

Bayer CropScience Limited

59th

ANNUAL REPORT

April 2016 – March 2017



SK Hazira, a student from the 2015 – 2017 Batch of the Bayer-RVJ (Ramanaidu Vignana Jyothi) School of Agriculture, receiving hands-on-training at a vegetable farm in Tuniki village in Medak district, Telangana State

PRODUCT LAUNCHES: 2016 – 2017



Crop Protection



Luna® Experience

Luna® Experience is a new fungicide for Powdery Mildew Management in grapes. With Luna® Experience, grape growers can achieve excellent harvest quality, while minimizing post-harvest losses. Luna® Experience can also benefit grape exporters as it maintains the health and freshness of grapes for a longer time by protecting against latent diseases.



Movento® Energy

Movento® Energy is the first two-way, systemic insecticide launched in India for sucking pests. This revolutionary insecticide translocates to all parts of the plant and gives shoot to root protection providing internal energy to the plant enabling better vegetative growth that results in more marketable produce for farmers.

Seeds



Arize® AZ 8433 DT

A first of its kind mid-duration Rice Hybrid Seed which offers protection from both Bacterial Leaf Blight (BLB) and Brown Plant Hopper (BPH) with excellent yield potential.



Arize® AZ 6453

A mid early-duration Rice Hybrid Seed with Rice Blast tolerance. It has medium slender grains with excellent cooking quality and offers good yield.



Arize® AZ 6508

A short-duration Rice Hybrid Seed with long, slender grains and high test weight. Its long grains offer excellent cooking quality and taste.



Proagro PA 9072

A short duration Millet Hybrid Seed for the early segment with excellent tolerance for Downy Mildew and drought. It offers good yield and fodder quality.

Environmental Science



Temprid™

Temprid™ is India's first dual active insecticide for Professional Pest Control of cockroaches commonly found in food handling and food processing areas of household and commercial premises. It has a faster knockdown rate. Its low dose rate and odorless formulation makes it a safer alternative for effective pest management.

SOCIAL COMMITMENT

Bayer's Corporate Social Responsibility (CSR) initiatives focuses on people embarking on new approaches to problem-solving in life sciences in the key areas of health, education and basic social needs, with the goal of sustainably improving living conditions. With our support programs we see ourselves as investors, trendsetters and partners for initiatives and projects that have a model character, a long-term effect and thus the potential to achieve systemic change.

To us, sustainability means future viability and as part of our corporate strategy, sustainability is integrated into our everyday procedures. We at Bayer are convinced that we can achieve lasting commercial success only if we increase our contribution to overcoming global challenges in the fields of food security and health, meet our responsibility to the environment, and on the basis of this also ultimately promote our economic growth. That's what our mission "Bayer: Science For A Better Life" is all about.

We consider the maintenance of constant contact and continuous dialogue with our stakeholders at a global and local level to be very important. Bayer is a part of society and of public life. Society's acceptance and appreciation of our corporate activities are therefore essential to Bayer's reputation and business success.

In India, Bayer CropScience Limited has rolled out its CSR policy in accordance with India's legislation. The policy focuses on four thematic areas:

- Fostering Education
- Fostering Rural Development
- Empowering Women
- Preventive Health & Sanitation

Some of our key CSR projects from 2016 – 2017 include:



Educational Initiatives in Telangana

Comprehensive educational interventions are being introduced with an objective of forming a healthy socio- economic culture where the deprived class of society can avail quality education. This project is being implemented in select villages of South India. Some of the activities include scholarships for the school-going children, financial support to the deserving students to pursue higher education, upgrade and maintain the educational set-up of targeted schools, improve the education delivery process in the local schools, create IT-enabled smart classes, skill development programs, school facility upgradation including libraries, science labs, sports, cultural facilities and coaching.



Agriculture Fellowship Program

Agriculture requires innovation and sustainable mechanisms to cater to an ever-increasing vast and diverse population. To encourage research and development activities in agriculture, Bayer is supporting Masters in Science and Ph.D students with Fellowships in leading AgroScience Universities in Gujarat, Karnataka, Punjab, Tamil Nadu, Telangana, Uttarakhand and West Bengal. Till date 49 Fellowships have been awarded.

Agricultural Productivity & Livelihood Support

Farm labor is an important aspect of agriculture in India. To support alternative sources of income for these laborers, other livelihood options such as sheep, goat rearing and low cost poultry farming are being encouraged among women laborers through Self Help Groups (SHGs). This approach combines access to low-cost financial services with process of self-management and development for women. This project titled Agricultural Productivity & Livelihood Support being implemented in the state of Bihar is also focusing on helping small and marginal farmers move away from sustenance farming to smarter, commercial agriculture through the use of technology.



Village Training Program

In order to build a strong relationship with rural communities, Bayer has taken up activities that are focused on improving livelihood and enhancing income generation opportunities for villagers that would help them lead a life of dignity. The main focus of Village Training Program (VTP) is providing intensive training to rural youth on best practices and newer technologies in areas such as goat rearing, low cost poultry, animal husbandry, tailoring, plumbing and crop production etc. Seen in the picture is a VTP field demonstration session in a model farm near Mangalgudda village in Karnataka.



WASH (Water, Agriculture, Sanitation & Hygiene)

This program mainly focuses on public health through improving sanitation and conservation of pure natural resources. Preventive health care situation can be improved in the target villages if cleanliness is enhanced and natural resources are protected from pollutants. The methodology mainly involves intensive training of the rural communities in order to change mindset and habits.

Discovering Hands

Preventive breast cancer diagnosis is either offered through mammography, which is expensive or by a tactile breast examination, performed by doctors. As a result of the impersonal and often stressful experience, many women choose not to undergo preventative diagnosis. As prevention is critical in the fight against breast cancer, Dr. Frank Hoffmann, a renowned medical expert from Germany has pioneered a unique program: "Discovering Hands" that trains and deploys visually impaired women with their highly developed sensory skills to detect the early signs of breast cancer.



Program for Primary Prevention of Sexual Violence (PPPSV)

Moving towards pioneering the concept of innovative Corporate Social Engagement, Bayer India is working in active collaboration with King Edward Memorial Hospital Research Centre, Pune, Institute of Sexology, Charité, University Clinic of Berlin, and an advisory council of experts from India to envision Program for Primary Prevention of Sexual Violence (PPPSV). Using proven expertise and knowhow from years of treatment experience, Bayer and its partnering institutions are developing strategies to implement primary preventive measures, which protect women and children from sexual violence and its after-effects.

Incidents of sexual violence are not only criminal acts, but a major social health issue. The objective of PPPSV is to introduce innovative strategies of primary prevention to create ways and means for the benefit of public health. Primary Prevention approach is a means to prevent the incident before it happens. This approach brings to fore strategies that utilize knowledge about typologies of potential offenders as well as potential victims that influence sexual offense situations before they occur.

Taking on the opportunities the PPPSV team developed a three-pronged approach that focuses on:

- Research on primary prevention strategies in India
- Primary prevention of child sexual abuse through treatment
- Primary prevention of sexual violence against women through deterrence



Chennai Floods Disaster Relief

Implemented in two well-planned phases, a holistic intervention approach was put in place by the NGO -Concern India, in close collaboration with Bayer. The relief measures were planned based on visits to flood affected areas and attending community & school staff meetings and understanding the requirements of the urban and semi-urban areas.

Hygiene emerged as a significant area of concern and therefore, the intervention programs unraveled a significant sanitation drive that covered 20 villages. Nearly 4,500 families affected by floods were covered in the sanitation drive. Awareness on self-hygiene and public sanitation was imparted to 4,200 school students. Awareness programs included proper usage of toilets, methods to keep drainages clean and ways to separate compostable and non-compostable wastage. The general response to the camps has been positive and 340 volunteers proactively participated in the sanitation drive programs.

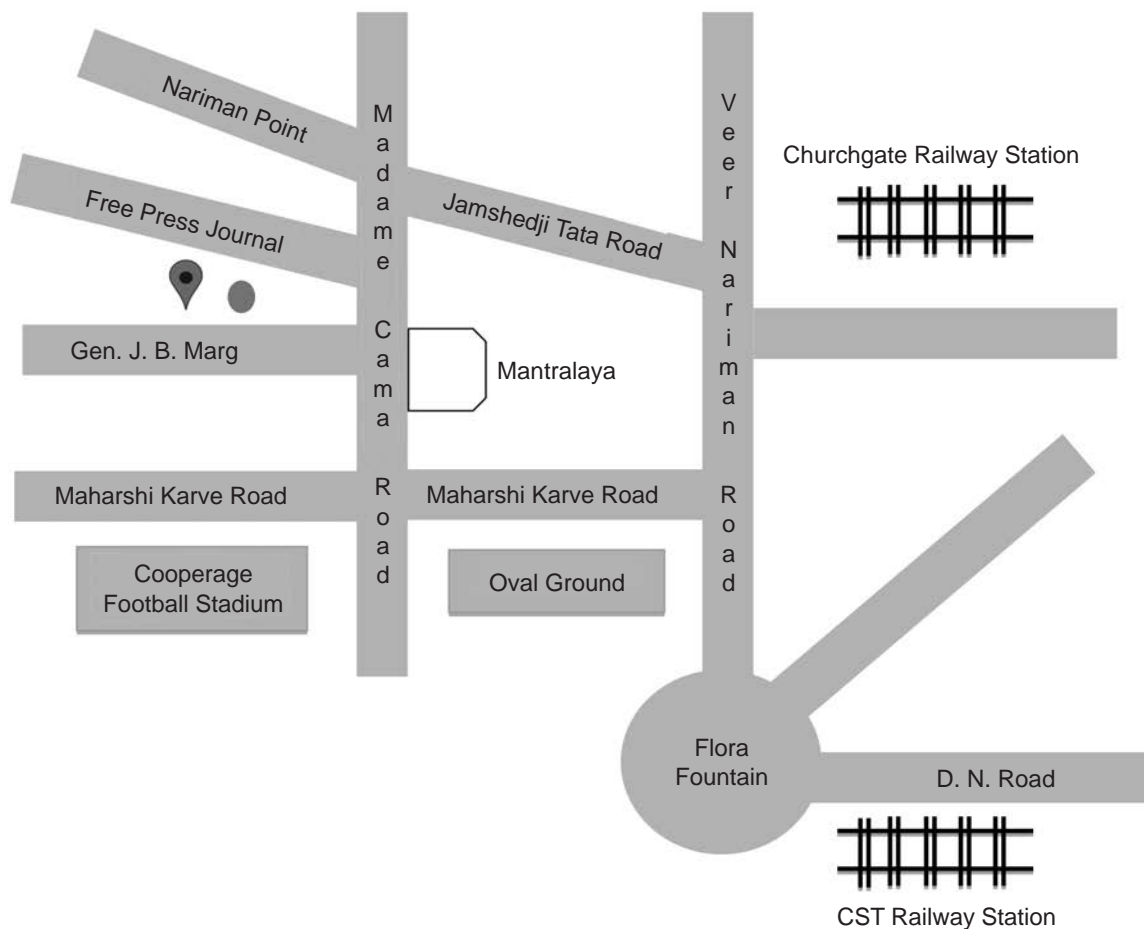


ROUTE MAP TO THE VENUE OF THE 59TH ANNUAL GENERAL MEETING OF BAYER CROPSCIENCE LIMITED

Day & Date : Wednesday, August 23, 2017

Time : 11:00 A.M.

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



Legends:

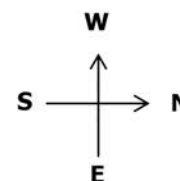


AGM Venue



Sachivalaya Gymkhana

Please note that this map is not to actual scale



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Directors	Pankaj Patel	(DIN 00131852)	– Chairman
[As on June 06, 2017]	Richard van der Merwe	(DIN 06768305)	– Vice Chairman & Managing Director and CEO
	Sharad M. Kulkarni	(DIN 00003640)	
	A. K. R. Nedungadi	(DIN 00103214)	
	Vimal Bhandari	(DIN 00001318)	
	Peter Mueller	(DIN 03582162)	
	Ulrich Stefer	(DIN 07447177)	– Executive Director & CFO
	Dr. Miriam Colling-Hendelkens	(DIN 07839649)	

Head - Law, Patents & Compliance & Company Secretary

Rajiv Wani

Bankers	Bank of America BNP Paribas Citibank N.A. Deutsche Bank HDFC Bank Limited State Bank of India
Auditors	Price Waterhouse
Solicitors	Crawford Bayley & Co.
CIN	L24210MH1958PLC011173
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
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
Factory	Plot Nos. 66/1 to 75/2 G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.

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Members are requested to:

- direct all shares related correspondence to TSRDL
- bring their copy of the Annual Report to the Annual General Meeting
- send their queries, if any, relating to the accounts of the Company, at least 10 days before the Annual General Meeting, so that the necessary information can be made available at the Meeting

NOTICE

NOTICE is hereby given that the 59th Annual General Meeting of Bayer CropScience Limited will be held on Wednesday, August 23, 2017 at 11.00 a.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, Near 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, 2017 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Peter Mueller (DIN: 03582162), who retires by rotation and being eligible offers himself for re-appointment.

4. Appointment of Statutory Auditors:

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117366W/W-100018) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. Price Waterhouse, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the conclusion of 59th Annual General Meeting of the Company till the conclusion of 64th Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every Annual General Meeting) on such remuneration plus taxes as applicable, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Vice Chairman & Managing Director and Chief Executive Officer or Executive Director and Chief Financial Officer or the Company Secretary of the Company be and are hereby authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

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

5. Appointment of Dr. (Ms.) Miriam Colling-Hendelkens (DIN: 07839649) as a Director of the Company:

As an Ordinary Resolution:

"RESOLVED THAT Dr. (Ms.) Miriam Colling-Hendelkens (DIN: 07839649) who was appointed as an Additional Director of the Company with effect from June 06, 2017 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") read with Article 153 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying its intention to propose the candidature of Dr. (Ms.) Miriam Colling-Hendelkens for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

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

6. Ratification of Remuneration to Cost Auditor:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 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, 2018, being ₹ 0.55 Millions (Rupees point five five millions only) plus taxes as applicable and out of pocket expenses incurred in performance of their duties be and is hereby ratified and confirmed.

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

7. Approval of transaction with Bayer AG:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s)/arrangement(s)/transaction(s) with Bayer AG, a Related Party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI Listing Regulations, for purchase of goods, sale of goods, professional and support services, recoveries and other obligations, if any, on such terms and conditions as

may be mutually agreed upon between the Company and Bayer AG and as given under the statement setting out the material facts annexed to this Notice, for Item No 7.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, in order to give effect to this resolution."

8. Approval of transaction with Bayer Vapi Private Limited:

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s)/arrangement(s)/transaction(s) with Bayer Vapi Private Limited ("BVPL"), a Related Party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI Listing Regulations, for purchase of goods, sale of goods, professional and support services, recoveries, rent income/expenses and other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and BVPL and as given under the statement setting out the material facts annexed to this Notice, for Item No. 8.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, in order to give effect to this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty (50) members holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument appointing a proxy in order to be effective shall be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of companies, institutions, societies etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation. The proxy holder shall prove his identity at the time of attending the Meeting. The proxies shall be available for inspection during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto and forms part of this Notice.
3. The details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Directors seeking approval for appointment/re-appointment at the Annual General Meeting, forms part of the annexure to this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 09, 2017 to Wednesday, August 23, 2017 (both days inclusive).
5. The dividend of ₹ 17.00 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 59th Annual General Meeting to be held on Wednesday, August 23, 2017 will be paid on or after Monday, August 28, 2017:
 - (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares as on Tuesday, August 08, 2017, after effecting the transfers 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 Tuesday, August 08, 2017 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
6. Members are requested to direct all shares related correspondence to TSRDL at the following address:
 TSR Darashaw Limited (TSRDL),
 Unit : Bayer CropScience Limited,
 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
 e-mail id: csg-unit@tsrdarashaw.com
7. Members holding shares in physical form are requested to notify / send the following to TSRDL on or before Tuesday, August 01, 2017 in order to facilitate better service: