe and build focussing on Leadership, Integrity, Flexibility, and Efficiency.

At Bayer, the leadership development is clustered into:

The “Bayer Academy” offers training for both Leadership & General Management, a wide selection of learning opportunities based on skill sets and challenges with both global and local relevance, and a broad variety of Functional Academies & Learning Organisations within Bayer.

Select and Customised external Learning Programmes.

Internal & Customised learning offerings catering to the need of the Function/Business/ Team as need be.

Special Cross-Functional Learning Projects, Initiatives, Short Term Assignments, etc. which further fuel the career development, cross-functional learning, and growth opportunities for our employees.

Through our Global Mentoring Program, we offer a platform for all our employees to connect with Mentors across the Organisation and Geography and not be limited to a specific Function/Business or a location.

Our Learning Strategy follows a PULL v/s PUSH Approach and we have further improvised through providing a blended learning approach to our employees. Through Micro Bite Sized Learnings, Cross-Functional Action Learning Projects, Expert Masterclasses, App-based learning (for digital leapfrogging); we are constantly innovating to provide a more real-time and futuristic learning approach to our employees across.

Short Term Assignments, Career Moves across the globe, and learning opportunities outside one’s immediate area of work are areas we constantly aspire to provide for our talent.

Performance and awareness of our employees are upgraded by undergoing various skill upgradation and safety training.

Category	Skill Upgradation Training		
	Himatnagar	Silvassa	Shamirpet
Permanent Employees	100%	100%	100%
Permanent Women Employees	100%	0	100%
Casual/Temporary/Contractual Employees	80%	100%	100%

Category	Safety Training		
	Himatnagar	Silvassa	Shamirpet
Permanent Employees	100%	100%	100%
Permanent Women Employees	100%	100%	100%
Casual/Temporary/Contractual Employees	100%	100%	100%

Bayer's HSE team has done notable work against global pandemic due to COVID-19. The team has worked overtime by giving continuous communication and updates on the COVID-19 situation. Our manufacturing sites also undertook various initiatives to avoid exposure such as:

- Complying with Government Rules and regulations on COVID-19 regularly
- Floor marking and sanitation of common touching points regularly during the pandemic situation of COVID-19
- Reviewing the situation on daily basis for COVID-19 by the site leadership team
- Continuous training to all employees at site on COVID-19 pandemic preventive measures
- Daily safety talks initiated at the start of each shift on COVID-19
- Daily monitoring of body temperature and SP02 for all employees while entry into premises
- Regularly monitoring employee travel history and Family member health status
- Self-declaration being taken from each employee for COVID-19 related information
- Employees were prohibited access in the case of sickness
- Hand washing facility provided at the main gate
- Surgical masks made compulsory for all employees
- Employees were recommended to follow three basic behaviours viz. 'Wearing of mask all the time, Maintaining 2 metres physical distancing and Frequent Hand hygiene' by all employees
- Above 3 COVID-19 related behaviours are observed under Behaviour Based Safety Programme at the site
- Maintain records for employees for those who are working in a plant with less than 2-metre distance and more than 15 minutes duration
- Awareness posters and standees displayed in the plant for COVID-19 prevention
- Awareness videos shown to employees in the canteen by installing television
- Plant Housekeeping increased to sanitise all the area, offices, roads, etc. with appropriate sanitiser on daily basis

Himatnagar Site

- Last year's specific focus was on Skill upgradation in the process like Microbial Contamination prevention, Fipronil Handling, cleaning, and decontamination, etc.
- Conducted Occupational Health & Safety Risk Assessment (OH&SRA) training for all Managers at the site as per revised global HSE Procedure and special focus was on COVID-19 awareness and safety training.

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

At Bayer, we firmly believe that our growth and transformation are an outcome of strong stakeholder collaboration. We have mapped all the internal and external stakeholders critical to our business. We engage with our stakeholder groups regularly to understand concerns and undertake appropriate action to overcome the same.

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

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

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

Our stakeholders are mentioned below:

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

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

Stakeholder groups with specific needs were identified and mapped under vulnerable, underdeveloped, and marginalised stakeholders. We interact with them periodically to address their concerns as well as get feedback from them. We also conduct awareness camps, and training sessions. Below are the identified stakeholder groups in the mentioned category:

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

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

We do undertake special initiatives for the vulnerable and marginalised stakeholder groups and details of the same can be found in Principle 8 in this report.

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

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

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

Yes, all the employees and suppliers are covered in the policy. We believe that our values must reflect in the functioning of our partner businesses as well. To entrench our values, the Bayer Code of Conduct lists guidelines to safeguard human rights, and the Whistle Blower Policy provides a platform to report violations in said policies.

Extending to our suppliers, our Supplier Code of Conduct lays down the expectations with regards to human rights from all our partners in the supply chain. To ensure compliance with the Child Labour (Prohibition and Regulation) Act, 1996, Bayer outrightly bans the use of child labour in any operation in our business and supply chain. Our LIFE values and Corporate Compliance Policy binds all our employees across geographies to adhere to fair, lawful conduct towards everyone in our organisation.

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

We abide by our policies and values at the highest level which makes our stakeholders entrust our working procedures and results. For the reporting year, there was one complaint against one of the service providers in the Telangana region and the matter is sub-judice.

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

In line with Bayer Global Sustainable Development Policy, our business conducts has been aimed at minimising the environmental negative footprint and creation of positive social impact. Our mode of function has minimal impact on the environment. This is very precisely defined in our Bayer Global Sustainable Development Policy. We strongly abide by our framework and this is supported by adopting the chemical industry's responsible care initiative.

We have mapped the impact of our business across the elements of nature. For each element, we have developed systems that enable us to monitor and identify operational resource consumption hotspots. We have analysed trends that guide our roadmap to resource conservation. We actively engage our workforce with our vision of making environmental conservation a pan-organisational agenda. Our senior management reviews the progress of various environmental conservation programmes periodically. These reviews assess progress, define improvement areas, and set targets to be monitored through the next review cycle.

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

Yes, the policy extends to our suppliers, vendors, contractors, and other business associates.

We practice the highest standards in our operations and we motivate our value chain partners to adopt the policy in action. We also provide training to our stakeholders on environment, health, and safety-related topics. Some of the topics are mentioned below:

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

To keep the compliance in check, we also conduct surprise HSE audits in our supplier's units, toll manufacturers' units, and warehouses.

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

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

- Implemented and installed STP (10 KLD) for recycling wastewater at the site. Water is reused for irrigation and gardening purpose post-treatment
- The site also implemented a Seed washing and RO Reject water recycling system and using it for gardening purposes
- The site also constructed a rainwater harvesting tank of 80 Lakh litres
- To reduce waste generation sent for incineration and promote recycling of packaging material, we implemented raw material unpacking at the primary level to

avoid contamination from the shop floor due to packaging

- GHG emission reduction was achieved by the installation of hydraulic press, compacting the solid hazardous waste which reduces transportation trips
- Installation of Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) for treatment of domestic wastewater
- FELS - Fire Explosion Leakage & Spillage Prevention Project & HACRA - Hazardous Area Classification and Risk Assessment
- ChemRADE Industrial Hygiene Program: Completed as a pilot project for chemical exposure measurement at the workplace
- Replacement of bag filters by the installation of cartridge filter and HEPA filter to reduce dust emissions
- Installation of solar power generation panels on the roof of the plant and administration building to reduce electricity consumption at Himatnagar plant (Capacity – 112 KWp)
- Implementation of battery-operated forklift, solar-based streetlights, and rainwater harvesting scheme to recharge the groundwater table at Silvassa plant
- Installed organic waste composter to convert organic waste into manure that is used within the fields at Shamirpet plant

Activities planned for the near future:

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

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

Our Site identifies environmental risks and takes necessary actions to mitigate these risks. Our manufacturing sites - Himatnagar, Silvassa, and Shamirpet are certified with Environment Management Systems – ISO 14001-2015. Some of the risks identified and being assessed are -

- Resource depletion
- Air pollution
- Solid waste
- Noise pollution
- Land contamination

- Hazardous waste generation
- Soil contamination
- Spillage

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

Actions being taken to mitigate risks:-

- Air pollution – Conducting regular stack monitoring to maintain the prescribed limits by the regulatory body
- Hazardous waste generation – Segregating hazardous waste and disposing of it through an authorised vendor
- Noise pollution – Periodically assess the noise monitoring systems to take appropriate actions
- Health checkups – We have partnered with a third-party health managing team to periodically check our employees' health

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

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

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

Our continuous efforts are towards enhancing our systems and technology to improve our environmental performance. On an ongoing basis, our functional teams gather to ideate and optimise the process. Such exercises also help us to promote clean and energy-efficient technology.

Some initiatives taken up are:

- Installation of 64 Solar streetlight reduce the dependency on grid electricity
- Implemented underground recharge pit to increase the groundwater levels
- Various initiatives were undertaken to conserve electricity at the site by studying OEE (Overall Equipment Efficiency) and some individual equipment enhancement by

the installation of VFD (Variable Frequency Drive) for motors

- Implemented a Heat Recovery system for heating drums in a hot water bath by using existing air compressors' heat
- Various process optimisation measures are taken in SC Formulation plant-like reduction in product change over time, reduction in batch cycle time, reduction in milling time, etc.
- The reject water from the RO plant is stored at the site, blended with fresh water, and then used for gardening purposes. The site has installed a gardening sprinkling system and drip irrigation system to eliminate wastage of water and effective use of resources
- The site operational team has cautiously taken steps to eliminate chlorofluorocarbon as a refrigerant from air conditioning units and cold storage compressors at the site as and when refrigerant changes happen, or new equipments are purchased. The site has already started transitioning from R22 to resilient refrigerants like R134A and R410A
- At the Himatnagar site, a fully automatic liquid filling & packing line project is initiated, to improve process efficiency

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

Yes, our air emissions and waste generated by the Company are well within the permissible limit specified by the State Pollution Control Boards through Consolidated Consent & Authorisation (CC&A) for the financial year reported. We ensure all the legal requirements are met with respect to the generation, packing, storage, and disposal of hazardous and biomedical 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 comply with all the regulations issued by the Central Pollution Control Board and State Pollution Control Board and continue to maintain a clean record with zero show-cause notices for the fiscal year.

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

Himatnagar Site:

- IMS Certification (ISO 9001-2015, 14001-2015) Recertification in 2019 and Surveillance Audit conducted in 2020
- Best Warehousing Practices Award for the year 2016 from the Indian Institute of Material Management
- Silver CSR Achievement Badge - 2014 & 2016 by EcoVadis

Silvassa Site:

- Health and Family Welfare Award 2019
- National Safety Council Award 2017
- The site is certified for ISO 9001-2015, 14001-2015, OHSAS 18001-2015

Shamirpet Site:

- British Safety Council International Merit Award 2017
- Global Safety and Health Award 2011 and 2016
- The site is certified for ISO 9001-2015, 14001-2015, OHSAS 18001-2015
- Best ESH Management System Award – World CSR Congress

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

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

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

- The Federation of Indian Chambers of Commerce and Industry [FICCI] (Agrochemicals & Seeds/Traits)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM) - Agrochemicals, Seeds, ES, etc.
- CII (Confederation of Indian Industries) - Agrochemicals and Seeds/Traits - Bayer is a member of the committee, however, no membership in CII

- Crop Life India (Agrochemicals)
- Public Affairs Forum of India (External Communication) – Seeds, Agrochemicals, Traits & Policy
- AgroChem Federation of India (Agrochemicals & Seeds/Traits)
- Indo German Chamber of Commerce - External Communication (Agrochemicals & Seeds/Traits)

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

Yes, Bayer is associated with the above-mentioned institutes with an objective of mutual learning, support regulatory activity, advancement, and improvement of public well-being. Our association also provides us an opportunity to improve the business environment and regulatory process for future technologies.

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

Sustainability is central to Bayer’s group strategy and an integral part of our business strategies. We aim to achieve lasting commercial success by connecting economic growth with ecological and social responsibility. Our vision is “Health for all, Hunger for none” and as a global company with leading businesses in health and nutrition, we address fundamental human needs that are essential for a sustainable and inclusive world. We remain committed to having a positive impact on society – guided by our purpose “Science for a better life”.

COVID-19 has brought us many challenges but it could not stop our efforts to support the community where we work and live, the willingness, the enthusiasm to overcome challenges and make a positive impact in our community, especially with the villages sanitisation programme, distribution of mask, sanitisers, ration kits, etc.

Our Corporate Societal Engagement (CSE) approach is focussed on three areas:

- Rural Development

- Preventive Healthcare
- Education & Community Engagement

Accordingly, our projects are designed keeping in mind the above milestones and implemented along with our partner NGOs and other on-ground agencies who have relevant skills and experience.

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

Yes, we do have several programme in pursuit of the policy.

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

Our programmes are governed and undertaken by our Board-level CSR Committee who reviews the ongoing projects and approves new ideas. We do collaborate with various stakeholders for different projects depending on their ground presence, relevant experience and organisational strength.

Our initiatives are executed by:

- In-house team
- Bayer Foundation India (formerly Bayer Prayas Association)
- Various NGO Partners

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

Sr. No.	Enlist the initiatives undertaken by the Company for Supporting Inclusive Development	Amount contributed directly in the initiative by the Company (₹ in Million)
1.	COVID-19 Relief work	55.05
2.	PM Scholarship program	0.65
3.	Rural Development initiatives	15.81
4.	Drought Action Network - DAN	15.00
5.	Bayer Fellowship Program	1.93
6.	Future Agriculture Leaders of India (FALI)	4.00
7.	Healthcare initiatives	4.10

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

In Kharif 2019, Bayer conducted a three-week-long capacity-building initiative in Jharkhand, Chhattisgarh & Odisha which aimed at introducing rice smallholder farmers to advanced agricultural technologies in the areas of seeds, crop protection, crop nutrition, soil management, drip irrigation, post-harvest management, and financial literacy. To understand the impact of our project, 786 farmers were surveyed from 15 districts of the three states. Due to the pandemic, the survey was conducted by Synergy Technofin through telephonic discussions. The data were analysed using both descriptive and inferential statistical tools to understand the key findings and areas of impact.

Recently, another impact assessment was completed by TISS, for our initiative - 'Program for Primary Prevention of Sexual Violence' (PPPSV). The objective was to examine and assess the impacts of various strategies/interventions adopted towards the prevention of sexual violence. A mixed-method design was adopted to assess the project with a larger qualitative component. A total of 16 therapists, project coordinators, counsellors, and programme organisers were interviewed to collect information.

Additionally, the impact assessment for another two initiatives 'Capacity building on agronomy practices for smallholder farmers' and 'Discovering Hands' is ongoing and will be completed soon.



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

Yes, with all our community development initiatives, we train the communities on various aspects, handhold them for an adequate period before handing over the project with limited supervision. Our projects on introducing smallholder farmers to modern technology for productivity & the Program for Primary Prevention of Sexual Violence (PPPSV), have been positively acknowledged, appreciated, and successfully adopted by the community.

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

At Bayer, one of our objectives remains to empower smallholder farmers in developing countries around the world by providing increased access to sustainable agricultural solutions. We aim to empower them through collaborative partnerships and innovative solutions that expand agricultural know-how to address their most challenging issues.

We market seeds and crop protection products that have been granted regulatory approval by the concerned national and state authorities. All our crop protection products are safe for the operator and the environment when used in accordance with label instructions. Our product stewardship does not end there, we also observe the International Code of Conduct on Pesticide Management of the United Nations Food and Agriculture Organization (FAO). The principles of this code cover the entire life cycle of a product or technology, from its development to its application and beyond.

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

As of March 31, 2021, a total of 66 cases are pending.

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

At Bayer, we display product information of the highest mandated standards and transparency in

line with the law of land for labelling our products. It also includes Direction for Use (DFU) to enable our customers to utilise our products in ways that generate maximum value for their enterprises including safety standards.

Our publication of the Bayer operator safety standard is available on our CropScience transparency pages. This is the standard we globally use in our pesticide risk assessment and management processes for operator safety. Apart from the operator safety standard, external stakeholders can also find Q&A and additional information.

Bayer Advisory service is patronised by the farmers across the geographies of our operations. A toll-free helpline and multilingual call centre support the handholding especially the smallholder farmers. During the year, more than 20 million smallholder farmers across India were supported by Bayer’s agri-inputs, technologies, crop & farm advisory, and digital solutions. One of the key initiatives that have helped us reach out to smallholder farmers and create a conducive eco-system is the Better Life Farming (BLF) alliance, which works with partners across the agri-value chain to support smallholder farmers in developing economies to increase crop yields and farm incomes. The BLF alliance has global partners that include Bayer with its expertise in seeds, crop protection, and agronomy.

Supporting our customers and partners in the safe handling of our seed and crop protection products is a focus of our product stewardship. In this connection, we offer regular training and awareness programmes to help farmers identify and purchase authentic crop protection products. Our training programmes focus on the safe & responsible use of crop protection products and proper use of Personal Protection Equipment (PPE).

Bayer CropScience Limited distributed 8,000 PPE kits, 750,000 face masks, and sanitisers to rural farming communities to help safeguard them from the ongoing COVID-19 pandemic.

Safe Use Trainings 2020-21

Dedicated Trainings				Embedded Trainings			Joint Trainings			
Bayer events that focus exclusively on safe use, Others include advisors, students etc., Bayer staff includes contractors and temporary personnel				Bayer events that cover safe use among other topics			Safe use training run by associations, authorities etc. with Bayer input			
Farmers	Dealers	Others	Bayer Staff	Farmers	Dealers	Others	Farmers	Dealers	Others	Total
Face to face engagement										
1,400	60	180	40	46,000	80	300	11,000	65	110	59,235
Virtual connect (Social distancing – COVID-19 Pandemic)										
78,853	437	40	79	179,409	2,673	260	--	--	--	261,751

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

We do not have any cases pending against us for unfair trade practices, irresponsible advertising, and anti-competitive behaviour. Our transparent practices and ethical working culture ensure excellence and fairness in our business conduct.

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

Bayer connects with the consumer through multiple touchpoints. For feedback and improvement in our process, one of our schemes is Bayer Labhsutra.

Through this scheme farmers compare and validate traditional farming practices with Bayer's farming techniques and depending on the harvest ratio, farmers can opt for the best technique. We also record feedback from farmers to improve the products and techniques. As an annual brand equity study for brands in crops such as rice, cotton, and grapes using a scaled response involving customer satisfaction using our products and services. This system of feedback helps us differentiate our product offering and improve upon them. Our continuous brand feedback studies have been carried out to assess our brand and the level of satisfaction with our customers and the results of the survey have been overwhelming.

For and on behalf of the Board of Directors

Pankaj Patel

Chairman
(DIN: 00131852)
Ahmedabad, India

Duraiswami Narain

Vice Chairman & Managing Director
and Chief Executive Officer
(DIN: 03310642)
Chicago, USA, May 25, 2021

Management Discussion & Analysis Report

1. Overview of Indian Agriculture

Post economic liberalisation, the share of agriculture sector in India's GDP (Gross Domestic Product) dipped from 27.3% in 1991 to 16.8% in 2006 and has remained stable since then. Considering the current contribution of agriculture in the country's overall GDP, India may no longer appear to be an agrarian economy. However, a majority of India's rural population is still dependent on agriculture as their primary source of livelihood. The Services, Trade and Manufacturing sectors have fuelled India's economic growth, but Agriculture has remained the backbone of the Indian economy and continues to support long-term growth.

Indian agriculture has evolved from the stage of being food-scarce to being food-secure and is counted as one of the major food producers globally. India has the potential to become the food bowl of the world, but this requires increased emphasis on building agricultural produce trade efficiencies, integrating quality standards as part of trade practices, production cost optimisation to bring in price competitiveness and market integration through effective information dissemination mechanisms.

India has the tenth-largest area under arable land in the world, along with 20 agri-climatic regions and 46 out of the 60 soil types found globally. Agriculture GVA (Gross Value Added) is estimated to grow by 5.7% during 2020-21, whereas overall GVA is estimated to dip by 3.7%. In 2020-21, the contribution of agriculture to total GVA was at 19.9%. This was the first time in 17 years where agriculture's contribution to GVA came close to the 20% mark. The continuous supply of agri commodities, especially staples like rice, wheat, pulses, and vegetables, also enabled food security. The production also boosted allocation of food grains under the National Food Security Act (NFSA) that increased by 56% in 2020-21, compared to 2019-20.

India has consistently maintained trade surplus in agri produce over the years. Even amidst the ongoing COVID-19 pandemic, India managed to maintain its food supply chain and continued to export. The export of agri and allied commodities

during April 2020 – February 2021 was 2.74 lakh crore, as compared to 2.31 lakh crore in the same period last year, marking an increase of 18.5%. Some of the commodities that posted significant positive growth in exports were wheat, other cereals, rice (other than basmati), soybean, spices, sugar, raw cotton, fresh vegetables, and processed vegetables.

Government Initiatives

The Indian agricultural sector showed immense resilience throughout the challenging times posed by the COVID-19 pandemic. Support from policy makers and Government further contributed to the sector's health during 2020-21 with a huge Budget allocation of ₹ 1.23 lakh crore.

Taking note of the challenges faced by the Indian farmers and recognising the role of agriculture in the holistic economic growth of the country, the Government of India has initiated several reforms to enhance efficiency in agricultural produce trade and marketing system, including:

- Amendments to the APMC (Agricultural Produce and Market Committee) Act
- Introduction of e-NAM (National Agricultural Market)
- Allowing private players to set up APMCs
- Focus on development of FPOs (Farmer Producer Organisations) as aggregators and profitable farmer enterprises
- Fixing MSP (Minimum Support Price) at one and half times the cost of production
- Income support to farmers through PM-KISAN
- Pradhan Mantri Fasal Bima Yojana
- Launched ₹ 1 lakh crore Agriculture Infrastructure Fund (AIF)

The three agricultural reform legislations introduced by the Government of India in 2020 are designed and intended primarily for the benefit of small and marginal farmers, which constitute around 85% of farmers in India. The reforms aim to usher in market freedom to improve farmer welfare in India.



Market linkages or linking farmers directly to buyers will help expand the marketplace for smallholder farmers. This requires major investment in infrastructure to boost market linkages. In 2018, the Government launched Agricultural Marketing Infrastructure (AMI) and the 'Atmanirbhar Bharat' scheme in 2020, to develop other farmgate infrastructure. These schemes are expected to mobilise farmgate investment of ₹ 1,000-1,500 billion (US\$ 13.7-20.5 billion) in the next three to four years. This infrastructure investment is expected to bridge the gaps in primary processing, storage, quality assaying and logistics.

Availability of formal credit to farmers has increased substantially, however, it is restricted to owner farmers. Tenant farmers still find it difficult to have access to formal farm credit and are dependent on commission agents for their financial needs. Strengthening of FPOs to act as business correspondent and extending credit to all with suitable risk management measures, will help reduce the dependency of farmers on informal credit sources.

Food grain production in 2020-21

According to the 2nd Advance Estimates for 2020-21, total food grain production in India is estimated at a record 303.34 million tonnes, making it the first time when the 300 million mark will be crossed. Despite the pandemic, India increased its food grain production by 5.84 million tonnes as compared to 297.50 million tonnes in 2019-20, which was the highest-ever food grain production. The food grain production figure for 2020-21 is higher by 24.47 million tonnes than the previous five years' (2015-16 to 2019-20) average production of food grains.¹

The robust production was enabled by normal monsoons in major crop-producing states in the country, tireless hard work of farmers, research by agricultural scientists, and farmer-friendly policies of the Central Government.

2. Industry Overview

The seasonal (June-September) rainfall as a whole, was 109% of its Long Period Average (LPA) in 2020-21. It was the third highest after 112% of LPA in 1994-95 and 110% of LPA in 2019-20.

Seasonal rainfalls recorded over Northwest India, Central India, South Peninsula and Northeast (NE) India were 84%, 115%, 130% and 106% of their respective LPA. During the season, the rainfall distribution was fairly normal with 5% of the total area of the country receiving large excess rainfall, 35% receiving excess rainfall, 45% receiving normal seasonal rainfall and 15% receiving deficient season rainfall. The advent of monsoon was ahead of normal, though its advance was sluggish with delayed withdrawal.²

Crop Protection³

India is the fourth-largest producer of agrochemicals in the world. The Indian Crop Protection market reached a value of approximately US\$ 4.5 billion in 2020, of which almost half was driven by growth in domestic consumption. The robust growth in the industry is attributable to a sharp recovery in offtake from domestic agriculture sector and continuing healthy exports. In terms of trade, India is a major exporter and importer of agrochemicals. India was the fifth-largest exporter of agrochemicals in 2019, exporting US\$ 3.4 billion worth pesticides, 9.4% of global exports. However, India's pesticides consumption in agriculture is one of the lowest in the world, with a per hectare consumption of just 0.6 kg compared to UK (5 kg/ha) and Japan (12 kg/ha).

The Indian agrochemical industry is highly reliant on import of raw materials and technical intermediates. In 2019-20, China alone contributed to around 49% of India's total pesticide imports. With heightened US-China trade tension, an uncertain environment for manufacturing in China is prominent worldwide. Several global players across industries are considering shifting manufacturing facilities to other South Asian countries like India, Thailand, Malaysia, and Vietnam. India being one of the largest producers and exporters of agrochemicals globally, can be a global agrochemical production hub. Aiming to creating a smooth, fast, cost-effective, and simple registration procedure, the Government has brought some major progressive changes in the pesticide registration procedure, further attracting investments in the industry.

¹ Source: <https://pib.gov.in>

² Source: <https://pib.gov.in>

³ Sources: <https://www.financialexpress.com/industry/agrochemical-sector-revenue-to-grow-12-14-pc-in-fy21-report/2125514/>
PwC report on "The role of agrochemicals: Achieving the vision of a USD 5 trillion economy by 2025"

Since arable land in India is limited and decreasing, there is a dire need to enhance agricultural output by either increasing the volume of output or the value of output. Agrochemicals play a major role in increasing both the volume and value of output and overall return on investment made by farmers. Agrochemicals can improve the yields or prevent yield loss by nearly 37.2% in rice, 25 to 30% in wheat, around 30% in maize and pulses. Fungicides alone can prevent 50 to 90% of yield loss in high-value agricultural yields such as fruits and vegetables, thereby increasing value of output.

The Indian Crop Protection market is expected to grow at 8.6% CAGR from 2021-26 to reach almost US\$ 7.4 billion by 2026. The growth can be attributable to various factors including rising population, reducing arable land, increasing demand for high-value agricultural products and sustained efforts from the industry and the Government to promote awareness and technology penetration. Robust domestic demand for agrochemicals is expected with favourable agronomical conditions such as good moisture in the soil and adequate water levels in reservoirs which bodes well for the Rabi crops. The Government's strong thrust towards agricultural sector growth, the demand for agrochemicals is expected to remain robust. The growth of the industry is expected to rise upward led by improvement in both acreage and crop prices.

Seeds

India has emerged as the fifth largest seed market globally on account of implementation of progressive policies by the Government. The industry has witnessed tremendous progress in terms of R&D, Product Development, Supply Chain Management and Quality Assurance. According to the IMARC Group, the Indian seed market reached a value of US\$4.9 billion in 2020. Farmers are willing to pay a higher price for high-quality seeds including hybrid and genetically modified seeds. Currently cotton is the only crop where genetically modified seeds are approved for commercial use in India.

To improve the quantity and quality of agricultural produce, significant efforts are under progress to introduce enhanced varieties of seeds with the help of advanced technology and modern agricultural methods. The industry has garnered active participation of both, public and private sectors to launch several initiatives to promote

the use of hybrid seeds. Several other drivers for growth in the industry include rising income levels, commercialisation of agriculture, patent protection systems and intellectual rights over plant varieties.

In order to meet the increasing demand for agricultural produce for both domestic consumption and exports, it is necessary to further improve the quality of seed production and quality assurance. Since quality seed is important for increasing production, there is a need to develop appropriate guidelines for the production, quality control and evaluation of high-quality seeds. The Indian seed industry can become a globally competitive, export-oriented, and self-reliant industry, especially for several Asian, African, East European, and South American countries, which share similar agri-climatic conditions as India.

Environmental Science

The Environmental Science unit of Bayer CropScience Limited focusses on improving public health, and it currently operates in two business areas in India: Vector Control and Professional Pest Management (PPM). Vector-borne diseases such as dengue, malaria, zika, and chikungunya continued to affect communities across India, and there is an extensive need for products that can control these vector carriers.

The public health market in India is driven by the practice of larviciding, indoor residual sprays, and space-spraying (fogging). The Government and health authorities procure chemicals through tenders, which is a lengthy process that is slowly being modernised, with tender submissions moving online and the introduction of the Government e-Marketplace (GeM) initiative. In 2020-21, while some municipalities continued vector control operations, we also saw a significant impact due to redirection of funds to COVID-19 related projects.

In the PPM segment, termite control saw a significant decline in pre-construction activity due to extended lockdowns and unavailability of migrant labour at construction sites. Residential and commercial pest control also saw a significant impact. This was due to three key factors: (1) deferral of pest control services because of Covid/fear of allowing service personnel to enter premises (2) switch of focus from pest control to sanitisation and (3) reduction in contract value. In the long term, the PPM business continues to have good potential for growth in both commercial



and residential pest control segments, as well as in termite control.

3. Company Overview

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

- **Crop Protection:** The Company's Crop Protection portfolio comprises a wide range of innovative chemical and biological pest management solutions. It also provides extensive customer service for modern and sustainable agriculture. Within this business segment, the Company focusses on Insecticides, Fungicides, Herbicides, and Seed Growth.
- **Seeds & Traits:** Through traditional and advanced breeding techniques, as well as research in biotechnology, the Company develops seeds and traits that provide farmers with new solutions. BCSL's hybrid seeds make use of the natural genetic diversity within each crop family and can withstand environmental challenges like pests, disease, and drought while providing more choice for farmers. The Company's product portfolio consists of hybrid seeds for crops like rice, corn, cotton, oilseeds (mustard) and millet.
- **Environmental Science:** The Environmental Science business focusses on non-agricultural applications and aims to safeguard public health by protecting the spaces where people live, work, and play. It operates in the segments of Professional Pest Management and Vector Control. PPM is a service rendered by pest control operators at household and commercial premises, with a range of solutions for general insect control, termiticides, rodenticides, and stored grain pests. Under Vector Control, the Company offers insecticide solutions for indoor residual spraying, space spraying (e.g. fogging), and larviciding for the purpose of limiting or eliminating vector-borne diseases.
- **Digital Farming:** This comprises software tools that integrate data from farm equipment, satellites, field sensors, irrigation systems, drones, and other input sources, and then

analyse that data to empower farmers to make better decisions through data science and predictive analytics. With detailed, real-time assessments of growing conditions and crop health, Bayer's digital tools such as FarmRise™ and its Digital Prediction System support a sustainable, abundant harvest.

Transformative Initiatives for Indian Farmers

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

Supporting smallholder farmers

Agriculture is India's largest employer with 140 million smallholder farmers and an additional 60 million people employed directly or indirectly in farming operations. Together, these 200 million people represent more than 40 percent of India's working population. Smallholder farmers own landholdings which are less than 2 hectares of land. Besides fragmented land, they grapple with limited access to natural resources, modern agricultural technologies, finance, credit, and market linkages. To ensure safe, affordable and enough food, it is important to tackle farmers' challenges around low productivity and income.

Immediate COVID-19 response to support smallholder farmers

To support smallholder farmers who were facing additional challenges due to the COVID-19 pandemic, Bayer introduced a new global initiative – 'Better Farms, Better Lives' in June 2020. Through this initiative, Bayer supported 2 million smallholder farmers in Asia, Africa, and Latin America, with free Better Life Farming care packages. These packages were tailored to farmers' local needs and included a combination of Bayer's hybrid seeds, crop protection products, personal protective equipment, and safety & training materials.

In India, the initiative supported 450,000 smallholder farmers for key crops such as rice, corn, vegetables, and millet. Special focus was given to women smallholder farmers and migrant

labourers who returned to their villages and had to take up farming in their small family farms to make a living. The immediate COVID-19 response through the 'Better Farms, Better Lives' initiative complements Bayer's ongoing smallholder support activities, which will aid in mid-term recovery and building long-term resilience for smallholder farmers. Additionally, Bayer will expand its partnerships with governments, internationally recognised NGOs and local organisations; create a Smallholder Center of Excellence for sharing successes; provide accelerated access to digital farming tools to increase capabilities and scale up existing & new value chain partnerships to generate maximum impact.

Better Life Farming: a multi-stakeholder partnership

As of 2020, more than 20 million smallholder farmers across India were supported by Bayer's agri-inputs, technologies, crop & farm advisory, and digital solutions. One of our key initiatives that has helped us reach out to smallholder farmers and create a conducive eco-system is the Better Life Farming ("BLF") alliance, which works with partners across the agri-value chain to support smallholder farmers in developing economies to increase crop yields and farm incomes. The BLF alliance has global partners that include Bayer with its expertise in seeds, crop protection, and agronomy; IFC, the development finance institution for impact assessment; and Netafim for drip irrigation technologies.

In India, the BLF alliance works with additional local partners including Yara Fertilisers for soil and nutrient management; DeHaat, AgriBazaar, and Big Basket for market linkages; Tata Trusts for expanding reach to farmer producer organisations; and Axis Bank for financing. Similarly, in smallholder markets in other developing countries, the BLF alliance works with strong local partners who can train farmers on good agricultural practices, financial literacy, and improved market linkages.

The Better Life Farming initiative has led to a doubling of crop yields and tripling of farm incomes among participant farmers while keeping an eye on water usage and integrated farm management. It has created price transparency in the marketplace, increased the bargaining power of smallholders, and promoted clusters of rural agri-entrepreneurs. It has also created opportunities for women farmers to be integrated

into mainstream farming operations and emerge as rural agri-entrepreneurs.

BLF centers: promoting rural agri-entrepreneurship

The BLF alliance's agri-entrepreneurship model functions through Better Life Farming Centers run by local agri-entrepreneurs. At these centers, agri-entrepreneurs enable transfer of technology to other smallholders on seeds, crop protection, crop nutrition, drip irrigation, mulching etc. They also deliver services such as market linkages, access to inputs and crop advisory. Each center covers a group of 500 farmers from five to six nearby villages. These centers open up economic opportunities for smallholders by enabling knowledge and technology transfer on good agricultural practices (GAP) and delivering services such as market linkages, access to agri-inputs, financial solutions, and mechanisation services as well as crop advisory.

Currently, 710 Better Life Farming Centers are operational in India. By 2025, the Better Life Farming initiative aims to empower 2.5 million smallholders in the Indian Subcontinent through access to modern agri-inputs and better public health. These smallholders will be served by five thousand agri-entrepreneurs across horticulture, corn, and rice crops. In states like Jharkhand, the BLF alliance has adopted a gender-smart approach by promoting women agri-entrepreneurs to serve women smallholder farmers.

Food Chain Partnership

Food Chain Partnership is an innovative business model developed by Bayer to serve the needs of the food industry. The concept was introduced globally in 2005 and in India in 2007. Globally, there are 365 Food Chain Partnerships across 39 countries in 64 different crops. Bayer's Food Chain Partnerships focus on collaboration between farmers, processors, traders, and retailers to meet consumer demand for sustainable production of healthy, high-quality, and affordable food.

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

**Project beneficiaries:**

- 75 Food Chain Partnerships across 365,000 acres and 16 crops, benefiting 90,000 farmers
- In 2020-21, Bayer conducted 17 Bay G.A.P. training programmes for 451 Indian farmers to help them learn good agricultural practices required for certification programmes
- Our top five Food Chain Partners in India by volumes include: Reliance Fresh (Fruits & Vegetables), PepsiCo (Potato), LT Foods (Rice), Fortune (Rice) & ITC (Hot Peppers)

Bayer Learning Center

In smallholder geographies, crop performance is held back due to low farmer awareness and limited access to quality agronomic support and advice. Majority of farmers depend on fellow farmers or channel partners for crop management advisory. Best practices and technologies don't always reach farmers, which leads to low farm incomes and low returns on investment. To help meet farmer expectations and provide the right product and crop solutions at the right time, BCSL piloted a new Market Development concept of 'Bayer Learning Centers' (BLC). The first such center was launched in June 2020 and subsequently 14 more BLCs were launched across India through 2020-21.

This initiative aims to provide seamless knowledge transfer, confidence and competency building for farmers as well as employees. The centers are designed to showcase product performance, technical positioning of innovations, crop system interventions, agronomy etc. to internal stakeholders, influential farmers, and channel partners. The centers are also digitally enabled to support live telecasting that can deliver consistent, high-quality communication compared to conventional methods such as in-house training, learning center visits etc. This has proven especially beneficial and effective for knowledge transfer during the ongoing COVID-19 pandemic, that has made in-person visits and travel difficult.

Product Stewardship

Supporting our customers and partners in safe handling of our seed and crop protection products

is the cornerstone of our product stewardship strategy. BCSL offers regular trainings and awareness programmes to help farmers identify and purchase authentic crop protection products. The Company's training programmes focus on safe & responsible use of crop protection products and proper use of Personal Protection Equipment (PPE). In 2020, 137,000 farmers across India were covered under Bayer's safe use training and awareness programmes through face-to-face and digital connects.

Our product stewardship measures also include internal employee training and information on responsible handling of our products, combined with specific instructions for use of our products. In addition to training activities, we produce collaterals explaining the safe use and scope of protective clothing and the correct storage and disposal of our products. These are available to our customers and partners in regional Indian languages as well.

BCSL has equipped each of its retail counters with PPE kits for sale and use by spray operators. Every field / farm training conducted by Bayer begins with a safety training and awareness about safe & responsible use of crop protection products. Bayer also works with state-level licensing authorities in India to conduct training programmes for their staff and retailers selling the product who are the immediate connect with end users. In 2020, the Company distributed 8,000 PPE kits, 750,000 face masks and sanitisers to rural farming communities to help safeguard them from the ongoing COVID-19 pandemic. A special communication on COVID mitigation was achieved by distributing hand fans to 150,000 growers in seven regional languages.

4. Financial and Operational Performance**Financial Performance including ratio analysis**

In 2020-21, the Company registered Revenue from Operations of ₹ 42,613 million, compared to ₹ 36,094 million in the previous year, registering an overall revenue growth of 18%. Profit Before Exceptional Items & Tax stood at ₹ 7,894 million, compared to ₹ 7,133 million in the previous year.

Ratio Analysis

Ratio	Formula	April 2020 - March 2021	April 2019 - March 2020	Deviation
Debtors Turnover Ratio (in days)	$[(\text{Trade Receivables} * \text{No. of Days}) / \text{Revenue from Operations}]$	65	73	-11%
Inventories Turnover Ratio (in days)	$[(\text{Inventories} * \text{No. of days}) / \text{COGS}]$	198	185	7%
Interest Coverage Ratio	$[\text{EBIT} / \text{Finance Cost}]$	64	53	21%
Current Ratio	$[\text{Current Assets} / \text{Current Liabilities}]$	2.26	2.65	-15%
Debt Equity Ratio	$[\text{Debt} / \text{Shareholders Equity}]$	0.00	0.00	0%
Operating Profit Margin Ratio	$[\text{EBIT} / \text{Revenue from Operations}]$	19%	20%	-7%
Net Profit Margin Ratio	$[\text{Profit Before Tax} / \text{Revenue from Operations}]$	19%	20%	-6%
Return on Net Worth	$[\text{Profit for the year} / \text{Net Worth}]$	19%	18%	5%

Operational Performance

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

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

In 2020-21, the Company commercially launched four new products in Crop Protection and received registration approvals for the commercial launch of Vayego (insecticide). The new products include:

- **Momiji:** A selective, pre-emergence herbicide for control of Phalaris minor - the main problematic weed in wheat.

It offers outstanding residual action providing season-long weed control.

- **Buonos:** A broad-spectrum fungicide for disease control with preventive and curative actions and excellent plant growth effect. It gets absorbed by the plant to protect the newly developed shoots/leaves. Application of Buonos gives a greening effect on the crop foliage.
- **Fenos Quick:** An economical, new-age insecticide for control of a wide range of chewing pests. It has a quick knockdown effect and ensures immediate safety to the plant. It has a dual mode of action on target pests and has a long duration of control compared to old chemistries.
- **Berdera:** A systemic insecticide that works on sucking pests in rice crop such as Brown Plant Hoppers. It has excellent rain fastness and works even if it starts raining 2 hours after its application.

Seeds & Traits: Our seeds & traits business benefited from successfully placing our hybrid seeds early in the season. This, together with generally better weather conditions during Rabi, led to successful placements and significantly improved sell-out, leading to low levels of returns. Commodity price related challenges in corn negatively affected rabi and spring corn acreages especially in comparison to bumper spring corn acreages in 2019-20.



In 2020-21, the Company successfully launched two new products in hybrid seeds. They include:

- **Dekalb 9198:** This corn hybrid seed performs consistently under a wide range of climatic conditions. It has wider adaptability and gives a greater number of corn kernels with better weight, making it a hit with corn growers.
- **Dekalb 9188:** This corn hybrid assures high return per acre with wider adaptability. It is the preferred choice for farmers for achieving corn cobs of similar height and weight.

Environmental Science: In 2020-21, the ES unit maintained its market position in the areas of Vector Control and PPM. The ES business sales declined by 7.9% in comparison with the previous year. The termite control segment showed an impressive growth of 15.2% versus prior year mainly attributed to a strong recovery in the pre-construction industry in Q3 and Q4. The pest management and vector control segments registered declines of 22.7% and 14.1%, respectively, due to the ongoing pandemic.

In 2020-21, the Company successfully registered and launched MaxForce Forte, a new baiting gel to control cockroaches. MaxForce Forte is recommended for the control of cockroaches commonly found in the food handling/processing areas of household and commercial premises. Its improved bait matrix, higher active ingredient, superior domino effect helps pest management professional to deliver high quality cockroach control service experience to their customers.

In 2020, India (and more broadly, South Asia) witnessed the worst desert locust threat in almost three decades. The ES business played an important role in protecting farmers and crop lands by creating and disseminating critical and timely messages about how to prepare and deal with potential locust attacks. ES also worked closely with the Government of India to test newer molecules and approaches for locust control, including with drones. The Central Insecticides Board and Registration Committee included Deltamethrin in the list of products allowed for locust control, and Bayer ES contributed 5,000 litres of its flagship space-spray product Kingfog to enable protection of crop lands from desert locusts.

5. Opportunities and Outlook

By 2050, the world will have 10 billion people, with India accounting for 1.73 billion (Source: United Nations). To feed India's growing population, the yield per hectare needs to increase significantly – especially keeping in mind the declining arable land in India. Further, India's agricultural yield is far lower as compared to global averages. Extreme weather coupled with low penetration of high-yielding hybrid seeds, lack of awareness of modern agricultural technologies and inefficient use of agrochemicals are some of the factors behind the low yields. This presents a significant opportunity for the Company's Crop Protection and Hybrid Seeds business along with opportunities for expanding crop advisory and digital offerings.

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

Driving sustainable agriculture

While the population is increasing, arable land is decreasing, and farmers are grappling with limited natural resources and climate change. Extreme weather conditions such as floods, droughts and poor rainfall are lowering crop productivity and farmer incomes. This is especially detrimental to smallholder farmers who farm on less than two hectares of land and have limited access to resources and modern inputs & technologies.

The practice of sustainable agriculture can help ensure safe, affordable & enough food and overcome farmers' challenges around low productivity & income, while conserving natural resources. India needs smarter ways to conserve its limited water supply and reduce the dependence on monsoons for a successful crop season. This means reviewing traditional agricultural practices and crop cultivation based on local ecological situations.

While measuring India's success and growth in agriculture, we must focus not only on increased farm incomes, but also sustainability efforts to conserve water, soil, while increasing crop productivity with the limited land available for cultivation.

Conserving water and reducing emissions

Rice farming in India is more suited to states with better water availability, compared to states that have lower groundwater reserves and must rely on irrigation. If the land under rice cultivation in the North Indian states of Punjab and Haryana is diversified to include crops like corn and cotton, it will help conserve water. To drive such crop switches competitively, farmers need reforms to the incentives and subsidy regimes. At the same time, the export competitiveness of rice has to be preserved by improving crop yields and quality. This requires adoption of a holistic crop management system and driving more hybridisation. BCSL is developing new business models to enable water-efficient agriculture that also contributes to reduction of greenhouse gases such as methane.

Strengthening supply and logistics infrastructure

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

GreenPro certification for Premise

In December 2020, the Company's flagship termite control product: Premise was accredited with the GreenPro certification by the Indian Green Building Council (IGBC), a part of the Confederation of Indian Industries (CII). The certification recognises outstanding green building products and technologies. This certification is valid until December 2022. Premise is India's first

termicide to receive the prestigious GreenPro certification based on a sustainability assessment on parameters such as: raw materials utilised, sustainability in manufacturing process, energy consumption during use and its recycle/reuse feature at the end of the product life.

The GreenPro certification aims to facilitate market transformation and empower environmentally conscious customers in making informed choices to buy products that are effective, safe and environment-friendly. Customers planning to get IGBC certificate for their building will get one credit point if they use Premise for anti-termite treatment in their building. This may facilitate the adoption of Premise in smart cities and new construction sites.

6. Risks and Concerns

Impact of COVID-19

With the COVID-19 situation, the external business environment remains uncertain in the short term. Being in an essential services industry that supports agriculture, farmers, and food production, it is the Company's priority to ensure that the ongoing health crisis does not turn into a hunger crisis. Bayer CropScience Limited will continue to support Indian farmers through access to seeds and crop protection inputs, product innovation and crop advisory. In 2020-21, the Company forged several partnerships along the agricultural value chain to expand the reach of its agri-solutions and promote sustainable farming that supports high crop yields and farm incomes. Going forward, the Company will continue to focus on digitalisation, new business models, and ecosystem-based collaborations, to make Indian agriculture globally competitive.

On the Environmental Science front, the Company expects a sizeable impact on its business due to COVID-19. During lockdowns, most pest control operators and distributors had to close down their business. Those that continued to operate during the lockdown switched primarily to meeting demand for disinfection services. Supply chain disruptions affected production and delivery. Regulatory delays also affected anticipated new product approvals. Post-lockdown, the Company saw a significant drop in pest control revenue for specific segments. Pre-construction

anti-termite treatment requirements reduced due to work stoppage at construction sites during the lockdown and a shortened construction season before the monsoons. Reduced demand was also seen from the hospitality segment, which may seek to trim expenses due to the economic impact of COVID-19. Vector control services initially saw continued demand by municipalities during the lockdown but was subsequently also impacted.

In 2021 as well, we expect to see similar trends to manifest with the significant rise in COVID cases across the country, especially in urban areas. While many states had included Pest Control Operators (“PCO”) in the list of essential services in August/ September 2020, PCO have not been included on the essential services list this year. This reduces mobility of PCOs and therefore their ability to conduct health and hygiene activities at restaurants and construction sites, even though these businesses have been permitted to operate.

7. Internal Control Systems

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

8. Cautionary Statement

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

For and on behalf of the Board of Directors

Ahmedabad, May 25, 2021

Pankaj Patel
Chairman
(DIN: 00131852)



Independent Auditor’s Report

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

Opinion

We have audited the accompanying financial statements of Bayer CropScience Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter
1	<p>Revenue Recognition – Rebates/ Discounts and Returns.</p> <p>A description of key accounting policies for revenue recognition, rebates / discounts and returns is disclosed in Note 1(d) Significant accounting policies of the financial statements.</p> <p>Management is required to make certain judgements in respect of revenue recognition and level of expected rebates/ discounts and returns which are deducted in arriving at revenue. These estimates are material to the financial statement and require significant judgement.</p> <p>To determine these estimates, Management is required to consider historical experience, specific contractual terms and future expectation of revenue. Management judgement is also significantly impacted by volatility in the market, weather conditions and action of third parties. Hence, the estimation of refund liabilities is complex, subjective and susceptible to material misstatement if judgement is inaccurate.</p> <p>The Management has determined refund liabilities of ₹ 2,687 million as at March 31, 2021 (refer note 22 of the financial statement).</p>

Auditor’s Response
<p>Principal audit procedures performed:</p> <p>We obtained an understanding of the policies applied to estimate rebates/discount/returns and Company’s process for making estimates in these areas and performed the following procedures:</p> <p>We tested the design and operating effectiveness of key controls related to rebates/ discounts and returns. We obtained an understanding of key contractual arrangements with customers, for rebates/ discounts and returns.</p> <p>We considered the reasonableness of management’s estimates in previous years by comparing historical accrued liabilities to the actual settlements.</p> <p>We assessed the accuracy of the refund liabilities by recalculating the amount based on historical actual returns, adjusted for volatility in the market and weather condition.</p> <p>We considered the adequacy of the Company’s revenue recognition accounting policies, including the recognition and measurement of deductions to gross sales relating to rebates/ discounts and returns and related disclosures.</p>



Independent Auditor's Report (contd.)

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Litigation related to Direct tax matters.</p> <p>The Company has significant outstanding contingent liabilities arising from litigation related to direct tax matters amounting to ₹ 1,963 million as at March 31, 2021 (Refer note 35 to the financial statement).</p> <p>During the year, the Company had filed an application under The Direct Tax Vivad Se Vishwas Act, 2020 (VSV Act) and related rules, in respect of certain past years, with a view to give certainty and effectively close long pending disputes and litigations under the Income Tax Act, 1961. Consequent to tax authority's order under VSV Act, tax expense of ₹ 1,272 million (net) was recognised in current year which resulted in reduction of related contingent liability of ₹ 5,381 million.</p> <p>Management applies significant judgment in estimating the likelihood of the future outcome in each case based on its own past assessments, judicial precedents and opinions of experts/ legal counsels when considering whether and how much to provide or in determining the required disclosure for the potential exposure.</p> <p>Due to inherent complexity and magnitude of the potential exposures these matters are susceptible to material misstatement if evaluation is inappropriate.</p>	<p>Principal audit procedures performed:</p> <p>We evaluated the design and tested the operating effectiveness of internal controls related to the Management's assessment of the likely outcome of income tax litigation.</p> <p>We discussed significant open matters and developments with the Company's direct tax team.</p> <p>We involved our internal tax experts to understand and evaluate the status of litigations for direct tax matters and impact of the order under VSV Act, review legal precedents and external expert opinions obtained by the management to evaluate whether the direct tax position is appropriate after taking into account recent developments, if any.</p> <p>We verified the appropriateness of the accounting for and disclosure of the impact of the order under VSV Act.</p> <p>We verified the appropriateness of the accounting policies and disclosures related to Contingent liabilities pertaining to Direct Tax matters.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Corporate Governance Report and Management Discussion & Analysis Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/ conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of

this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the



Independent Auditor's Report (contd.)

accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to



Independent Auditor's Report (contd.)

bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
 - h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35
 - 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 and shares, required to be transferred, to the Investor Education and Protection Fund by the Company, except the amount pertaining to Unpaid dividend of ₹ 5 million and the related equity shares which has not been transferred. Based on the information and records available with the Company, all these relate to disputed shareholder matters of Monsanto India Limited, the erstwhile amalgamating Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Sampada S Narvankar

Partner

Place: Mumbai

(Membership No. 102911)

Date: May 25, 2021

UDIN: 21102911AAAABK5820



Report on Internal Financial Controls Over Financial Reporting

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Bayer CropScience Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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



Report on Internal Financial Controls Over Financial Reporting

Annexure “A” To The Independent Auditor’s Report (contd.)

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal

financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm’s Registration No.117366W/W-100018)

Sampada S Narvankar

Partner

Place: Mumbai

(Membership No. 102911)

Date: May 25, 2021

UDIN: 21102911AAAABK5820

Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2021)

- i. In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us,
- c) no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except as stated below:

Particulars	No of Assets	As at March 31, 2021		Remarks
		Gross Block (₹ in million)	Net Block (₹ in million)	
Freehold Land	13	122	122	The title deeds are in the name of Monsanto India Limited, erstwhile company that was merged with the Company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law tribunal

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Right of Use asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except as stated below:

Particulars	No of Assets	As at March 31, 2021		Remarks
		Gross Block (₹ in million)	Net Block (₹ in million)	
Leasehold Land	20	10	5	The title deeds are in the name of Monsanto India Limited, erstwhile company that was merged with the Company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law tribunal
Leasehold Buildings	17	9	-	



Annexure “B” To The Independent Auditor’s Report (contd.)

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2021)

- ii. The physical verification of inventory [excluding goods in transit and stocks with third parties] have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, this has been substantially confirmed by them during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of making investments. The Company has not granted any loans or provided guarantees and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence, reporting under clause (v) of the said Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is generally regular in depositing undisputed statutory dues in respect of Tax Deducted at Source, Professional tax, Labour Welfare Fund though there have been slight delays in few cases, and is regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Tax Deducted at Source, Professional Tax, Labour Welfare Fund, Customs Duty, Goods and Service tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

Annexure “B” To The Independent Auditor’s Report(contd.)

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2021)

- c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Entry Tax, Customs Duty, Value Added Tax and Goods and Service tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ In Million)
Income Tax Act, 1961 ¹	Income Tax Dues	Appellate Authority –up to Appellate Tribunal level	Assessment Years 2003-04, 2007-08, 2009-10, 2012-13, 2014-15 and 2018-19	937
		Supreme Court	Assessment Years 1999-2000 and 2001-02	256
The Central Sales Tax Act, 1956 and Local Sales Tax Acts ²	Sales Tax and Value Added Tax liability	Appellate Authority –up to Commissioner’s level	Financial Years 1977-1978, 1979-1980 to 1981-1982, 1983-1984 to 1984-1985, 1998-1999 to 2016-2017	388
		Sales Tax Appellate Tribunal	Financial Years 1989-1990 to 1990-1991, 1995-1996 to 1996-1997, 2009-2010	3
Central Excise Act, 1944	Excise Duty liability	Supreme Court	Financial Years 2000-2001 to 2002-2003	10
		Appellate Authority upto Commissioner level	Financial Year 2019-20	5
The Finance Act, 1994	Service Tax Liability	Custom, Excise and Service Tax Appellate Tribunal	Financial Years 2005-06, 2006-07, 2009-10 to 2017-18	271
The Custom Act, 1962	Custom Duty	Appellate Authority –up to Commissioner’s level	Financial Year 2002-03	8
The Entry Tax Act, 1976	Entry Tax	Appellate Authority –up to Commissioner’s level	Financial Year 2015-16	1
The Central Goods and Service Tax Act, 2017 ³	Goods and Service Tax	Appellate Authority –up to Commissioner’s level	Financial Years 2018-19, 2020-21	3

1. Net of ₹ 572 million paid; 2. Net of ₹ 63 million paid; 3. Net of ₹ 0.5 million paid.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the said Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company



Annexure “B” To The Independent Auditor’s Report (contd.)

(Referred to in paragraph 2, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date on financial statements of Bayer CropScience Limited for the year ended March 31, 2021)

- has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the said Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of said Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm’s Registration No.117366W/W-100018)

Sampada S Narvankar

Partner

Place: Mumbai

(Membership No. 102911)

Date: May 25, 2021

UDIN: 21102911AAAABK5820



Balance Sheet as at March 31, 2021

	Notes	As at 31.03.2021	₹ in Millions As at 31.03.2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	3,932	4,363
Capital Work-in-Progress	3	76	36
Investment Properties	4	300	305
Intangible Assets	5	15	17
Intangible Assets under Development	6	687	523
Financial Assets			
- Other Financial Assets	7	151	202
Income Tax Asset (Net)	8	1,359	2,245
Deferred Tax Assets (Net)	9	179	270
Other Assets	10	255	252
Total Non-Current Assets		6,954	8,213
Current Assets			
Inventories	11	13,251	9,635
Financial Assets			
- Investments	12	522	408
- Trade Receivables	13	7,549	7,180
- Cash and Cash Equivalents	14	12,045	10,669
- Bank Balances other than Cash and Cash Equivalents	15	50	41
- Other Financial Assets	7	77	91
Other Assets	10	1,945	2,120
Total Current Assets		35,439	30,144
Total Assets		42,393	38,357
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	449	449
Other Equity	17	25,054	25,276
Total Equity		25,503	25,725
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Other Financial Liabilities	18	141	138
Provisions	19	1,043	1,100
Total Non-Current Liabilities		1,184	1,238
Current Liabilities			
Financial Liabilities			
- Borrowings	20	-	15
- Trade Payables	21		
Total outstanding dues of micro enterprises and small enterprises		192	38
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,111	4,711
- Other Financial Liabilities	18	732	981
Other Liabilities	22	5,494	4,793
Provisions	19	637	744
Current Tax Liabilities (Net)	23	540	112
Total Current Liabilities		15,706	11,394
Total Liabilities		16,890	12,632
Total Equity and Liabilities		42,393	38,357
The accompanying Notes are an integral part of these financial statements.	1 - 47		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP** For and on behalf of the Board

Chartered Accountants

Sampada S Narvankar
Partner

Pankaj Patel
Chairman

DIN 00131852

Duraiswami Narain
Vice Chairman &
Managing Director and CEO
DIN 03310642

Rolf Hoffmann
Executive Director
& CFO
DIN 08460583

Nikunj Kumar Savaliya
Company Secretary &
Compliance Officer

Place: Mumbai
Date: May 25, 2021

Place: Ahmedabad
Date: May 25, 2021

Place: Chicago, USA
Date: May 25, 2021

Place: Mumbai
Date: May 25, 2021

Place: Thane
Date: May 25, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ in Millions

	Notes	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Revenue from Operations	24	42,613	36,094
Other Income	25	638	660
Total Income		43,251	36,754
Expenses			
Cost of Materials Consumed	26	24,840	17,514
Purchases of Stock-in-Trade		1,398	993
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(1,779)	591
Employee Benefits Expense	28	3,622	3,616
Finance Costs	29	126	138
Depreciation and Amortisation Expense	30	735	653
Other Expenses	31	6,415	6,116
Total Expenses		35,357	29,621
Profit Before Exceptional Items and Tax		7,894	7,133
Add/ (Less): Exceptional Items [Refer Note 47]			
- Employee separation expenses		51	(992)
- Amalgamation related expenses		-	(310)
		51	(1,302)
Profit Before Tax		7,945	5,831
Tax Expense/ (Credit)	32		
- Current Tax		2,939	1,248
- Deferred Tax		75	(162)
		3,014	1,086
Profit for the year		4,931	4,745
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Remeasurement of Defined Benefit Obligation		32	(201)
- Tax on remeasurement of Defined Benefit Obligation	32(d)	(16)	19
Total Other Comprehensive Income		16	(182)
Total Comprehensive Income for the year		4,947	4,563
Earnings Per Share - Basic and Diluted	43	₹ 109.72	₹ 105.58
[Face Value per Equity Share ₹ 10/-]			
The accompanying Notes are an integral part of these financial statements.	1 - 47		

In terms of our report attached.

For **Deloitte Haskins & Sells LLP** For and on behalf of the Board

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Statement of Changes in Equity for the year ended March 31, 2021

₹ in Millions

A	Equity Share Capital	Notes	Reserves and Surplus				Total Other Equity
			Retained Earnings	General Reserve	Capital Redemption Reserve	Securities Premium	
			As at				As at
			31.03.2021				31.03.2020
	Balance as at the beginning of the year	16	449				449
	Changes during the year		-				-
	Balance as at the end of the year		449				449
B	Other Equity	17					
	Balance as at 01.04.2019		18,897	1,602	52	1,394	21,945
	Profit for the year		4,745	-	-	-	4,745
	Other Comprehensive Income for the year		(182)	-	-	-	(182)
	Total Comprehensive Income for the year		4,563	-	-	-	4,563
	Transfer to General Reserve		(330)	330	-	-	-
	Transactions with owners in their capacity as owners						
	Dividend declared	40(b)(i)	(1,016)	-	-	-	(1,016)
	Dividend Distribution Tax on Dividend		(216)	-	-	-	(216)
	Balance as at 31.03.2020		21,898	1,932	52	1,394	25,276
	Profit for the year		4,931	-	-	-	4,931
	Other Comprehensive Income for the year		16	-	-	-	16
	Total Comprehensive Income for the year		4,947	-	-	-	4,947
	Transfer to General Reserve		(456)	456	-	-	-
	Transactions with owners in their capacity as owners						
	Dividend declared	40(b)(i)	(5,169)	-	-	-	(5,169)
	Balance as at 31.03.2021		21,220	2,388	52	1,394	25,054

The accompanying Notes 1 - 47 are an integral part of these financial statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP** Chartered Accountants

For and on behalf of the Board

Sampada S Narvankar
Partner

Pankaj Patel
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Place: Thane
Date: May 25, 2021

Statement of Cash Flow for the year ended March 31, 2021

	₹ in Millions	
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
A. Cash Flow from Operating Activities:		
Profit Before Tax	7,945	5,831
Adjustments for:		
Exceptional items	(51)	1,302
Depreciation and Amortisation Expense	735	653
Finance Cost	126	138
Interest income	(278)	(192)
Dividend Income from Investments measured at Fair Value through Profit or Loss	(1)	(108)
Rent income on Investment properties	(92)	(91)
Penal Interest on Overdue Trade Receivables	(35)	(53)
(Profit)/ Loss on tangible assets Sold/ Discarded (Net)	(64)	(79)
Loss on intangible assets Sold/ Discarded (Net)	4	12
Profit on Sale of Investments	(88)	(6)
Bad debts	21	7
Provision for Expected Credit Loss on Trade Receivables (Net)	25	32
Inventory write off/ write down	340	291
Unrealised (gain)/ loss on investments measured at Fair Value through Profit or Loss	(15)	(1)
Unrealised foreign exchange (gain)/ loss (Net)	(6)	1
	621	1,906
Operating profit before Working Capital changes	8,566	7,737
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	(378)	(205)
(Increase)/ Decrease in Financial Assets	46	380
(Increase)/ Decrease in Other Assets	168	968
(Increase)/ Decrease in Inventories	(3,956)	1,644
Increase/ (Decrease) in Trade Payables	3,558	(1,691)
Increase/ (Decrease) in Financial Liabilities	(64)	16
Increase/ (Decrease) in Provisions and Other Liabilities	552	(831)
Net change in Working Capital	(74)	281
Cash generated from Operations	8,492	8,018
Taxes paid	(1,625)	(1,359)
Net cash from Operating Activities (A)	6,867	6,659
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(420)	(413)
Proceeds from sale of Tangible/ Intangible Assets	108	134
(Purchase of)/ Proceeds from sale of Investments	(11)	(400)
Interest received	288	201
Rent received on Investment Properties	101	81
Dividend received on Current Investments	1	108
Net cash generated from/ (used in) Investing Activities (B)	67	(289)

**Statement of Cash Flow for the year ended March 31, 2021 (contd.)**

	₹ in Millions	
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
C. Cash flow from Financing Activities:		
Proceeds from Short Term Borrowings	125	490
Repayment of Short Term Borrowings	(140)	(475)
Repayment of Lease Liabilities	(355)	(243)
Interest paid	(28)	(24)
Dividend paid	(5,160)	(1,015)
Dividend Distribution Tax paid	-	(216)
Net cash used in Financing Activities (C)	(5,558)	(1,483)
D. Net increase/ (decrease) in Cash and Cash Equivalents (A + B + C)	1,376	4,887
E. Cash and Cash Equivalents at the beginning of the year	10,669	5,782
F. Cash and Cash Equivalents at the end of the year (D+E)	12,045	10,669

	₹ in Millions	
	As at 31.03.2021	As at 31.03.2020
Cash and Cash Equivalents comprise :		
Balances with Banks	8,752	7,874
Short-term Highly Liquid Investments	3,293	2,795
	12,045	10,669

Notes:

- 1) The above Statement of Cash Flow has been prepared under the "Indirect Method" set out in Ind AS 7 - Statement of Cash Flows.
- 2) Short-term Highly Liquid Investments comprise of Investment in Mutual Funds which are highly liquid and have an insignificant risk of change in value.

The accompanying Notes 1 - 47 are an integral part of these financial statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP** For and on behalf of the Board

Chartered Accountants

Sampada S Narvankar
Partner

Pankaj Patel
Chairman

DIN 00131852

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Date: May 25, 2021

Place: Ahmedabad
Date: May 25, 2021

Place: Chicago, USA
Date: May 25, 2021

Place: Mumbai
Date: May 25, 2021

Place: Thane
Date: May 25, 2021



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ Millions, unless otherwise stated)

Company Profile

Bayer CropScience Limited (“the Company”) is a Company incorporated under the Companies Act, 1956 and having its registered office at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607, India. The Company is engaged in ‘Agri Care’ business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicide and various other agrochemical products and corn seeds. The Company is also involved in sale and distribution of hybrid seeds. Out of the total paid-up share capital of the Company, 71.43% is held by its promoters. The ultimate parent company is Bayer AG, Germany. The Company is listed on the Bombay Stock Exchange, Mumbai. The Company has its own manufacturing site for agrochemical production at Himatnagar and Silvassa, drying and processing stations at Hyderabad and breeding stations at Bengaluru and Udaipur.

1 Significant Accounting Policies

(a) Basis of Preparation

Compliance with Ind AS

The financial statements of the Company are based on the principle of historical cost except for certain financial assets and liabilities and defined benefit plan that are measured at fair value, and are drawn up to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The accounting policies are applied consistently to all the years presented in the financial statements.

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

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III,

unless otherwise stated. Amount below the rounding off norm adopted by the Company is disclosed as *.

(b) Use of Estimates and Judgments

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company’s financial position and/ or results of operations.

Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment, Investment Properties and Intangible Assets and the recognition of provisions, including those for litigation, employee benefits, refund liabilities and assessment of impact of health pandemic of COVID-19.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

(c) Foreign Currency Transactions

The financial statements are presented in Indian Rupee, which is the Company’s functional and presentation currency. A company’s functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

(d) Revenue Recognition

Revenue is recognised in accordance with Ind AS 115 - Revenue from Contracts with Customers.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(d) Revenue Recognition (contd.)

(i) Revenue from the sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer's location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of a right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer.

Revenue is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates, discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development. Sales are reduced on the date of sale or on the date when the amount can be reasonably estimated. A refund liability and a right to recover the returned goods is recognised for the goods expected to be returned.

The Company operates loyalty programs where direct/ indirect customers accumulate points for purchases made which entitles them to free or discounted goods, other than Company's goods. The promise to provide additional points to customers is therefore a separate performance obligation. The transaction price is allocated to the goods and the points on a relative standalone selling price basis. A contract liability for the award points is recognised at the time of sale. Revenue is recognised as sales when obligation is fulfilled based on the points redeemed.

The Company evaluates sales and distribution arrangement with supplier whether it is acting as a principal or an agent of the supplier, considering whether it controls the specified goods before it is transferred to customer and based on factors such as primary responsibility for providing goods to customer, inventory risk and pricing latitude. Where the supplier retains control over the specified goods and the Company performs the

function of selling and distribution for a margin within a range by acting as an agent, it recognises only the margin (i.e. sales less material cost) as its revenue from such transactions.

- (ii) Recoveries from Group Companies and Third Parties include recoveries towards common facilities/ resources, information technology and other support provided to such parties which is recognised as per terms of agreement and in the accounting period in which the services are rendered.
- (iii) Royalty income is recognised on an accrual basis in accordance and as per terms of agreement.

(e) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

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

(f) Income Tax

Income taxes comprise the taxes levied on taxable income along with changes in deferred tax assets and liabilities that are recognised in the Statement of Profit and Loss. The income taxes recognised are reflected at the amounts likely to be payable under the statutory regulations in force, or already enacted in relation to future periods, at the end of the reporting period. Complex tax regulations may give rise to uncertainties with respect to their interpretation and the amounts and timing of future



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(f) Income Tax (contd.)

taxable income. Given the long-term nature and complexity of tax regulations, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate adjustments to tax income and expense in future periods. Liabilities to tax authorities that are uncertain as to their amount and the probability of their occurrence are recognised as tax liabilities based on reasonable estimates. The amounts recognised are based on various factors, such as experience with previous tax assessments, legal interpretations by the Company and in certain cases based on legal opinion.

In compliance with Ind AS 12 - Income Taxes, deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet prepared according to Ind AS and their tax bases.

Deferred tax assets relating to deductible temporary differences, tax credits, loss carry forwards and interest carry forwards are recognised where it is probable that taxable income or sufficiently taxable temporary differences will be available in the future to enable them to be used. Deferred tax liabilities are recognised on temporary differences taxable in the future.

The probability that deferred tax assets resulting from temporary differences or loss carryforwards can be used in the future, is the subject of forecasts by the Company regarding its future earnings situation and other parameters.

Deferred taxes are calculated at the rates which, on the basis of the statutory regulations in force, or substantively enacted in relation to future periods, as of the closing date, are expected to apply at the time of realisation. Deferred tax assets and deferred tax liabilities are offset if they relate to income taxes levied by the same taxation authority and the Company has a legal right to settle on a net basis. Material effects of changes in tax rates or tax law on deferred tax assets and liabilities are generally accounted for in the period in which the changes are enacted. Such effects are recognised in the Statement of Profit and Loss except where they relate to deferred taxes that were recognised

outside the Statement of Profit and Loss, in which case they, too, are recognised in Other Comprehensive Income or directly in Equity.

Deferred and current taxes are recognised in the Statement of Profit and Loss unless they relate to items recognised outside the Statement of Profit and Loss in Other Comprehensive Income or directly in Equity, in which case they, too, are recognised in Other Comprehensive Income or directly in Equity respectively.

(g) Leases

Lease contracts in which the Company is the lessee mainly pertain to offices, residential premises, warehouses, vehicles, and plant and machinery. Lease contracts are negotiated individually and each contain different arrangements on extension, termination or purchase options except in case of vehicle leases. Offices, residential premises and warehouses leases generally contain clauses that prohibit subleasing except with the consent of the lessor.

As a lessee:

As per Ind AS 116 - Leases the Company assesses whether a contract contains a lease at inception of the contract. The Company recognises a right-of-use asset and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee except for short-term leases and leases of low value assets. Contracts may contain both lease and non-lease components. The Company has elected practical expedient of not to separate lease and non-lease components and instead account for these as a single lease component in respective lease contracts for certain Buildings and Plant and Machinery.

Lease liabilities are initially measured at present value of future lease payments discounted at the Company's incremental borrowing rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The lease liabilities are subsequently measured by

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(g) Leases (contd.)

increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use asset is measured at cost, which is the sum of initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date. The right-of-use asset is depreciated on a straight line basis from the commencement date over the shorter of lease term or useful life of right-of use asset except certain Plant and Machinery which is depreciated using production unit method. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease payments associated with short-term leases and leases of low value assets are recognised as Rent expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

When the lease liability is remeasured due to change in contract terms, a corresponding change is made to the carrying amount of right-of-use asset, or is recorded in the profit and loss account if the carrying amount of right-of-use asset is reduced to zero.

For additional information on application of Ind AS 116 in previous year Refer Note 45.

As a lessor:

In respect of assets given on operating lease, the lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

(h) Cash and Cash Equivalents

Cash and Cash Equivalents comprise balances with banks including demand deposits and other short term highly liquid investments that are subject to an insignificant risk of change in value, are easily convertible into a known amount of cash and have a maturity of three months or less from the date of acquisition or investment.

(i) Inventories

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses necessary to make the sale.

(j) Investment and Financial Assets

Financial assets are recognised and measured in accordance with IndAS 109-Financial Instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVPL), transaction costs that are attributable to the acquisition of the financial asset.

Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVPL. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments

There are three measurement categories into which the Company classifies its debt instruments:

At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(j) Investment and Financial Assets (contd.)

the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in Other Income using the effective interest rate method.

Fair Value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The movements in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in Other Income using the effective interest rate method.

Fair Value through Profit or Loss (FVPL)

Assets shall be measured at FVPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in Other Income.

Equity instruments

Investment in Equity Instruments are classified as FVPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investment in equity instruments which are not held for trading.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The Company applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. The Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss on trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

Financial assets are derecognised when contractual rights to receive cash flows from the financial assets expire or the financial assets are transferred together with all material risks and benefits.

(k) Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks which are not designated as hedges. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised immediately in the Statement of Profit and Loss.

(l) Property, Plant and Equipment

Freehold land is carried at historical cost. Property, plant and equipment is carried at the cost of acquisition or construction and depreciated over its estimated useful life. An impairment loss is recognised in addition if an asset's recoverable amount falls below its carrying amount.

If the construction phase of property, plant and equipment extends over a substantial period of

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

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

time, the interest incurred on borrowed capital up to the date of completion is capitalised as part of the cost of acquisition or construction in accordance with Ind AS 23 - Borrowing Cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the asset recognition criteria as per Ind AS 16 - Property, Plant and Equipment.

Significant asset components with different useful lives are accounted for and depreciated separately.

If there are indications that an individual item of property, plant and equipment may be impaired, the recoverable amount is compared to the carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If the recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference. If the reasons for a previously recognised impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The Company, based on internal Management assessment, depreciates property, plant and equipment under straight-line method over following estimated useful lives which are similar to the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of dryers included in plant and equipments. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets Class	Useful lives in years
Buildings (including Roads)	10 to 60
Plant and Equipment [#]	7 to 15
Furniture and Fixtures	10
Vehicles	8
Office Equipment (including Electrical Installation)	5 to 10
Computers	3 to 6

[#] Based on the technical evaluation, the useful life of the dryers is considered as 20 years as that best represents the period over which the asset is expected to be used.

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

The Company has elected to measure all its property, plant and equipment, at their previous GAAP carrying value which has been considered as deemed cost at date of transition i.e. April 1, 2015.

(m) Investment Properties

Investment properties comprise land and buildings not being used for operational or administrative purposes. It is measured using the cost model.

The Company, based on technical assessment made by management expert, depreciates Investment properties under straight-line method over estimated useful lives which are similar to the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

The Company has elected to measure all its investment properties at their previous GAAP carrying value which has been considered as deemed cost at date of transition i.e. April 1, 2015.



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(n) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance such as technical knowhow, software or marketing rights. It is capitalised if the future economic benefits attributable to the asset will probably flow to the Company and the cost of acquisition or generation of the asset can be reliably measured. It is amortised from the point at which the asset is available for use.

Intangible assets are recognised at the cost of acquisition or generation less accumulated amortisation and impairment loss, if any. Those with determinable useful life are amortised on a straight line basis over a period of up to three years for software and ten years for marketing rights. Determination of the expected useful lives of such assets and the amortisation patterns is based on estimates of the period for which they will generate cash flows. An impairment test is performed if there is an indication of possible impairment.

Any impairment losses are recognised in the Statement of Profit and Loss. If the reasons for a previously recognised impairment loss no longer apply, the impairment loss is reversed provided that the reversal does not exceed the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised for the asset in prior years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The Company has elected to measure all its intangible assets at their previous GAAP carrying value which has been considered as deemed cost at the date of transition i.e. April 1, 2015.

(o) Financial Liabilities

Financial liabilities are initially recognised at fair value if the Company has a contractual obligation to transfer cash or other financial assets to

another party. Borrowings and payables are recognised net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled, or has expired.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for present legal or constructive obligations arising from past events that will probably give rise to a future outflow of resources, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured in accordance with Ind AS 37 - Provisions, Contingent Liabilities and Commitments. Where the cash outflow to settle an obligation is expected to occur after one year, the provision is recognised at the present value of the expected cash outflow. The increase in the provision due to passage of time is considered as Finance Cost. Claims for reimbursements from third parties are separately reflected in other receivables considering they are realisable.

If the projected obligation declines as a result of a change in the estimate, the provision is reversed by the corresponding amount and the resulting income recognised in the expenses in which the original charge was recognised.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(q) Provision for Employment Benefits

The Company provides post-employment benefits under defined contribution, defined benefit plans, other employee benefits and termination benefits.

The Company has Defined Contribution plans namely Provident Fund and Superannuation Fund which are administered through Government authorities/ trustees. The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Family Pension Fund on behalf of its employees and has no further obligation beyond making its contribution. Under Superannuation Fund, applicable to certain employees, the Company makes contributions to Managerial employees' Superannuation Scheme which is administered by Life Insurance Corporation of India ('LIC') and has no further obligation beyond making the payment to LIC. The Company makes contributions to State plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are recognised as Employee Benefits Expense in the Statement of Profit and Loss for the year in which they are due.

The Company has a Defined Benefit plan namely Gratuity covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme which is administered by LIC, Aditya Birla Sun Life Insurance Company Limited and Kotak Life Insurance Limited respectively. The present value of provisions for defined benefit plans and the resulting expense are calculated in accordance with Ind AS 19 - Employee Benefits by the Projected Unit Credit Method. The future benefit obligations are valued by an independent actuary at the year-end and spread over the entire employment period on the basis of specific assumptions regarding beneficiary structure and the economic environment. This includes the determination of the discount rate, salary escalation, mortality rate etc. which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the interest rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximating the terms of the related defined benefit obligation.

The fair value of plan assets is deducted from the present value of the defined benefit obligation to determine the net defined benefit obligation.

The effect of re-measurement of the net defined benefit obligation is reflected in the Statement of Comprehensive Income as Other Comprehensive Income. This consists of actuarial gains and losses and the return on plan assets, less the respective amounts included in net interest. Deferred taxes relating to the effects of re-measurements are also recognised in Other Comprehensive Income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost under 'Employee Benefits Expense'.

For Other employee benefits, the effect of re-measurements arising due to experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss as 'Employee Benefits Expense' in the year in which they arise.

The net interest on net obligation for defined benefits and other employee benefits is recognised in the Statement of Profit and Loss as 'Finance Cost' in the year in which it arises.

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(r) Recent Accounting Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key Amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are disclosure of lease liabilities, statement of changes in equity, shareholding of promoters, ageing schedule of trade receivables, trade payables, capital work-in-

progress and intangible asset under development, usage of the fund borrowed from Banks and financial institutions, relating to Corporate Social responsibility and various other disclosure requirements along with specific disclosure under additional regulatory requirements.

The Company will evaluate the same to give effect in the financial statements as required by law.



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

2 Property, Plant and Equipment [Refer Note 36(a)]

Assets	Cost/Deemed Cost			Depreciation/ Amortisation				Net Book Value	
	As at 01.04.2020	Additions	Deletions	As at 31.03.2021	As at 01.04.2020	For the year	On Deletions	As at 31.03.2021	As at 31.03.2021
a) Owned Assets :									
Freehold Land	309	-	2	307	-	-	-	-	307
	(309)	(-)	(-)	(309)	(-)	(-)	(-)	(-)	(309)
Buildings **	2,278	11	4	2,285	293	69	2	360	1,925
	(2,227)	(51)	(-)	(2,278)	(229)	(64)	(-)	(293)	(1,985)
Plant and Equipment**	1,471	69	-*	1,540	545	150	-	695	845
	(1,352)	(127)	(8)	(1,471)	(405)	(145)	(5)	(545)	(926)
Furniture and Fixtures	257	5	2	260	118	26	1	143	117
	(210)	(47)	(-)*	(257)	(94)	(24)	(-)*	(118)	(139)
Vehicles	628	61	98	591	237	80	60	257	334
	(668)	(15)	(55)	(628)	(189)	(82)	(34)	(237)	(391)
Office Equipment (including Computers)	664	38	45	657	478	83	44	517	140
	(605)	(74)	(15)	(664)	(388)	(105)	(15)	(478)	(186)
Owned Assets Total (a)	5,607	184	151	5,640	1,671	408	107	1,972	3,668
	(5,371)	(314)	(78)	(5,607)	(1,305)	(420)	(54)	(1,671)	(3,936)
b) Right of Use Assets : [Refer Note 45]									
Land	10	6	-	16	3	2	-	5	11
	(10)	(-)	(-)*	(10)	(-)*	(3)	(-)*	(3)	(7)
Buildings	363	92	47	408	145	125	47	223	185
	(206)	(159)	(2)	(363)	(-)	(147)	(2)	(145)	(218)
Plant and Equipment	231	-	-	231	49	174	-	223	8
	(231)	(-)	(-)	(231)	(-)	(49)	(-)	(49)	(182)
Vehicles	32	55	-	87	12	15	-	27	60
	(32)	(-)	(-)	(32)	(-)	(12)	(-)	(12)	(20)
Office Equipment (including Computers)	1	-	-	1	1	-	-	1	-
	(1)	(-)	(-)	(1)	(-)	(1)	(-)	(-)	(-)
Right of Use Assets Total (b)	637	153	47	743	210	316	47	479	264
	(480)	(159)	(2)	(637)	(-)	(212)	(2)	(209)	(427)
Total (a+b)	6,244	337	198	6,383	1,881	724	154	2,451	3,932
	(5,851)	(314)	(78)	(6,244)	(1,305)	(631)	(54)	(1,671)	(4,363)

a) Deemed cost of leasehold improvements as on April 1, 2015 is Nil i.e. fully depreciated over a period of time and hence the same has not been presented in the above table.

b) Figures shown in brackets are in respect of previous year.

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



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

3 Capital work-in-progress

Assets	Cost/ Deemed Cost			As at 31.03.2021
	As at 01.04.2020	Additions	Deletions/ Transfers	
Capital work-in-progress	36 (72)	226 (278)	186 (314)	76 (36)
Total	36 (72)	226 (278)	186 (314)	76 (36)

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

4 Investment Property

Assets	Cost/ Deemed Cost				Depreciation/ Amortisation			Net Book Value	
	As at 01.04.2020	Additions	Deletions	As at 31.03.2021	As at 01.04.2020	For the year	On Deletions	As at 31.03.2021	As at 31.03.2021
Land	44 (44)	- (-)	- (-)	44 (44)	- (-)	- (-)	- (-)	- (-)	44 (44)
Buildings	286 (286)	- (-)	- (-)	286 (286)	25 (21)	5 (4)	- (-)	30 (25)	256 (261)
Total	330 (330)	- (-)	- (-)	330 (330)	25 (21)	5 (4)	- (-)	30 (25)	300 (305)

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

b) The Company had given Land and portion of a Building on lease under cancellable lease arrangement. Investment properties are distinguished from owner-occupied property based on area covered under lease arrangements. Refer Note 36 for disclosure of contractual obligations to purchase, construct or develop investment properties and for its repairs, maintenance or enhancements respectively.

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

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Rental Income [Refer Note 25]	48	44
Direct operating expenses from property that generated rental income (including Depreciation)	27	32

d) Fair value

	As at 31.03.2021	As at 31.03.2020
Investment properties	600	583

Estimation of fair value:

The fair value of Land and Building under Investment Properties has been determined by an external independent property valuer having recognised professional qualifications. In one case valuation has been performed based on government rates available on the online portal. The current prices in an active market for similar properties has been used to determine fair value of investment properties. The fair value measurement investment properties has been categorised as Level 3 based on the inputs in the valuation.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

5 Intangible Assets [Refer Note 36(a)]

Assets	Cost/Deemed Cost			Amortisation				Net Book Value	
	As at 01.04.2020	Additions	Deletions	As at 31.03.2021	As at 01.04.2020	For the year	On Deletions	As at 31.03.2021	As at 31.03.2021
Computer Software	93 (99)	4 (4)	-* (10)	97 (93)	85 (79)	5 (16)	-* (10)	90 (85)	7 (8)
Marketing Rights	11 (7)	- (4)	- (-)	11 (11)	2 (1)	1 (1)	- (-)	3 (2)	8 (9)
Total	104 (106)	4 (8)	-* (10)	108 (104)	87 (80)	6 (17)	-* (-)*	93 (87)	15 (17)

- a) Deemed cost of Goodwill and Technical Knowhow as on April 1, 2015 is Nil i.e. fully amortised over a period of time and hence the same has not been presented in the above table.
- b) Figures shown in brackets are in respect of previous year.

6 Intangible Assets under development

Assets	Cost/ Deemed Cost			As at 31.03.2021
	As at 01.04.2020	Additions	Deletions / Transfers	
Intangible Assets under development	523 (400)	172 (143)	8 (20)	687 (523)
Total	523 (400)	172 (143)	8 (20)	687 (523)

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

7 Other Financial Assets

	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	Non-Current	Non-Current	Current	Current
(Unsecured, Considered good unless otherwise stated)				
Security Deposits				
- Considered Good	150	202	56	33
- Considered Doubtful	2	2	-	-
	152	204	56	33
Less: Provision for Expected Credit Loss [Refer Note 39(a)(i)]	2	2	-	-
	150	202	56	33
Accrued Interest Receivable	-	-	8	18
Other Receivables	1	-*	13	40
	151	202	77	91

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

8 Income Tax Asset (Net)

	As at 31.03.2021 Non-Current	As at 31.03.2020 Non-Current
Advance payment of Income Tax [Net of Provision for Taxation 16,551 (Previous Year 14,659)]	1,353	2,239
Fringe Benefit Tax [Net of Provision for Taxation 125 (Previous Year 125)]	6	6
	1,359	2,245

9 Deferred Tax Assets/ (Liabilities) (Net)

	Provision for Expected Credit Loss on Trade Receivables, Advances and Security deposits	Liabilities allowed on payment basis	Provision for Defined Benefit Obligations	Disallowances u/s. 40(a)(i) and 40(a)(ia) of the Income Tax Act, 1961	Indexation of Freehold land	Other Expenditure allowable on Merger	Employee Separation Expenses	Lease Liabilities Component	Depreciation and Amortisation of Assets	Others	Total
Balance as on 1.04.2019	99	215	74	34	15	16	-	-	(408)	44	89
(Charged)/ credited during the year											
To Statement of Profit and Loss	(21)	(104)	(19)	15	2	56	192	(36)	120	(43)	162
To Other Comprehensive Income	-	-	19	-	-	-	-	-	-	-	19
Balance as on 31.03.2020	78	111	74	49	17	72	192	(36)	(288)	1	270
(Charged)/ credited during the year											
To Statement of Profit and Loss	8	11	(13)	14	3	(18)	(38)	97	(136)	(3)	(75)
To Other Comprehensive Income	-	-	(16)	-	-	-	-	-	-	-	(16)
Balance as on 31.03.2021	86	122	45	63	20	54	154	61	(424)	(2)	179

10 Other Assets

	As at 31.03.2021 Non-Current	As at 31.03.2020 Non-Current	As at 31.03.2021 Current	As at 31.03.2020 Current
(Unsecured, Considered good unless otherwise stated)				
Capital Advances	13	8	-	-
Other Advances:				
- Advance to Vendors	-	-	314	237
- Prepaid Expenses	2	4	53	56
- Advance to Employees	19	21	-*	4
- Export Benefit Receivable	-	-	68	166
- Balance with Government Authorities				
- Considered Good	221	219	1,294	1,190
- Considered Doubtful	-	-	80	79
	221	219	1,374	1,269
Less : Provision for Doubtful Advances	-	-	80	79
	221	219	1,294	1,190
Right of Return Asset	-	-	216	467
	255	252	1,945	2,120

**Notes to the financial statements for the year ended March 31, 2021 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***11 Inventories**

	As at 31.03.2021	As at 31.03.2020
(Lower of Cost and Net Realisable Value)		
Raw Materials [includes in transit 2,724 (Previous Year 1,555)]	6,045	4,479
Packing Materials [includes in transit 4 (Previous Year 6)]	577	303
Work-in-progress [includes in transit 34 (Previous Year 34)]	2,053	1,905
Finished Goods [includes in transit 304 (Previous Year 144)]	4,090	2,552
Stock-in-Trade [includes in transit 107 (Previous Year 105)]	461	368
Stores and Spares	25	28
	13,251	9,635

12 Investments

	As at 31.03.2021	As at 31.03.2020
At Fair value through profit or loss (Unquoted*)		
Investments in Mutual Funds		
17,151,188 (Previous Year Nil) Units of ₹ 11.98 in DSP Arbitrage Fund - Direct Plan - Growth	205	-
4,719,252 (Previous Year Nil) Units of ₹ 21.83 in Nippon India Arbitrage Fund - Direct Plan - Growth	103	-
Nil (Previous Year 14,696,486) Units of ₹ 13.86 in Invesco India Arbitrage Fund - Direct Plan - Dividend	-	204
19,458,124 (Previous Year 19,458,124) Units of ₹ 10.99 in Tata Arbitrage Fund – Direct Plan – Dividend	214	204
	522	408
Aggregate value of Unquoted Investment	522	408

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



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

13 Trade Receivables [Refer Note 42]

	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	Non-Current	Non-Current	Current	Current
Secured, considered good	-	-	109	100
Unsecured, considered good [Refer Note (a) and (b) below]	-	-	7,440	7,080
Unsecured, considered doubtful	332	290	38	55
Total	332	290	7,587	7,235
Less: Provision for Expected Credit Loss [Refer Note 39(a)(i)]	332	290	38	55
	-	-	7,549	7,180

(a) The Company is distributor of Bayer BioScience Private Limited (BBPL) operating in the territory of India and Nepal for distribution of seeds. As the Company is a limited risk distributor in this commercial arrangement, BBPL recognises the risk of overdue receivables to its account. As of March 31, 2021, the Company has certain overdue outstanding receivables towards distribution of seeds to third parties aggregating 20 (Previous Year 5). The Company has recovered this amount from BBPL towards recoupment of loss arising out of the third party overdue for which recovery is less probable. Accordingly, the amount recovered from BBPL is included in "Other Financial Liabilities" in Note 18. As and when the Company recovers any amount against such overdue, or any part thereof, from the respective customers, the Company is required to pay to BBPL such amounts so recovered. During the year, the Company has recovered 10 (Previous Year Nil) out of such overdues and paid to BBPL.

(b) There are no customers with receivables exceeding 5% of total trade receivables

14 Cash and Cash Equivalents

	As at 31.03.2021	As at 31.03.2020
Balances with Banks		
- In Current Accounts	348	281
- in Fixed Deposits (less than 3 months maturity)	8,404	7,593
Short-term highly liquid investments at Fair Value [Refer Note (a) below]	3,293	2,795
	12,045	10,669

(a) Investment in Liquid Mutual Funds (Unquoted*)

	As at 31.03.2021	As at 31.03.2020
1,094,766 (Previous Year 1,140,217) Units of ₹ 1,113 in Aditya Birla Sun Life Mutual Fund Overnight Direct Plan Growth Fund	1,219	1,231
285,765 (Previous Year 533,010) Units of ₹ 1,102 in DSP Overnight Direct Plan Growth Fund	315	570
331,050 (Previous Year 354,141) Units of ₹ 2,818 in UTI Overnight Direct Plan Growth Fund	933	968
1,684,111 (Previous Year 239,483) Units of ₹ 110 in Nippon India Overnight Direct Plan Growth Fund	185	26
344,944 (Previous Year Nil) Units of ₹ 1,098 in Kotak Overnight Direct Plan Growth Fund	379	-
148,669 (Previous Year Nil) Units of ₹ 1,606 in L&T Overnight Fund Direct Plan Growth Fund	239	-
207,630 (Previous Year Nil) Units of ₹ 111 in ICICI Prudential Overnight Direct Plan Growth Fund	23	-
	3,293	2,795

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

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

15 Bank Balances other than Cash and Cash Equivalents

	As at 31.03.2021	As at 31.03.2020
Earmarked balances with banks in unpaid dividend accounts	44	35
Balances held as margin money against guarantees	6	6
Earmarked balances with banks	-*	-*
	50	41

16 Equity Share Capital

	As at 31.03.2021	As at 31.03.2020
Authorised		
66,300,000 (Previous Year 66,300,000) Equity Shares of ₹ 10/- each	663	663
Issued, Subscribed and Paid-up Capital:		
44,942,092 (Previous Year 44,942,092) Equity Shares of ₹ 10/- each, fully paid-up	449	449

a) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Movement of Issued, Subscribed and Paid-up Equity Share Capital:

	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	Number of Shares	Number of Shares	Amount	Amount
Balance as at the beginning of the year	44,942,092	34,333,593	449	343
Add: Shares issued pursuant to amalgamation [Refer Note (c) below and Note 44]	-	10,608,499	-	106
Balance as at the end of the year	44,942,092	44,942,092	449	449

- c) In consideration of amalgamation of erstwhile Monsanto India Limited (MIL) with Bayer CropScience Limited, the Company issued and allotted 2 (two) equity shares of ₹ 10/- credited as fully paid up shares, for every 3 (three) equity shares of ₹ 10/- in MIL, to those whose name are recorded in the register of members on September 30, 2019 ('Record date') on receipt of listing approval from BSE.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

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

	As at 31.03.2021	As at 31.03.2020
	Number of Shares	Number of Shares
Aggregate number of Equity Shares bought back	2,285,408	2,285,408

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

	As at 31.03.2021	As at 31.03.2020
	Number of Shares	Number of Shares
Ultimate Holding Company:		
Bayer AG, Germany	3,788,433	3,788,433
Subsidiaries of Ultimate Holding Company:		
Bayer Vapi Private Limited, India	8,039,736	8,039,736
Bayer S.A.S., France	6,618,105	6,618,105
Bayer CropScience AG, Germany	5,354,030	5,354,030
Monsanto Investments India Private Limited, India	6,758,082	6,758,082
Monsanto Company, USA	1,544,613	1,544,613

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

	As at 31.03.2021	As at 31.03.2020
	Number of Shares	Number of Shares
Bayer AG, Germany	3,788,433	3,788,433
Bayer Vapi Private Limited, India	8,039,736	8,039,736
Bayer S.A.S., France	6,618,105	6,618,105
Bayer CropScience AG, Germany	5,354,030	5,354,030
Monsanto Investments India Private Limited, India	6,758,082	6,758,082
Aditya Birla Sun Life Trustee Private Limited, India	2,645,002	2,702,432

g) Shares reserved for issue under commitment:

In Monsanto India Limited (MIL/ Transferor Company), there has been a dispute with regards to the transfer of 100 shares, held by a shareholder. In view of the pending dispute, bonus entitlement relating to this 100 shares has been kept in abeyance by the Transferor Company. Pursuant to the amalgamation of MIL with the Company effective from September 16, 2019, the Company shall continue to keep such entitlements in abeyance.

**Notes to the financial statements for the year ended March 31, 2021 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***17 Other Equity**

	As at 31.03.2021	As at 31.03.2020
Reserves and Surplus		
Capital Redemption Reserve [Refer Note (i) below]	52	52
General Reserve [Refer Note (ii) below]	2,388	1,932
Retained Earnings [Refer Note (iii) below]	21,220	21,898
Securities Premium [Refer Note (iv) below]	1,394	1,394
	25,054	25,276
Other Equity		
	As at 31.03.2021	As at 31.03.2020
(i) Capital Redemption Reserve [Refer Note (a) below]		
Balance as at the beginning of the year	52	52
Changes during the year	-	-
Balance as at the end of the year	52	52
(a) It represents transfer from Retained Earnings on buy-back of equity shares by the Company as per the provision of section 69(1) of the Companies Act, 2013.		
	As at 31.03.2021	As at 31.03.2020
(ii) General Reserve [Refer Note (a) below]		
Balance as at the beginning of the year	1,932	1,602
Add: Transfer from Retained Earnings	456	330
Balance as at the end of the year	2,388	1,932
(a) It represents transfer from Retained Earnings.		
	As at 31.03.2021	As at 31.03.2020
(iii) Retained Earnings [Refer Note (a) below]		
Balance as at the beginning of the year	21,898	18,897
Profit for the year	4,931	4,745
Items of Other Comprehensive Income recognised directly in Retained Earnings		
Remeasurement of defined benefit obligation [Refer Note 19(a)(B) (2)(ii)]	32	(201)
Tax on remeasurement of defined benefit obligation [Refer Note 9]	(16)	19
Appropriations		
Dividend [Refer Note 40(b)(i)]	(1,124)	(1,016)
Interim Dividend [Refer Note 40(b)(i)]	(4,045)	-
Dividend Distribution Tax on Dividend	-	(216)
Transfer to General Reserve	(456)	(330)
Balance at the end of the year	21,220	21,898
(a) It represents profit earned net of appropriations.		
	As at 31.03.2021	As at 31.03.2020
(iv) Securities Premium [Refer Note (a) below]		
Balance as at the beginning of the period	1,394	1,394
Changes during the year	-	-
Balance at the end of the year	1,394	1,394
(a) It represents premium on issue of shares.		



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

18 Other Financial Liabilities

	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	Non-Current	Non-Current	Current	Current
Payable for Capital Purchases [Refer Note 21(a)]	-	-	10	29
Unpaid Dividends [Refer Note (a) below]	-	-	44	35
Deposits from customers	-	-	184	259
Lease liability [Refer Note 45]	141	138	122	297
Other liabilities [Refer Note 13(a)]	-	-	372	361
	141	138	732	981

(a) As at the year end, there are no amounts which are due for payment to Investor Education and Protection Fund under section 124 and 125 of the Companies Act, 2013, except the amount pertaining to unpaid dividend of 5 and the related equity shares. Based on information and records available with the Company, all these relate to disputed shareholder matters of Monsanto India Limited, the erstwhile amalgamating company.

19 Provisions

	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	Non-Current	Non-Current	Current	Current
Provision for Employee Benefits				
- Gratuity [Refer Note (a)(B) below]	77	147	101	91
- Compensated Absences [Refer Note (b) below]	345	309	57	50
- Other employee benefits [Refer Note (c) below]	238	280	441	603
Direct Tax Matters [Net of Advance Tax of 150 (Previous Year 150)] [Refer Note (d) & (e)]	8	8	-	-
Indirect Tax Matters [Refer Note (d) & (e)]	14	17	-	-
Commercial Matters [Net of Payment 5 (Previous Year 5)] [Refer Note (d) & (e)]	361	339	-	-
Others [Refer Note (d) & (f) below]	-	-	38	-
	1,043	1,100	637	744

a) Employee Benefit Obligation

Disclosure as required under Ind AS 19 - Employee Benefits:

A. Defined contribution plan:

The Company's defined contribution plans are Superannuation, Employees' State Insurance Scheme and Provident Fund administered by Government authorities/ trustees since the Company has no further obligation beyond making the contributions.

**Notes to the financial statements for the year ended March 31, 2021 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***19 Provisions (Contd.)**

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

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Employer's contribution to Provident Fund	151	133
Employer's contribution to Superannuation Fund	24	29
Total (included in Note 28 - 'Employee Benefits Expense')	175	162

B. Defined benefit obligation:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Company policy multiplied for the number of years of service.

The plan asset for the funded gratuity plan is invested in insurer managed fund administered by Life Insurance Corporation of India ('LIC'), Kotak Life Insurance Limited (Kotak) and Aditya Birla Sun Life Insurance Company Limited (Aditya Birla) independently. 79% of the plan asset is invested in debt securities and 21% of the plan asset is invested in equity instruments.

Provisions were established for defined benefit obligations pertaining to gratuity. The net obligation was accounted as follows:

1. Net defined benefit obligation as reflected in Balance Sheet:

	As at 31.03.2021	As at 31.03.2020
Present value of defined benefit obligation	1,262	1,127
Fair value of plan assets	1,084	889
Net defined benefit obligation [Refer Note 19]	178	238

2. The expenses for defined benefit plan for gratuity comprise the following components:**i) Expenses Recognised in the Statement of Profit and Loss**

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Current service cost (included in Note 28 - 'Employee Benefits Expense')	68	69
Net interest cost (included in Note 29 - 'Finance Costs')	16	12
Total	84	81

ii) Expenses recognised in the Other Comprehensive Income (OCI) [Refer Note 17(iii)]

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Actuarial (Gain)/ losses on obligation	64	199
Return on Plan Assets, excluding interest income	(96)	52
Change in Asset Ceiling	-	(50)
Total	(32)	201

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

3. The net defined obligation developed as follows:

i) Change in the present value of defined benefit obligation

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Opening present value of defined benefit obligation	1,127	1,122
Current service cost (included in Note 28 - 'Employee Benefits Expense')	68	69
Interest cost (included in Note 29 - 'Finance Costs')	77	88
Transfer of employees (Net)	52	35
Benefit paid Directly by the Employer	(114)	(8)
Benefit paid from the fund	(12)	(378)
Actuarial (gains)/ losses due to:		
- change in demographic assumptions	-	(3)
- change in financial assumptions	31	(65)
- experience adjustment	33	267
Closing present value of defined benefit obligation	1,262	1,127

ii) Change in the fair value of plan assets

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Opening fair value of plan assets	889	1,012
Interest income (included in Note 29 - 'Finance Costs')	61	76
Contributions by the employer	50	231
Benefit paid from the fund	(12)	(378)
Expected return on plan assets (excluding interest income)	96	(52)
Closing fair value of plan assets	1,084	889

iii) Change in net defined benefit obligation

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Opening net defined benefit obligation	238	110
Current service cost (included in Note 28 - 'Employee Benefits Expense')	68	69
Interest cost (net) (included in Note 29 - 'Finance Costs')	16	12
Transfer of employees (Net)	52	35
Contributions by the employer	(50)	(231)
Benefit paid Directly by the Employer	(114)	(8)
Actuarial (gains)/ losses due to:		
- change in demographic assumptions	-	(3)
- change in financial assumptions	31	(65)
- experience adjustment	33	267
Expected return on plan assets (excluding interest income)	(96)	52
Closing net defined obligation/ Deficit of funded plan	178	238

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

4. Risk exposure:

The risks from defined benefit plans arise partly from the defined benefit obligations and partly from the investment in plan assets. The risks lie in the possibility that higher direct gratuity payments will have to be made to the beneficiaries and/ or that additional contributions will have to be made to plan assets in order to meet current and future defined benefit obligations.

i) Demographic risk

The gratuity plan provides a lump sum payment to vested employees at the time of retirement, death, incapacitation or termination of employment. Change in attrition rate or mortality assumption as compared to actual rate may result in change in benefit obligations, benefit expense and/or payments than previously anticipated.

ii) Investment risk

If the actual return on plan assets was below the return anticipated on the basis of the discount rate, the net defined benefit obligation would increase, assuming there were no changes in other parameters. This could happen as a result of a drop in return by LIC, Kotak or Aditya Birla.

iii) Interest rate risk

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

5. Measurement parameters and their sensitivities

i) The following parameters were used to measure the obligation

	As at 31.03.2021	As at 31.03.2020
Discount rate (per annum)	6.44%	6.82%
Expected rate of return on plan assets (per annum)	6.44%	6.82%
Attrition rate (per annum)	6 - 15%	6 - 15%
Salary escalation rate (per annum)	8.00% p.a. for next 2 years, 6.00% p.a. thereafter, starting from the 3 rd year	6.00% p.a. for next 1 year, Starting from the 2 nd year 8.00% p.a. for the next 2 years, and starting from the 4 th year 6.00% p.a. thereafter

The estimates of future salary escalations, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor such as supply and demand factors in the employment market.

ii) The following parameter sensitivities were computed by an independent actuary which results in increase/ (decrease) in defined benefit obligation:

	As at 31.03.2021	As at 31.03.2020
Delta effect of +0.5% change in discount rate	(41)	(36)
Delta effect of -0.5% change in discount rate	43	38
Delta effect of +0.5% change in salary escalation	43	38
Delta effect of -0.5% change in salary escalation	(41)	(36)
Delta effect of +0.5% change in attrition rate	-*	1
Delta effect of -0.5% change in attrition rate	-*	(1)

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

6. Defined benefit obligation and employer's contribution

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
i) Expected employer's contribution for the next year	101	91
	As at 31.03.2021	As at 31.03.2020
ii) The weighted average duration of the defined benefit obligation (years)	8	8
iii) Projected Benefits payable in future years from the date of reporting [#] :		
	As at 31.03.2021	As at 31.03.2020
1st Following Year	96	110
2 nd Following Year	121	86
3 rd Following Year	113	122
4 th Following Year	103	119
5 th Following Year	124	119
Sum of 6 th to 10 th Following Year	642	821

[#] It represents unwinding of liabilities rather than cash flows considering future service for foreseeable future of next 10 years

- (b) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits for measurement purpose. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits for measurement purpose. The Company's liability is actuarially determined by an independent actuary using the Projected Unit Credit Method at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.
- (c) Provisions for other employee benefits include those recorded for performance based bonus, variable payments, long-service awards and expense in relation to separation of employees.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

(d) Movement in Provisions

	Direct Tax Matters	Indirect Tax Matters	Commercial Matters	Others
Balance as at the beginning of the year	8	17	339	-
	8	57	318	-
Add: Additional provision (net)	-	-	22	51
	-	2	21	-
Less: Provision utilised	-	3	-	13
	-	35	-	-
Less: Provision adjusted	-	-	-	-
	-	7	-	-
Balance as at the end of the year	8	14	361	38
	8	17	339	-

Black figures are in respect of previous year.

- (e) It represents provision for estimates made for probable liabilities/ claims arising out of pending disputes, litigations/ commercial transactions with statutory authorities/ third parties. The outflow with regard to the said matters depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the outflow and hence expected utilisation is considered as more than 1 year.

During the year, 22 (Previous Year 21) is recognised under the head Finance Costs [Included in Note 29] as an additional provision towards Commercial Matters.

- (f) Others include gratuity obligations towards contractual manpower taken from outside agencies.

20 Borrowings

	As at 31.03.2021 Current	As at 31.03.2020 Current
Unsecured:		
8.90% p.a. Working Capital Loan from Bank repayable on demand	-	15
	-	15

21 Trade Payable [Refer Note 39(b) and 42]

	As at 31.03.2021 Current	As at 31.03.2020 Current
Total outstanding dues of micro enterprises and small enterprises [Refer Note (a) below]	192	38
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,111	4,711
	8,303	4,749

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

21 Trade Payable [Refer Note 39(b) and 42] (Contd.)

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

	As at 31.03.2021	As at 31.03.2020
(I) (i) Principal amount due and remaining unpaid to any supplier at the end of accounting year [includes payables for Capital Purchases Nil (Previous Year Nil)]	10	1
(ii) Interest amount due and remaining unpaid to any supplier at the end of accounting year <i>* Current Year 0.27 (Previous Year 0.03)</i>	-*	-*
(II) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the suppliers during the year	384	125
(III) The amount of interest due and payable for the period of delay in making the payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act beyond the appointed date	-	-
(IV) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(V) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

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

22 Other Liabilities

	As at 31.03.2021 Current	As at 31.03.2020 Current
Refund Liabilities		
- Anticipated Sales Returns	533	946
- Discounts payable to Customers	2,154	1,675
	2,687	2,621
Contract Liabilities [Refer Note 24(d)]		
- Advance from Customers	889	798
- Customer Loyalty Programmes	1,249	725
- Incentive Schemes	433	321
	2,571	1,844
Payable towards Statutory Liabilities	208	212
Payable to Employees	28	116
	5,494	4,793

23 Current Tax Liabilities (Net)

	As at 31.03.2021	As at 31.03.2020
Provision for Income Tax [Net of Advance Tax 6,876 (Previous Year 6,257)]	540	112
	540	112

**Notes to the financial statements for the year ended March 31, 2021 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***24 Revenue from operations**

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Sale of Goods [Refer Notes below]	41,428	35,190
Other Operating Revenue:		
Recoveries from Group Companies and Third Parties	1,070	800
Scrap Sales	84	71
Royalty Income	23	24
Tolling income (net)	8	9
	42,613	36,094

- (a) It includes sales in accordance with a sales and distribution arrangement, net of material cost 4,892 (Previous Year 4,545)
- (b) Disaggregation of revenue recognised from contracts with customers by geographical area is disclosed in Segment Reporting [Refer Note 41]
- (c) Reconciliation of revenue recognised with the Contracted Price is as follows:

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Contracted Price [Refer Note (a) above]	47,790	40,490
Adjustments for :		
- Discounts	(5,203)	(4,052)
- Anticipated Sales Return	(523)	(936)
- Customer Loyalty Program and Incentive Schemes (Net)	(636)	(312)
Sale of Goods	41,428	35,190

- (d) The change in Contract Liabilities [Refer Note 22] are as follows:

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Contract Liabilities - Opening	1,844	1,538
Add: Additions during the year, excluding amounts recognised as revenue during the year	2,212	1,829
Less: Revenue recognised in the current year which was included in Contract Liabilities	1,485	1,523
Contract Liabilities - Closing	2,571	1,844

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

25 Other Income

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Interest Income		
Interest Income from Financial Assets at Amortised Cost	250	162
Interest on Tax Refund	28	30
Penal Interest on Overdue Trade Receivables	35	53
Dividend Income		
Dividend Income from investments measured at Fair Value Through Profit or Loss (FVTPL)	1	108
Other Non-Operating Income		
Export Incentives	36	50
Rent Income [Refer Note 4(c)]	92	91
Miscellaneous	29	80
	471	574
Other Gains		
Profit on Tangible Assets sold/ discarded (Net)	64	79
Profit on sale of investments measured at fair value through profit or loss (FVTPL)	88	6
Fair value gain on investment measured through profit or loss (FVTPL)	15	1
	167	86
	638	660

26 Cost of Material Consumed

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Raw Materials:		
Opening Stock	4,479	5,810
Add: Purchases	23,350	14,178
	27,829	19,988
Less: Closing stock	6,045	4,479
Cost of Raw Materials consumed [Refer Note (a) below]	21,784	15,509
Packing Materials consumed [Refer Note (a) below]	1,248	882
Seed Grower Payments and Production Cost	1,808	1,123
	24,840	17,514

(a) It includes 47 (Previous Year 25) on account of write off/ down in carrying values of Raw Materials and Packing Materials.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

27 Change in Inventories of Finished Goods and Work in Progress and Stock in Trade

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Opening Stock :		
- Finished Goods	2,552	3,152
- Work-in-progress	1,905	1,847
- Stock in Trade	368	417
	4,825	5,416
Closing stock :		
- Finished Goods	4,090	2,552
- Work-in-progress	2,053	1,905
- Stock in Trade	461	368
	6,604	4,825
(Increase)/ Decrease in Inventories [Refer Note (a) below]	(1,779)	591

(a) It includes 293 (Previous Year 266) on account of write off/ write down in carrying values of Inventories.

28 Employee Benefits Expense [Refer Note 33]

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Salaries and Wages	3,237	3,225
Contribution to Provident and Other Funds [Refer Note 19(a)(A)]	175	162
Gratuity [Refer Note 19(a)(B)(2)(i)]	68	69
Staff Welfare Expenses	142	160
	3,622	3,616

29 Finance costs

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Interest on Lease Liability [Refer Note 45]	30	41
Interest Others [Refer Note 19(a)(B)(2)(i) and 19(e)]	96	97
	126	138

30 Depreciation and Amortisation Expense

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
- on Property, Plant and Equipment [Refer Note 2]	408	420
- on Right of Use Assets [Refer Note 2]	316	212
- on Investment Properties [Refer Note 4]	5	4
- on Intangible Assets [Refer Note 5]	6	17
	735	653



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

31 Other Expenses [Refer Note 33]

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Consumption of Stores and Spare Parts	36	24
Power and Fuel	123	140
Rent [Refer Note 45]	97	119
Repairs and Maintenance:		
- Plant and Equipment	43	45
- Buildings	38	39
- Others	79	83
	160	167
Insurance	33	34
Rates and Taxes	48	79
Job Work Charges	826	553
Freight Outward and Clearing Charges	1,002	822
Vehicle expenses and hire charges	46	69
Travelling and Conveyance	155	432
Loss on Intangible Assets written off (Net)	4	12
Legal and Professional Fees	1,007	998
Royalty	149	146
Advertisement, Publicity and Sales Promotion	1,991	1,982
Smallholder Farmer Initiative	77	-
Communication	79	73
Donations [Refer Note 33]	106	82
Bad Debts	21	7
Less: Utilisation of Provision for Expected Credit Loss on Trade Receivable [Refer Note 39(a)(i)]	(21)	(7)
	-	-
Provision for Expected Credit Loss on Trade Receivable [Refer Note 39(a)(i)]	46	39
Foreign Exchange Fluctuations (Net)	15	11
Manpower & Labour Charges	135	127
Miscellaneous [Refer Note (a) below and Note 42(iv)]	280	207
	6,415	6,116

**Notes to the financial statements for the year ended March 31, 2021 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***31 Other Expenses [Refer Note 33] (contd.)****(a) Payments to Auditor (Included in Miscellaneous expenses)**

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
(i) As Statutory Auditor:		
- for statutory audit	5	6
- for limited review	3	3
- for tax audit	1	1
- for certification	-	-*
(ii) In Other Capacities :		
- audit of group reporting package	2	2
- others	-	-*
	11	12
(i) As Previous Auditor (Payment to Auditor of erstwhile Monsanto India Limited):		
- for limited review	-	-*
(ii) In Other Capacities:		
- others	-	1
(iii) Reimbursement of out-of-pocket expenses	-	-*
	-	1

32 Tax Expense

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
(a) Current Tax Expenses		
Current Tax on Profits for the year	1,668	1,264
Adjustments for current tax of prior periods	1,271	(16)
Total Current Tax Expense	2,939	1,248
(b) Deferred Tax Expense		
(Increase)/ Decrease in deferred tax assets	(64)	(78)
Increase/ (Decrease) in deferred tax liabilities	139	(84)
Total Deferred Tax Expense	75	(162)
Tax Expense	3,014	1,086

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

32 Tax Expense (contd.)

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Profit Before Tax	7,945	5,831
Tax	2,000	1,468
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Agriculture Income	(309)	(387)
Dividend Income	-	(27)
Corporate social responsibility expenditure	28	21
Adjustment on completion of assessment for prior periods	(1)	(16)
Adjustment under VSV Act for prior periods [Refer Note 35]	1,272	-
Change in Tax rate #	-	(9)
Capital Gain on sale of land	(4)	9
Other Items	28	27
Tax Expense	3,014	1,086
(d) Income tax recognised in Other Comprehensive Income		
Deferred tax on remeasurement of Defined Benefit Obligation	(8)	51
Change in Tax rate #	-	(32)
Adjustments for deferred tax of prior periods	(8)	-
	(16)	19

The change in tax rate in previous year from 34.944% to 25.168% is based on the enacted tax rate by Union Budget 2019.

33 Expenses towards activities relating to Corporate Social Responsibility in compliance with section 135 of the Companies Act, 2013 (included in Operating Activities under Cash Flow Statement)

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
a) Gross amount required to be spent by the company during the year	101	85
b) Amount spent during the year on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Donations	96	82
- Employee Benefits Expense	2	1
- Other Expenses	3	2
	101	85

34 Research and Development Expenses

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Research and Development Revenue Expenses (Net of recoveries)	558	543

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

35 Contingent Liabilities

A) Claims against the Company not acknowledged as debts towards:

	As at 31.03.2021	As at 31.03.2020
- Direct Tax Matters [Refer Note (a) below]	1,963	6,477
- Indirect Tax Matters [Refer Note (b) below]	759	754
- Litigation/ claims filed by customer/ vendor/ third party [Refer Note (c) below]	74	62
- Litigation/ demands raised by other Statutory Authorities [Refer Note (d) below]	25	25

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

- (a) The contingent liability for direct tax matters mainly include issues in dispute relating to exemption of agriculture income. The Company has been consistently maintaining the position that such income is exempt from tax. The said claim has been in dispute, pending before various appellate authorities viz., Supreme Court, ITAT and CIT(A). It includes 1,388 related to agriculture income which is pending dispute before Supreme Court, ITAT and CIT(A).

During the year, the Company had filed an application under The Direct Tax Vivad Se Vishwas Act, 2020 (VSV Act) and related rules, in respect of certain past years, with a view to give certainty and effectively close long pending disputes and litigations under the Income Tax Act, 1961. Consequent to tax authority's order under VSV Act, tax expense of 1,272 (net) was recognised in current year which resulted in reduction of related contingent liability of 5,381. This settlement will not prejudice the claim for exemption made with respect to remaining past and future years in accordance with the provisions of VSV Act and related rules.

- (b) The disputed demands for indirect tax matters are mainly due to non-issuance of statutory forms, product classification, incorrect turnover and disallowance of input credit.
- (c) It mainly includes demand for crop failure.
- (d) It mainly includes demand raised towards provident fund.

- B) The Company has received a notice from the Hon'ble Civil Court, Thiruvananthapuram intimating that a suit has been filed against the Company along with 15 other manufacturing companies of Endosulfan, making them jointly and severally liable, for an amount of 1,617 in respect of recovery of amount paid by the State of Kerala to victims of Endosulfan as compensation. The Company is of the view that there is no link between use of Endosulfan and the health problems of the victims and hence it is not liable to the repay the damages/ compensation.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

36 Commitments

(a) Capital Commitments

	As at 31.03.2021	As at 31.03.2020
Property, Plant and Equipment	73	22
Intangible Assets	26	32
	99	54

(b) Other Commitments

	As at 31.03.2021	As at 31.03.2020
Contractual obligation for future repairs and maintenance on Investment properties	3	1
Value of customs duty in respect of export obligation (against advance licenses) remaining to be met at year end	-	-*
Dividend on shares in abeyance [Refer Note 16(g)]	-*	-*

37 Events occurring after the reporting period

Refer Note 40(b)(ii) Capital Management for the final dividend recommended by the Board of Directors which is subject to the approval of shareholders in the ensuing Annual General Meeting.

38 Fair value measurement

Financial instruments by category:

	Notes	As at 31.03.2021			As at 31.03.2020		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investment	12	522	-	-	408	-	-
Trade Receivables	13	-	-	7,549	-	-	7,180
Cash and Cash Equivalents	14						
Short-term highly liquid investments		3,293	-	-	2,795	-	-
Balances with Banks		-	-	8,752	-	-	7,874
Bank Balances other than cash and cash equivalents	15	-	-	50	-	-	41
Other Financial Assets	7	-	-	228	-	-	293
Total Financial Assets		3,815	-	16,579	3,203	-	15,388
Financial liabilities							
Borrowings	20	-	-	-	-	-	15
Trade Payables	21	-	-	8,303	-	-	4,749
Other Financial Liabilities	18	-	-	873	-	-	1,119
Total Financial liabilities		-	-	9,176	-	-	5,883



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

38 Fair value measurement (contd.)

Fair Value Hierarchy:

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

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in Ind AS 113 - Fair Value Measurement. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets	Notes	As at 31.03.2021			As at 31.03.2020		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments	12	522	-	-	408	-	-
Cash and Cash Equivalents							
- Short-term highly liquid investments	14	3,293	-	-	2,795	-	-
Total		3,815	-	-	3,203	-	-

Level 1: It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of the forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date.

Level 3: If one or more of the significant inputs is not based on observable market data (Security Deposits), the instrument is included in level 3. The fair value of the security deposits with definite maturity period is determined using discounted cash flow analysis using an adjusted lending rate.

There are no transfers between level 1, level 2 and level 3 during the year.

Assets which are valued at amortised cost for which fair value are disclosed

Financial assets	Note	Carrying Amount	Fair Value (Level 3)
Security Deposits	7		
As at March 31, 2021		206	201
As at March 31, 2020		235	225

The carrying amounts of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Accrued Interest Receivables, Other Receivables, Trade Payables, Unpaid Dividends, Deposit from customers, Payable for capital purchases and Other Financial Liabilities are considered to be the same as their fair values, due to their short term nature.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

39 Financial Risk Management

The Company has financial opportunities at its disposal in the form of the market prices it can command, and is exposed to financial risks in the form of credit, liquidity and market risks. Market risks include currency, interest rate and price risk. The following paragraphs provide details of these and other financial opportunities and risks and how they are managed.

The management of financial opportunities and risks takes place using established, documented processes. One component is financial planning, which serves as the basis for determining liquidity risk and the future foreign currency and interest-rate risks.

(a) Credit Risk:

Credit risks arise from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations.

To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviors. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk. The surplus funds are invested in bank deposits and mutual fund investments.

(i) Expected Credit Loss (ECL) for Trade Receivables and Deposits:

The Company provides for ECL for trade receivables under simplified approach. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking information.

ECL for deposits are measured considering 12-month's ECL.

Trade Receivables

The Company provides ECL based on following provision matrix:

Credit Risk Category	Description of Category	Gross Trade Receivable	ECL
No Risk	There is no risk of defaults	884	-
		845	-
Negligible Risk	The risk of defaults is negligible	4,962	6
		3,905	4
Low Risk	The probability of defaults is low	1,052	6
		1,219	9
Moderate Risk	The probability of defaults is moderate	689	26
		1,266	42
Doubtful Assets	There is no reasonable expectation of recovery	332	332
		290	290
Total		7,919	370
		7,525	345

Black figures are in respect of previous year.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

39 Financial Risk Management (contd.)

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

	As at 31.03.2021	As at 31.03.2020
Balance as at the beginning of the year	345	313
Add: Additional provision/ (reversal) (net)	46	39
Less: Provision utilised	21	7
Balance as at the end of the year	370	345

Deposits

The Company provides ECL based on following provision matrix (Deposits):

Credit Risk Category	Description of Category	Gross Deposits	ECL
No Risk	There is no risk of defaults	206	-
		235	-
Doubtful Assets	There is no reasonable expectation of recovery	2	2
		2	2
Total		208	2
		237	2

Black figures are in respect of previous year.

Following is the movement in Provision for Expected Credit Loss on Deposits:

	As at 31.03.2021	As at 31.03.2020
Balance as at the beginning of the year	2	2
Add: Additional provision/ (reversal) (net)	-	-
Less: Provision utilised	-	-
Balance as at the end of the year	2	2

(ii) Expected Credit Loss (ECL) for Financial Assets other than Trade Receivables and Deposits:

There is no credit risk on Financial Assets other than mentioned in (i) above from initial recognition. Accordingly, no provision for ECL has been recognised.

(b) Liquidity Risk:

Liquidity risks result from the possible inability of the Company to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the Finance department as a part of day to day and medium term liquidity planning.

The Company's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The Company in addition has set up credit lines with the banks as additional source of funds, if required, for value 5,662 as on March 31, 2021.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

39 Financial Risk Management (contd.)

The payment obligations from financial instruments are explained below:

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.

Contractual maturities of Financial Liabilities

	As at 31.03.2021			As at 31.03.2020		
	Less than 3 Months	3 to 12 Months	Total	Less than 3 Months	3 to 12 Months	Total
Trade Payables	8,173	130	8,303	4,636	113	4,749
Other Financial Liabilities (excluding lease liabilities)	610	-	610	684	-	684
	8,783	130	8,913	5,320	113	5,433

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

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

	As at 31.03.2021	As at 31.03.2020
Less than one year	133	318
One to five years	140	149
More than five years	19	6
	292	473

(c) Market Risk:

(i) Currency Risk:

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods and services are considered for hedging on net basis through forward exchange contracts. Majority of Company's import and export of goods are denominated in INR currency thereby reducing foreign exchange risk to a very large extent.

The Company's exposure to changes in foreign currency is not material.

(ii) Interest Rate Risk:

Interest-rate opportunities and risks result for the Company through changes in capital market interest rates, which in turn could lead to changes in the fair value of fixed-rate financial instruments and changes in interest payments/ income in case of floating-rate instruments.

Interest rate risk arising from borrowing is managed by negotiating fixed coupon interest rates from banks for the entire tenure.

(iii) Price Risk:

The Company is mainly exposed to the price risk due to its investment in mutual funds. In order to manage its price risk arising from investment in mutual funds, the Company diversifies its portfolio based on past performance. The impact of price risk with respect to investment in mutual fund is insignificant.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

40 Capital Management

(a) Risk management

The Company's objective while managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide optimum returns to the shareholders and to other stakeholders. Further its objective is to maintain an optimal capital structure to reduce the cost of capital.

(b) Dividends

(i) Equity Shares

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Final Dividend		
Dividend approved for the year ended March 31, 2020 of ₹ 25.00 (March 31, 2019 ₹ 18.00) per fully paid equity share	1,124	618
Erstwhile Monsanto India Limited:		
Dividend approved for the year ended March 31, 2020 of ₹ Nil (March 31, 2019 ₹ 25.00) per fully paid equity share	-	398
Interim Dividend		
Interim Dividend declared during the year ended March 31, 2021 of ₹ 90.00 (March 31, 2020 Nil)	4,045	-

(ii) Dividends not recognised at the end of the reporting period

	As at 31.03.2021	As at 31.03.2020
Since year end, the Directors of the Company have recommended a payment of final dividend of ₹ 25.00 per fully paid equity share (March 31, 2020 ₹ 25.00)	1,124	1,124

41 Segment Reporting

The Vice Chairman & Managing Director & CEO, and Executive Director & CFO are identified as Chief Operating Decision Makers of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have determined "Agri Care" as its operating segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are reflected in the Financial Statement as at and for the year ended March 31, 2021

Geographical Information

	As at 31.03.2021	As at 31.03.2020
(a) Revenue from external customers		
(i) attributed to the Company's country of domicile, India	40,493	34,267
(ii) attributed to all foreign countries		
- Germany	986	1,015
- Bangladesh	881	600
- Others	253	212
	42,613	36,094

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

41 Segment Reporting (contd.)

(b) Revenues from transactions with a single customer in no case exceeded 10% of the Company's sales in current as well as previous year.

(c) Non-current assets (excluding Deferred/ Current Tax and Financial Assets)

	As at 31.03.2021	As at 31.03.2020
(i) located in the Company's country of domicile, India	5,265	5,496
(ii) located in all foreign countries	-	-
	5,265	5,496

42 Related Party Transactions

Sr. No.	Name of the related party	Country of incorporation	% Equity interest	
			As at 31.03.2021	As at 31.03.2020
i)	Ultimate Holding Company: Bayer AG	Germany	8%	8%
ii)	Entities under Common Group Control **: Bayer (South East Asia) Pte. Ltd., Singapore Bayer BioScience Private Limited, India Bayer Business and Technology Services LLC, U.S.A. Bayer Business Services GmbH, Germany Bayer Business Services Philippines Inc., Philippines Bayer China Ltd., China Bayer CropScience AG, Germany Bayer CropScience Limited, Bangladesh Bayer CropScience Ltd, Seoul Bayer CropScience Schweiz AG, Switzerland Bayer CropScience LP, U.S.A. Bayer Direct Services GmbH, Germany Bayer Holding Ltd., Japan Bayer Pakistan (Private) Limited, Pakistan Bayer Pharmaceuticals Private Limited, India Bayer Philippines Inc., Philippines Bayer S.A., Chile Bayer S.A.S., France Bayer U.S LLC, U.S.A. Bayer Thai Company Limited, Thailand Bayer Vapi Private Limited, India Bayer Zydus Pharma Private Limited, India Maharashtra Hybrid Seeds Company Private Limited, India Monsanto Company, U.S.A. Monsanto Holdings Private Limited, India Mahyco Monsanto Biotech (I) Pvt Ltd, India Sem y Agro Monsanto and City Guadalajara, Jalisco, Mexico			

**Notes to the financial statements for the year ended March 31, 2021 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***42 Related Party Transactions (contd.)****ii) Entities under Common Group Control ** (contd.):**

Monsanto Investments India Private Limited, India
Monsanto Ag Product LLC, U.S.A.
Monsanto Nigeria, Nigeria
Monsanto Thailand Ltd, Thailand
Monsanto Kenya Ltd, Kenya
GP Grenzach Produktions GmbH, Germany
Kunming Dihon Pharmaceutical Sales Co. Ltd, China
PT. Bayer Indonesia, Indonesia

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

A. The transactions with related parties:

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Sale of goods				
Bayer AG	726	816	-	-
Bayer BioScience Private Limited	-	-	44	16
Bayer Vapi Private Limited	-	-	-	-*
Others	-	-	628	537
Recoveries made				
Bayer AG	197	81	-	-
Bayer BioScience Private Limited	-	-	88	118
Bayer Vapi Private Limited	-	-	287	282
Others	-	-	546	476
Rental Income				
Bayer BioScience Private Limited	-	-	1	3
Bayer Vapi Private Limited	-	-	6	6
Others	-	-	85	83
Purchase of Goods				
Bayer AG	14,426	9,550	-	-
Bayer BioScience Private Limited#	-	-	5,116	4,280
Bayer Vapi Private Limited	-	-	540	299
Bayer CropScience LP, U.S.A.	-	-	1,565	-
Monsanto Company, U.S.A.	-	-	798	749
Others	-	-	-	12

The amount is disclosed on gross basis, against which revenue is recognised at margin (sales less material cost) since the Company is acting as an agent in substance.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

42 Related Party Transactions (contd.)

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Professional/ Support Charges incurred				
Bayer AG	100	4	-	-
Bayer BioScience Private Limited	-	-	9	-
Bayer Vapi Private Limited	-	-	7	14
Bayer CropScience LP, U.S.A.	-	-	60	-
Monsanto Company, U.S.A.	-	-	-	80
Others	-	-	525	737
Rent Expense				
Bayer BioScience Private Limited	-	-	17	11
Bayer Vapi Private Limited	-	-	2	-*
Monsanto Company, U.S.A.	-	-	-	-*
Others	-	-	2	2
Payment of Lease Liabilities				
Bayer BioScience Private Limited	-	-	-	9
Bayer Vapi Private Limited	-	-	1	1
Others	-	-	-	1
Royalty Expense				
Bayer CropScience AG	-	-	12	11
Bayer CropScience LP, U.S.A.	-	-	137	-
Monsanto Company, U.S.A.	-	-	-	135
Dividend paid				
Bayer AG	436	72	-	-
Bayer CropScience AG	-	-	616	96
Bayer Vapi Private Limited	-	-	925	145
Monsanto Company, U.S.A.	-	-	178	58
Others	-	-	1,538	373
Sale of Fixed Assets				
Bayer Vapi Private Limited	-	-	-	-*
Others	-	-	-	2
Purchase of License of Duty Credit Scrips				
Bayer BioScience Private Limited	-	-	-	40
Bayer Vapi Private Limited	-	-	85	122
Others	-	-	23	-
Purchase of Fixed Assets (including Capital work-in-progress)				
Others	-	-	15	2

**Notes to the financial statements for the year ended March 31, 2021 (contd.)***(All amounts in ₹ Millions, unless otherwise stated)***42 Related Party Transactions (contd.)**

	Party referred to in (i) above		Parties referred to in (ii) above	
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Recoupment of losses towards overdue trade receivables [Refer Note 13(a)]				
Bayer BioScience Private Limited	-	-	20	5
Repayment against recoupment of losses towards overdue trade receivables [Refer Note 13(a)]				
Bayer BioScience Private Limited	-	-	10	-
Employee related liability paid/ payable on transfer of employees				
Bayer BioScience Private Limited	-	-	6	-
Others	-	-	22	16
Employee related liability taken over on transfer of employees				
Bayer BioScience Private Limited	-	-	38	35
Bayer Vapi Private Limited	-	-	17	2
Others	-	-	54	27

B. Outstanding balances of related parties:

	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Party referred to in (i) above				
Outstanding Receivables	292	93	-	-
Outstanding Payables	2,959	1,891	-	-
Parties referred to in (ii) above				
Outstanding Receivables				
Bayer BioScience Private Limited	-	-	18	22
Bayer Vapi Private Limited	-	-	6	-
Monsanto Company, U.S.A.	-	-	-	7
Others	-	-	230	193
Outstanding Payables				
Bayer BioScience Private Limited	-	-	477	360
Bayer Vapi Private Limited	-	-	158	7
Bayer CropScience LP, U.S.A.	-	-	1,760	-
Monsanto Company, U.S.A.	-	-	121	627
Others	-	-	118	285

iii) Employee Benefits Plans where significant influence exists

Bayer CropScience Limited Employees Group Gratuity-cum-Life Assurance Scheme

Bayer CropScience Limited Managerial Employees Superannuation Scheme

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

42 Related Party Transactions (contd.)

The transactions with entities where significant influence exists of (iii) above and outstanding balances:

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Contributions during the year		
Bayer CropScience Limited Employees Group Gratuity-cum-Life Assurance Scheme	50	230
Bayer CropScience Limited Managerial Employees Superannuation Scheme *	-	29

* During the current year, the company has made contribution directly to LIC and not through Bayer CropScience Limited Managerial Employees Superannuation Scheme Trust.

iv) Key management personnel:

Name	Designation
- Mr. Pankaj Patel	Chairman
- Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO
- Mr. Ulrich Stefer	Executive Director & CFO (upto May 31, 2019)
- Mr. Rolf Hoffmann	Executive Director & CFO (from June 1, 2019)
- Ms. Ketaki Bhagwati	Non-executive Director (from January 15, 2019)
- Mr. Sekhar Natarajan	Non-executive Director (from October 1, 2019)
- Mr. Harsh Kumar Bhanwala	Non-executive Director (from February 12, 2021)
- Ms. Sara Boettiger	Non-executive Director (from February 12, 2021)

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Remuneration to key management personnel		
Short term employee benefits	185	198
Other long-term employee benefits	31	26
	216	224
Directors' Sitting Fees (included in Note 31 Other Expenses - Miscellaneous expenses)	2	1
Commission to Non-Executive Directors (included in Note 31 Other Expenses - Miscellaneous expenses)	5	5

v) Terms and conditions

There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at the year end are unsecured and interest free, and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2021 and March 31, 2020.

Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

43 Earning Per Share

Earnings per share are determined according to Ind AS 33 - Earnings per Share by dividing Profit after tax attributable to shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Profit For the year	4,931	4,745
Weighted average number of equity shares outstanding at year end	44,942,092	44,942,092
Nominal Value Per Equity Share	10	10
Earnings Per Share (net of tax) (Basic and Diluted)	109.72	105.58

44 Amalgamation of Monsanto India Limited (MIL):

- (i) Monsanto India Limited (MIL) was engaged in business of production and sale of chemicals and hybrid seeds. It has a chemical production unit at Silvassa, hybrid seeds drying and processing unit at Hyderabad and breeding stations at Bangalore and Udaipur.
- (ii) In previous year, the Scheme of Amalgamation ('the Scheme') of Monsanto India Limited (MIL) with Bayer CropScience Limited ('BCSL') was approved by Hon'ble National Company Law Tribunal vide its order dated September 13, 2019 ('the NCLT Order'). The certified copy of the NCLT Order was filed with Registrar of Companies on September 16, 2019. Consequently the Scheme had become operative from September 16, 2019 ('Effective Date') and effective from April 1, 2019 ('Appointed Date').

The Company had accounted the amalgamation as per Appendix C of Ind AS 103 – 'Business Combinations' as common control transaction from June 7, 2018, the date on which common control was achieved by Bayer AG because of global acquisition of Monsanto Company, USA.

In consideration of the amalgamation, BCSL had allotted 2 (two) equity shares of ₹ 10/- each credited as fully paid up shares of BCSL, for every 3 (three) equity shares of ₹ 10/- each in MIL, to those whose name were recorded in the register of members on September 30, 2019 ('Record date') on receipt of listing approval from BSE on November 14, 2019.

45 Leases:

Lease contracts in which the Company is the lessee mainly pertain to offices, residential premises, warehouses, vehicles, and plant and machinery. Lease contracts are negotiated individually and each contain different arrangements on extension, termination or purchase options except in case of vehicle leases. Offices, residential premises and warehouses leases generally contain clauses that prohibit subleasing except with the consent of the lessor.

The details pertaining to right-of-use assets, additions to right-of-use assets and depreciation on right-of-use assets are provided in Note 2 - Property, Plant and Equipment. The maturities of the outstanding lease payments are provided in Note 39 - Financial Risk Management. Cash outflows related to lease activities for the current year amounted to 355 (Previous Year 243).

The Company has recognised 316 (Previous Year 212) towards depreciation, 30 (Previous Year 41) towards Interest expense for the unwinding of discount on lease liabilities and 97 (Previous Year 119) towards expenses for short-term leases in the Statement of Profit and Loss.



Notes to the financial statements for the year ended March 31, 2021 (contd.)

(All amounts in ₹ Millions, unless otherwise stated)

45 Leases: (contd.)

Transition Impact:

Effective April 1, 2019, the Company had adopted Ind AS 116 – Leases using the modified retrospective method. On transition, the first-time application of Ind AS 116 as of April 1, 2019 had resulted in the recognition of lease liabilities of 464 and Right-of-use assets of 480 adjusted by the amount of prepaid lease payments of 16. The adoption of Ind AS 116 did not have any material impact on Statement of profit and loss and earnings per share.

- 46** The Management has considered the possible effects, if any, that may result from second wave of COVID-19 pandemic in the country on the carrying amounts of current assets after considering internal and external sources of information as at the date of approval of these financial statements. Given the uncertainties associated with pandemic's nature and duration, the actuals may differ from the estimates considered in these financial statements. The Company continues to closely monitor the situation.

47 Exceptional items consist of:

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

Signature to Notes 1 to 47

For and on behalf of the Board

Pankaj Patel

Chairman

DIN 00131852

Place: Ahmedabad

Date: May 25, 2021

Duraiswami NarainVice Chairman &
Managing Director and CEO

DIN 03310642

Place: Chicago, USA

Date: May 25, 2021

Rolf HoffmannExecutive Director
& CFO

DIN 08460583

Place: Mumbai

Date: May 25, 2021

Nikunj Kumar SavaliyaCompany Secretary &
Compliance Officer

Place: Thane

Date: May 25, 2021



FACTS

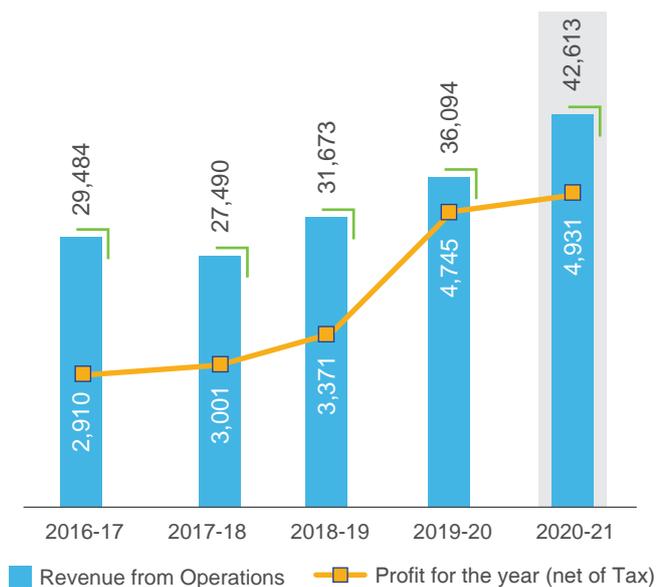
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
₹ in Millions										
Revenue from Operations (Net)	22,723	27,253	32,452	37,233	28,894	29,484	27,490	31,673	36,094	42,613
Profit Before Tax	2,044	15,632	4,408	5,735	4,816	4,479	4,038	4,800	5,831	7,945
Net Cash from Operating Activities	1,067	1,383	2,815	2,004	2,065	1,573	1,214	4,328	6,659	6,867
Dividend (including interim dividend) for the year	166	197	201	769	601	601	618	1,275	1,016	5,169
Dividend %	42%	50%	55%	210%	170%	170%	180%	284%	226%	1150%
Share Capital	395	395	366	366	354	354	343	449	449	449
Reserves and Surplus	7,532	18,918	17,057	19,963	18,040	20,213	17,440	21,945	25,276	25,054
Borrowings	-	-	-	-	-	-	-	-	15	-
Gross Block	4,738	5,414	6,958	4,346	3,628	4,166	4,517	6,280	7,237	7,584
Net Block	2,566	3,457	4,446	3,224	3,384	3,661	3,705	4,874	5,244	5,010
Net Current Assets	4,861	15,562	12,583	16,917	14,995	16,911	14,142	15,876	18,750	19,733
Employee Benefits Expense	1,553	1,810	2,040	2,269	2,207	2,451	2,639	3,642	3,616	3,622
Number of Employees	1,147	1,181	1,217	1,043	1,057	1,126	1,148	1,389	1,230	1,254
₹										
Earnings Per Share (on the basis of profits after tax)	35.19	294.11	75.14	104.59	87.34	82.31	86.16	78.46	105.58	109.72
Book Value per Share	200.70	488.95	475.79	555.15	520.28	581.74	517.95	521.21	572.40	567.46
Share Price at Stock Exchange										
- High	999.00	1,341.80	1,829.20	3,819.90	4,234.00	4,627.00	5,050.00	4,747.45	4,505.65	6,368.75
- Low	673.05	749.00	1,065.05	1,384.55	3,115.00	3,620.00	3,739.05	3,755.55	2,991.30	3,195.05
Number of Shareholders	21,431	20,865	19,138	20,647	20,412	22,176	45,744	45,369	58,971	67,591

Notes:

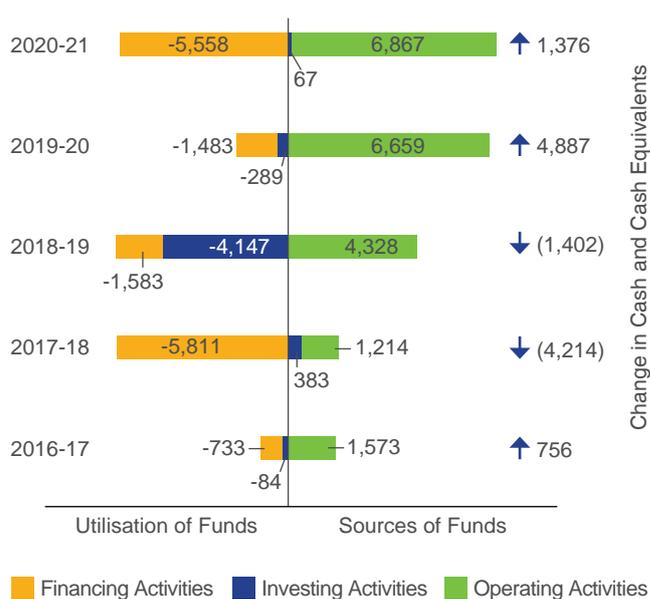
- Figures from the year 2015-16 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- Pursuant to scheme of amalgamation of Monsanto India Limited (MIL) with Bayer CropScience Limited, the figures for FY 2018-19 include figures of erstwhile MIL from June 7, 2018. Share capital as on March 31, 2019 include shares pending issuance of ₹ 106 Million.
- Figures have been regrouped wherever necessary.

Performance Highlights

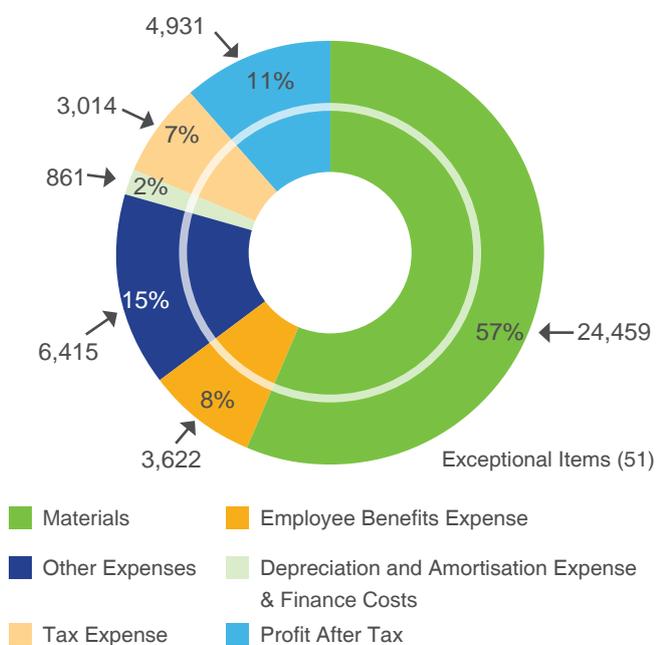
Revenue from Operations and Profitability (₹ in Million)



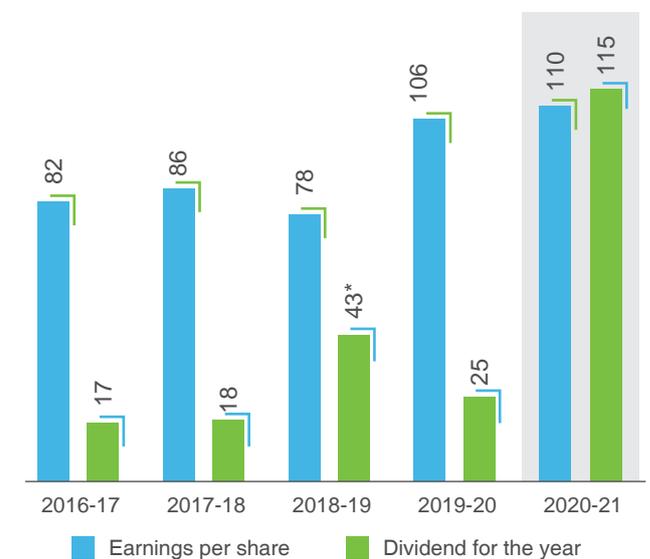
Cash Flow (₹ in Million)



Distribution of Income 2020-21 (₹ in Million (%))



Earnings and Dividend Per Share (₹)



*It includes Dividend of ₹ 25 paid to shareholders of erstwhile MIL

Notes:

Pursuant to scheme of amalgamation of Monsanto India Limited (MIL) with Bayer CropScience Limited, the figures for FY 2018-19 include figures of erstwhile MIL from June 7, 2018.



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Years of
Bayer in **India**

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