



Bayer CropScience Limited

61st

Annual Report
April 2018 - March 2019



On the cover:

Harmanpreet Singh (left), Lead – Smallholder Farming, India, Bayer CropScience Limited, examining a batch of healthy and freshly harvested green chillies at the farm of Rajesh Kumar Singh (right), a smallholder farmer from Uttar Pradesh.

Collaboration & Partnerships

This year, we are focusing on “Collaboration & Partnerships” as the theme for the 61st Annual Report.

Based on its customers’ needs, Bayer CropScience Limited establishes collaborative relationships and strategic alliances with various partners such as universities, governmental agencies, start-ups, suppliers and industry. This helps us augment our own research capacities and gain access to complementary technologies and external innovation potential. This Annual Report highlights two such initiatives that symbolize the power of Collaboration & Partnerships.



Product Launches in FY 2018-19

SEEDS



Arize AZ 6741

An early-duration hybrid rice seed with extra-long slender grains. It has high yield potential, excellent taste and fetches a better price of produce for farmers.



Arize AZ 6565

A long-duration hybrid rice seed with long slender grains. It has high yield potential, non-lodging qualities and excellent milling characteristics with high head rice recovery.



Proagro PA 5210

A medium-to-long duration hybrid mustard seed with high yield potential and tolerance to white rust disease.



Proagro PA 9180

A full-duration hybrid millet seed with bold and gray color grains best suited for eating purpose. It is tolerant to diseases like blast and downy mildew.

CROP PROTECTION



Infinito

A systemic broad-spectrum fungicide with protective and curative action that offers not only disease control but also improves quality and yield of potatoes by reducing the incidence of late blight.



VELUM prime

This Nematicide gives control over Root Knot Nematodes that are hidden beneath the soil and enables healthy root system of the plants. Farmers no longer need to suffer substantial economic losses.



EverGol Xtend

A fungicidal seed treatment product with excellent efficacy against seed and seedling rot diseases that works exactly where it is needed, resulting in improved plant emergence, survival and an increase in plant population.



Ambition

A crop supplement which enhances the efficiency of crops to reach their true potential by managing nutrient efficiency, improving plant defense mechanism and enhancing crop performance.



Alion plus

A broad-spectrum herbicide for foliar and pre-emergence control of a wide range of annual grass and broad leaf weeds in tea plantations, including those resistant to conventional herbicides without compromising crop safety.



COUNCIL activ

An early post-emergent herbicide especially for transplanted as well as wet DSR rice. It offers control over major grasses, sedges and broad leaf weeds and is a one-shot solution offering broad spectrum of control that helps farmers spend less money on weed control and earn more profits.

ENVIRONMENTAL SCIENCE



Aqua K-Othrine

India's first water-based space spray insecticide for mosquito management. Being water-based, it eliminates the use of oil-based diluents such as diesel, thus reducing the cost of application by upto 80 percent. It also helps reduce environmental impact.

Collaboration & Partnerships

Smallholder Farming

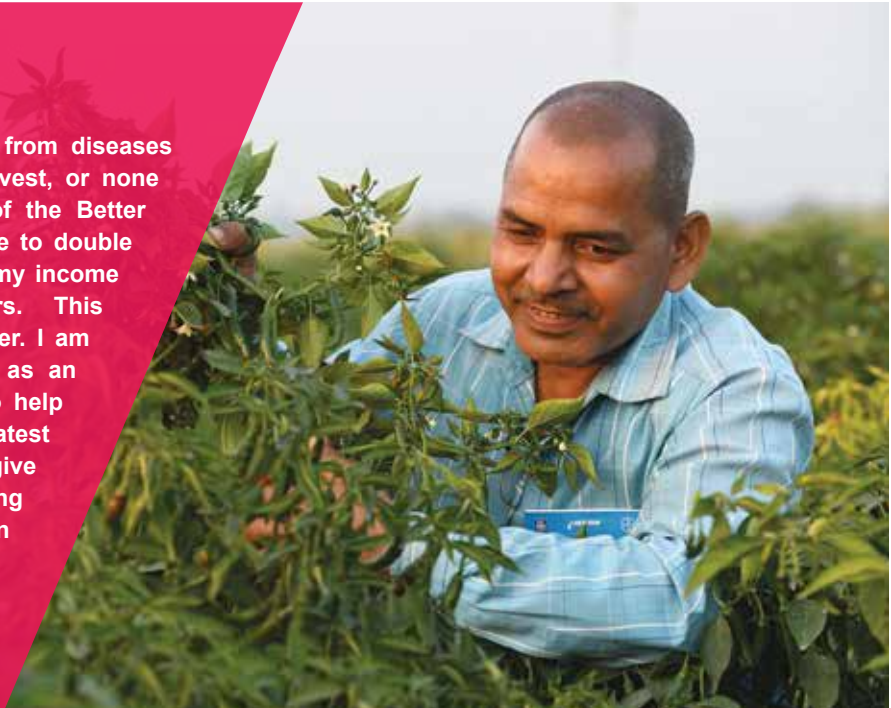
At Bayer, we believe that empowering smallholder farmers is crucial to achieve food security. At the same time, we want to increase their livelihoods and support job creation. But first, smallholders need to earn incomes from their farmland and not just use it as a means to survive. Our projects focus on underserved smallholder farmers who have landholdings of less than 2 hectares and are willing to adopt new technologies and good agricultural practices.



My chilli plants used to suffer from diseases and produced only a small harvest, or none at all. With the interventions of the Better Life Farming alliance, I was able to double my green chilli yield and triple my income compared to previous years. This success helped me dream bigger. I am now working with the alliance as an agri-entrepreneur. My goal is to help my fellow farmers with the latest agronomic know-how and give back to my community by creating employment for the people in my village.

- Umakant Singh

A smallholder green chilli farmer from Varanasi



I grow tomatoes and chillies on my 3 acre land in Lohardaga district near Ranchi in Jharkhand. After being trained in good agricultural practices by the Better Life Farming alliance, I have not only achieved better harvests, I have also increased my farm income! As an agri-entrepreneur and owner of my own Better Life Farming center, I want to transform the lives of other women farmers and promote agriculture as an attractive profession.

- Embrosiya Kiro

A smallholder farmer from Ranchi



In late 2015, Bayer announced a global “Smallholder Farming” initiative to support small-scale farmers in emerging and developing countries. The initiative was rolled out in India in May 2016 as a pilot project with 20 green chilli farmers in Varanasi, Uttar Pradesh. This was followed by a second pilot project with 37 tomato farmers in Ranchi, Jharkhand. Chillies and tomatoes were chosen after conducting a baseline study to identify regions where local crop yields were significantly lower compared to India’s average national yield. Participating farmers received advisory on the use of good agricultural practices. As a result, they were able to double their yields and triple their farm incomes.

This initiative was brought under the umbrella of the “Better Life Farming” alliance which was launched globally in April 2018 and in India in July 2018. Under this alliance, Bayer works with global partners: International Finance Corporation (IFC, a member of the World Bank Group), Netafim, and Swiss Re Corporate Solutions and local (India) partners: Yara Fertilisers, DeHaat and BigBasket. The innovative solutions for smallholder farmers include seeds, precision irrigation, crop protection and crop nutrition, all of which are tailored to meet specific local needs of Indian smallholders.

The Better Life Farming alliance runs two successful projects covering 1,600 chilli farmers, over 2,625 acres and 121 villages of Uttar Pradesh and 500 tomato farmers, over 500 acres and 52 villages of Jharkhand.

In February 2019, the Better Life Farming alliance introduced an agri-entrepreneurship model for smallholder farmers, which will help create local employment opportunities. The model will be run through the “Better Life Farming centers” where agri-entrepreneurs will enable transfer of technology on topics such as seeds, crop protection, crop nutrition, drip irrigation, mulching, etc. They will also deliver services such as market linkages, access to inputs and crop advisory. Each center will cover a group of 500 farmers from five to six nearby villages.

Currently, seven Better Life Farming Centers have been set up in Varanasi and three in Ranchi. By the end of 2019, the number of centers in Uttar Pradesh and Jharkhand will be scaled up to 100 covering over 10,000 farmers.

As a leading player in Indian agriculture, we want to support smallholders to earn incomes from their farm and not just use it as a means to survive. When smallholder farmers will succeed in generating higher incomes, it will also support job creation and increase the contribution of agriculture to the country’s economic growth. This in turn will make farming an attractive profession for future generations and bring more investment to the industry.



The Better Life Farming alliance works with

1,600

Green Chilli Farmers over

2,625

Acres in Uttar Pradesh

500

Tomato Farmers Covering

500

Acres in Jharkhand

Collaboration & Partnerships

Food Chain Partnerships

Food Chain Partnership is an innovative business model developed by Bayer to serve the needs of the food industry. This initiative focuses on collaboration between growers, traders, processors and retailers to aid sustainable production of healthy, high-quality and affordable food. Globally, there are 524 Food Chain Partnerships of Bayer across 44 countries in 76 different crops. In India, the Food Chain partnerships empower farmers to have better market access, a more secure income, higher yields and promote cost-effective and sustainable use of agrochemicals.



▲ From left to right: Sagar Bhor from Yara Fertilisers, Bhanudas Darekar, a potato farmer from Pune, Sunil Bankar from PepsiCo and Ganesh Salunkhe, Food Chain Partnership Manager, Bayer CropScience Limited examining a harvest of healthy potatoes that meet the requirements of Bayer's Food Chain Partner PepsiCo.

In 2018, Bayer CropScience Limited completed 12 successful years of Food Chain Partnerships in the country. Since its launch in India in 2007, today Bayer has 73 Food Chain Partnerships in the country covering 16 crops and benefiting more than 89,000 farmers.

With its Food Chain Partnership projects, Bayer provides farmers with innovative crop protection products, seeds and services, as well as advice on the optimal use of products and application technologies. Bayer also helps farmers get certified and gain relevant knowledge and skills to

successfully market their produce in local, regional and international markets.

In 2018-19, Bayer conducted 13 BayG.A.P. training programs for 520 Indian farmers to help them learn good agricultural practices. When farmers are certified, it also benefits Food Chain Partners and consumers as it enables traceability of produce making ongoing quality improvements possible. This especially helps exporters and importers as they have to consider not only the local quality standards of the producer country, but also those of the export market.



Classroom Training



Farmer Feedback



Field Visit



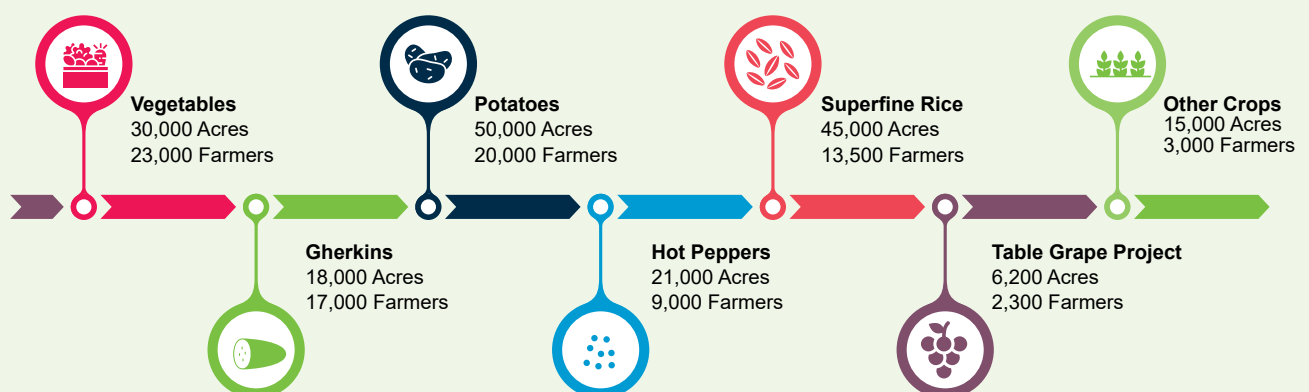
Training Certification

BayG.A.P.
training programs for
520 Indian farmers

16 Crops

73 Food Chain Partnerships

89,000 farmers



ROUTE MAP TO THE VENUE OF THE 61ST ANNUAL GENERAL MEETING OF BAYER CROPSCIENCE LIMITED

Day & Date : Wednesday, July 24, 2019

Time : 11:00 A.M.

AGM Venue: "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre,
Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai - 400 021



Please note that this map is not to actual scale

Legends



AGM Venue



Mantralaya



CORPORATE INFORMATION

Bayer CropScience Limited
Annual Report 2018 - 19

Directors	Pankaj Patel	(DIN 00131852)	Chairman
[As on May 27, 2019]	Duraiswami Narain	(DIN 03310642)	Vice Chairman & Managing Director and CEO
	Peter Mueller	(DIN 03582162)	
	Ulrich Stefer	(DIN 07447177)	Executive Director & CFO
	Ketaki Bhagwati	(DIN 07367868)	
	Jens Hartmann	(DIN 08338494)	

**Head - Law, Patents & Compliance and
Company Secretary**

Rajiv Wani

Bankers	Contents	Page No.
Axis Bank Limited	Corporate Information	01
Bank of America	Notice	02
BNP Paribas	Directors' Report	14
Citibank N.A.	Corporate Governance Report	45
Deutsche Bank	Business Responsibility Report	64
HDFC Bank Limited	Management Discussion & Analysis Report	79
The Hongkong and Shanghai Banking Corporation Limited	Independent Auditors' Report	84
Sumitomo Mitsui Banking Corporation	Balance Sheet	92
State Bank of India	Statement of Profit and Loss	93
Auditors M/s. Deloitte Haskins & Sells LLP	Statement of Changes in Equity	94
Solicitors Crawford Bayley & Co.	Cash Flow	95
CIN L24210MH1958PLC011173	Notes to the Financial Statements	97
Registered Office Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400 607. Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 5063 Email: ir_bcs@bayer.com	Facts	136
Registrar & Share Transfer Agent TSR Darashaw Limited (TSRDL) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011. Tel. No.: + 91 22 6656 8484 Fax No.: + 91 22 6656 8494 Email: csg-unit@tsrdarashaw.com	Proxy Form	
Factory Plot Nos. 66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.	Members are requested to: <ol style="list-style-type: none"> direct all shares related correspondence to TSRDL. bring their copy of the Annual Report to the Annual General Meeting. send their queries, if any, relating to the accounts of the Company, at least 10 days before the Annual General Meeting, so that the necessary information can be made available at the Meeting. 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. Members can contact the Company or TSRDL for assistance in this regard. 	

NOTICE

NOTICE is hereby given that the 61st Annual General Meeting of Bayer CropScience Limited will be held on Wednesday, July 24, 2019 at 11.00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near Mantralaya, Gen. J. Bhonsale Marg, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Statement of Profit and Loss for the financial year ended March 31, 2019 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. Peter Mueller (DIN: 03582162), who retires by rotation and being eligible offers his candidature for re-appointment.

SPECIAL BUSINESS:

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

4. Appointment of Mr. Duraiswami Narain (DIN: 03310642) as the Director of the Company:

As an Ordinary Resolution:

"RESOLVED THAT Mr. Duraiswami Narain (DIN: 03310642) who was appointed as an Additional Director of the Company with effect from October 23, 2018 by the Board of Directors and holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and article 153 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the name of Mr. Duraiswami Narain as a candidate for the office of director, be and is hereby appointed as Director of the Company.

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."

5. Appointment of Mr. Duraiswami Narain (DIN: 03310642) as the Managing Director and Chief Executive Officer of the Company:

As a Special Resolution:

"RESOLVED THAT based on the recommendation of the Nomination & Remuneration Committee and the Board and subject to the provisions of Schedule V and Sections 196, 197, 200, 201, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), including any amendment and any relevant rules made thereof read with article 194 of the Articles of Association of the Company and subject to the approval of the Central Government and such other approvals as may be necessary, Mr. Duraiswami Narain (DIN: 03310642) be and is hereby appointed as the Managing Director and Chief Executive Officer of the Company for a period of five (5) years commencing from December 01, 2018 and he shall not be liable to retire by rotation during the said tenure.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the period of appointment of Mr. Narain, the remuneration, perquisites, benefits and amenities as provided in the draft agreement referred to in the explanatory statement shall be made available to him.

RESOLVED FURTHER THAT the Board of Directors/Nomination & Remuneration Committee of the Company be and is hereby authorized to enhance, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Narain from time to time provided that any revision in the quantum of remuneration, perquisites, benefits and amenities shall not exceed the statutory limit as may be prescribed by Section 197 read with Schedule V of the Act including any amendments, modifications, variations or re-enactments thereof or any other applicable provisions of the Act.

RESOLVED FURTHER THAT so long as Mr. Narain functions as the Managing Director and Chief Executive Officer of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

RESOLVED FURTHER THAT the draft agreement incorporating the terms and conditions of appointment and remuneration of Mr. Narain, Managing Director and Chief Executive Officer of the Company for a period of five (5) years with effect from December 01, 2018 be and is hereby approved and the Executive Director and Chief Financial Officer and the Company Secretary be and are hereby jointly authorised to execute the said agreement and that the Common Seal of the Company be affixed thereto in presence of two Directors or one Director and Company Secretary.