



July 11, 2023

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

COMPANY CODE : 506285
SCRIP ID : BAYERCROP

Dear Sir,

Sub.: Notice of the 65th Annual General Meeting and Annual Report for the Financial Year ended March 31, 2023.

This is in furtherance to our letter dated July 04, 2023, informing that the Company has scheduled its 65th Annual General Meeting ("AGM") on Thursday, August 17, 2023, at 3.00 p.m. IST via Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") in compliance with General circular(s) issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India ("SEBI").

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year ended March 31, 2023, including the Notice convening the 65th 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

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www.cropscience.bayer.com

RESTRICTED

Bayer CropScience Limited

65th Annual Report
2022-23



Better is
growing food with
fewer resources

Science for Better



On the Annual Report cover:

Bayer is at the forefront of leading positive change in the areas of digitization, collectivization and sustainability in agriculture. Aligned with the nation's vision, the Company is focused on scaling up and introducing new interventions, with a gender-smart approach, to benefit millions of smallholders, promote women in agriculture and make Indian agriculture globally competitive.

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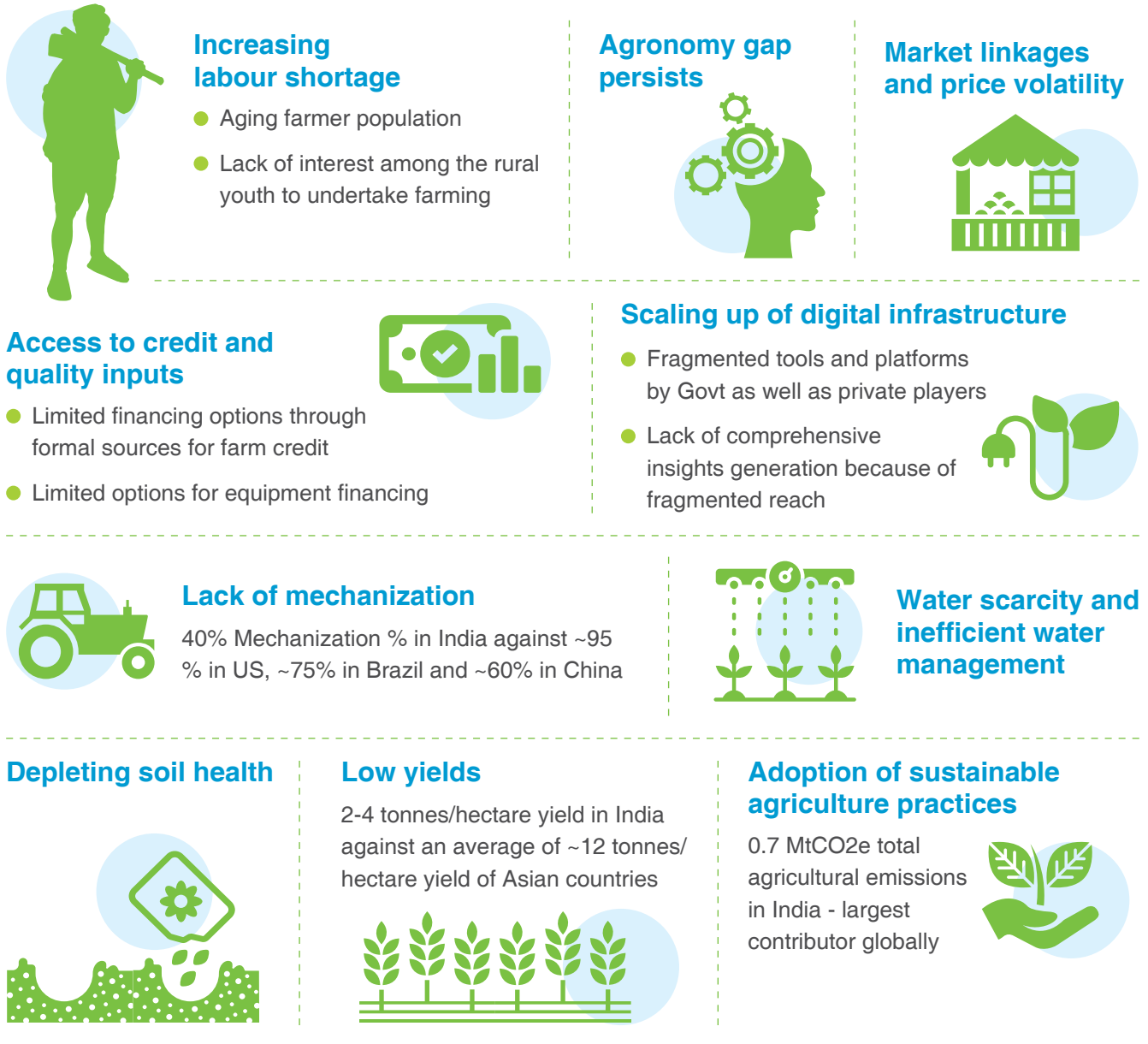
To view the Annual Report online, please visit:
<https://www.bayer.in/en/investors/annual-reports>



Introduction

India's growth story is closely linked to that of Indian agriculture with a substantial contribution of over 16.5% to the national Gross Domestic Product (GDP) and nearly ~58% of the population employed in the agri sector. The criticality of this connection is becoming even more important with rising concerns around food security, climate change and geopolitical dynamics. The good news is that Indian agriculture is on a growth trajectory with a consistent growth rate of 4.6 % over the last 6 years and concerted efforts by the Government, at the central and state levels, to ensure forward momentum and empower our 150 million plus smallholder farmers economically.

Addressing the needs of smallholder farmers and a growing population in India comes with its own set of challenges. The inherent challenges persist and addressing those would further add momentum to the agri-growth trajectory:



However, these challenges are giving rise to a slew of opportunities for the entire agri-sector at large. There is tremendous value waiting to be unlocked when it comes to Indian agriculture and this transformation is facilitated by:

An enabling policy environment focused on doubling farmers' income e.g. biotech, digitization, access to credit, collectivization through FPOs, etc.

Evolving consumer needs

Strengthening grower collectivization and supporting farmer collectives to evolve as profitable and self-reliant business entities

Growing eco-system of value chain linkages

Advances in services and digital tech – IoT, AI, growing startup ecosystem, digitization, etc

The Indian agriculture market value stood at \$ 435.9 billion by 2022 and is expected to reach \$ 580.82 billion by 2028, growing at a CAGR of around 4.9% between 2023 and 2028. These key emerging and evolving trends are poised to propel Indian agriculture to the next level.

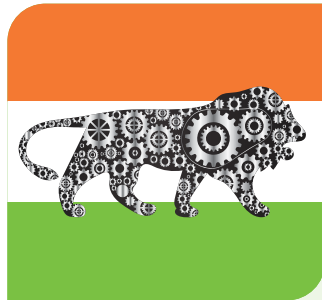


Digitization & Mechanization

- Access to data and improving farm practices
- Bringing in efficiencies in farm operations

Decarbonization of agriculture and sustainability

- Addressing climate change imperatives and growing customer needs



Make in India and exports focus

- Growing agri exports from \$40 Bn to \$100 Bn
- Impetus to Food pressing segment

Greater push to collectivize and create value chain linkages

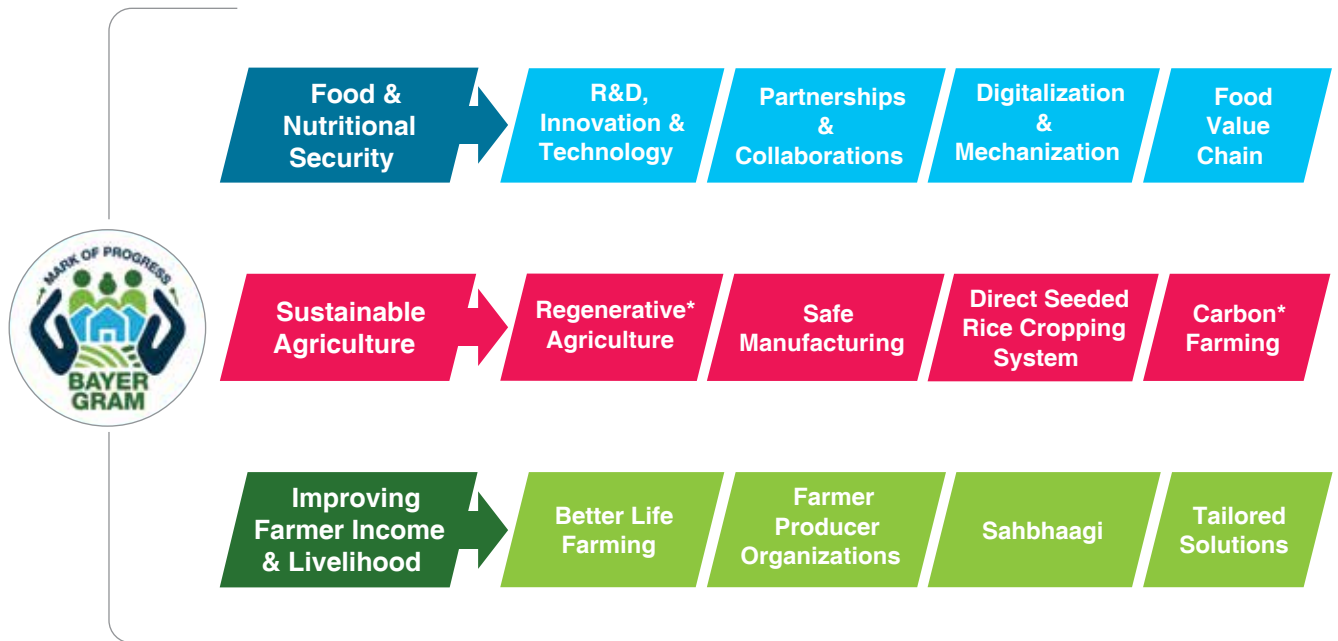
- Focus on growing FPOs and other market linkages



Focus of nutritional security

- Focus on high nutritional segments

Unlocking the next great transformation of Indian agriculture will require all stakeholders to come together. Being able to address the food security need is one side of the coin but doing it sustainably is what will define the next few decades. Recognizing this need, Bayer has been identifying and creating synergies with like-minded industry stakeholders over the past few years to develop this collaborative ecosystem, whether it is through the Better Life Farming Alliance or the Food value chain partnerships or partnering with the Government and academia on multiple fronts wherein each partner is leveraging their expertise and strengths to collectively deliver greater value to the most underserved of them all, the smallholder farmers of India.



A COLLABORATIVE ECOSYSTEM to solve for agriculture's biggest challenges

In a nutshell, our efforts are closely linked to that of national priorities, and we are committed to maximizing the potential of existing coalitions and creating new ones to empower farmers with the best tools and solutions, so they can achieve better harvests using fewer resources (water, land and energy) thereby creating a win-win scenario for the planet and its people.

Some of the ways in which we are facilitating the three key imperatives of improving farmer livelihoods, food and nutritional security and sustainable agriculture are outlined in the next few pages.



Bayer Innovation Hub

Accelerating access to innovation to help enhance farmer productivity



1st

Innovation Hub



Bengaluru





At Bayer, we are highly committed to accelerating breakthrough innovations in agriculture to improve the productivity and profitability of smallholders. With an aim to foster and implement new technologies and strategies that increase efficiency, conserve resources and significantly improve the lives of farmers and consumers, Bayer inaugurated its first Innovation Hub in India in Bengaluru. The Innovation Hub is leveraged to screen early-phase compounds in order to speed up the development of innovative solutions for addressing agricultural challenges for Indian farmers. The Hub plays a crucial role in shaping the future of Indian agriculture and has capabilities to integrate drone application technology, digital tools including IoT devices, modern crop protection research capabilities & sustainable agricultural practices.

Further, contributing to sustainable development, the Innovation Hub supports solar-powered infrastructure to take care of its energy requirements sustainably. All equipment and operations, at the Innovation Hub are powered by a solar panel which enables the site to strengthen our contribution towards the objective of reducing our carbon footprint.

Key features of the Innovation Hub include:

- its vantage location where several functions collaborate to develop tailored solutions in different crops to offer sustainable solutions for smallholder farmers.
- its state-of-the-art capabilities of incorporating modern technologies, such as drones and digital tools such as Weather Stations, Soil Probe Sensors & Digital Pest Monitoring System that help to usher into the next leg of sustainable growth and the rise of precision agriculture. These technologies when clubbed with agricultural innovations can thus shape the roadmap for sustainable farming in India while strengthening food security.
- An opportunity for outreach and knowledge sharing to enhance crop knowledge among our internal and external stakeholders.



FarmRise Digital Platform

Better tools bring better outcomes



FarmRise uses satellite imagery and weather data to give farmers real-time information about crop health, weather forecasts, pest and disease outbreaks.

Bayer CropScience Limited initiated an online to offline/offline to online (O2O) strategy by launching FarmRise.





When it comes to subsistence agriculture, digital transformation is no longer a choice – it is a need to unlock the potential for smallholder farmers across India to increase their incomes. The smallholder farming landscape transformation can be enabled through a phygital agriculture ecosystem that engages smallholder farmers to improve their productivity but also market access, thereby increasing income through the crop cycle. This ecosystem is centered around deep, personal farmer engagement and crop-specific agronomic expertise, delivered through a physical network supported by a digital platform. Bayer CropScience by virtue of its endowments and footprint in India, is well poised to enable this transformation by setting up this ecosystem.

To enhance productivity and meet global demand for affordable, quality food, Bayer CropScience Limited initiated an online to offline/offline to online (O2O) strategy by launching FarmRise. FarmRise is a mobile application, website and social media channel that provides farmers with customized and localized agricultural information and services to help them improve their yields and profitability.

FarmRise uses satellite imagery and weather data to give farmers real-time information about crop health, weather forecasts, and pest and disease outbreaks. It also offers personalized crop advisory services, market prices for crops, and access to input dealers and other agricultural service providers. FarmRise is available in several Indian languages and has been downloaded by lakhs of farmers across India. Key features of the app include:

- Mandi (Market) Prices: Daily price update for over 60 crops in 180 markets
- Weather Forecast: Hourly and daily weather forecast for temperature, rain, and probability of rain
- Anti-Counterfeit Solution: Enabling farmers to easily identify counterfeit products by scanning the QR code printed on the Bayer product labels
- Agronomy Advisory: Customized, stage-by-stage information on how to grow a crop, handle crop issues, fertilizer, and other recommendations
- Image-Based Disease Recognition: Enabling users to quickly identify the crop issues and get solutions by just sharing the picture of their affected crop

The company aims to harness the immense potential of such data-driven solutions by adding new features that will deliver enhanced value to Indian farmers.

Farmer Producer Organizations

Collectivizing to create a greater impact



Bayer is collaborating with **3000+** Farmer Producer Organisations across India



Bayer CropScience Limited has also partnered with Small Farmers' Agri-Business Consortium (SFAC) to form and promote 50 specialized FPOs across 10 states.



India's agriculture sector, worth \$435.9 Billion, continues to be the primary source of income for more than 40% of the population and contributes over 16.5% to the national GDP. However, more than 86% of farmers in the country are small and marginal. Therefore, it is critical to facilitate access to improved technology, credit, better input and more markets to incentivize these small and marginal farmers to grow better quality produce sustainably. For this, the aggregation of small, marginal and landless farmers into Farmer Producer Organisations (FPOs) will help enhance economic strength and market linkages of farmers for enhancing their income.

At Bayer, FPOs have been recognized as a very effective and appropriate model that seeks to improve a farmer's own economic and social situation and that of their communities. A vibrant and strong network of FPOs not only helps to enhance farmers' income but also supports the 'ease of doing business' for the companies working in the agriculture value chain by providing a platform to reach out to a large smallholder farmers base and enhance farm produce predictivity. By coming together, farmer producers can leverage economies of scale, increase their bargaining power, secure access to credit & finance and deal directly with bulk buyers of outputs.

To further strengthen grower collectivization drive and support farmer collectives to evolve them into a profitable and self-reliant business entity, Bayer CropScience Limited partnered with Small Farmers' Agri-Business Consortium (SFAC) to form and promote 50 specialized FPOs across 10 states. In addition to these 50 FPOs and looking at the growing importance of farmer collectives and the benefits they offer to smallholder farmers in particular, Bayer is currently collaborating with 3000+ FPOs across India and has plans to scale up its engagement with more FPOs to positively impact the lives of smallholder farmers.

As part of its FPOs engagement and outreach exercise, Bayer assists them with:

- backward forward linkage
- access to innovative farming technologies
- knowledge of best farm practices
- financial linkage
- skilling for business management

With these interventions, the average yield productivity also increased by 40%, further resulting in enhanced income for these farmers.

Food Value Chain Partnerships

Working collaboratively to facilitate food security sustainably

The needs of our future necessitate that we develop new innovative solutions to ensure food security and address climate change concerns. It takes a wide variety of experts, ideas, and perspectives to shape the future by shaping agriculture, which is why our Food Value Chain Partnership is such a critical endeavor.



Bayer is working with over 80 Food Value Chain partners including Reliance Fresh, PepsiCo, LT Foods, and Fortune delivering value to nearly 115,000 smallholder farmers across the country.



Our Food Value Chain Partnership focuses on collaboration between farmers, processors, traders and retailers to meet consumer demand for sustainable production of healthy, high-quality and affordable food. With its 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.



The Food Chain Partnership model offers several benefits to all stakeholders along the food supply chain cycle including:



Farmers benefit from the innovative crop protection products and services provided by Bayer, as well as from advice on the optimal use of products and application technology. The outcome is high-quality produce and higher yields. Moreover, farmers enjoy better market access, more secure incomes, and the cost-effective, sustainable use of agrochemicals.



Processors benefit from increased traceability and transparency since they know where crops come from, can identify weak spots, and systematically enhance production processes. Bayer experts support the production of consistently high-quality crops, which minimizes losses during processing and storage and maximizes the return on investment.



Traders always consider the specific quality standards of the producer country and the export market.

Over the course of a Food Value Chain Partnership initiative, Bayer applies its country-specific expertise on Maximum Residue Levels (MRL) and import tolerances to help ensure compliance with these legally binding standards.



Retailers face the challenge of maintaining and increasing consumer confidence. Food Value Chain Partnership bring retailers significant benefits through consistently high and controlled quality, as well as a constant supply of produce to ensure day-to-day availability. Efficient production methods and fewer losses mean competitive prices.



Consumers want sustainably produced and healthy food at reasonable prices which gets fulfilled through food value chain partnerships.

Better Life Farming

Capacity building via Better Life Farming to increase farm productivity and enhance income

Better Life Farming (BLF) creates ecosystems that already enable hundreds of thousands of smallholders to build commercially viable and sustainable farming businesses. The program was set up with a dedicated focus on increasing productivity and improving price realizations with a special focus on last-mile delivery to improve initially limited access to essential agricultural services. The access, market linkage, and knowledge gained through the centers have in many cases nearly doubled yields and almost tripled incomes respectively for many smallholder farmers.



We maintain close links with communities and partner with them to constantly improve our tailored solutions to support farmers where and when they need it the most.



We combine the expertise of global and local partners to address multiple smallholder challenges simultaneously and effectively. We maintain close ties to the community so that we can tailor our solutions to each community's needs and showcase best practices at BLF Model Farms.

Each BLF center is associated with a Model Farm sized between 0.5 – 1.0 acre and maintained by an Agri Entrepreneur under the guidance

of a Bayer Agronomist. It acts as a proof of concept, as farmers adopt the practices after seeing the impact.

Best practice guidelines are also provided by the Alliance Partners to ensure farmers are provided with the right advisory across input usage whether it is mulching, drip irrigation, nutrient usage, etc. The agronomist performs weekly visits to the Model Farm to advise the agri-entrepreneur on

farm operations. Periodic farmer meetings are held to showcase the operations and impact.

We maintain close links with communities and partner with them to constantly improve our tailored solutions to support farmers where and when they need it the most. Connecting to off-takers ensures fair prices and market access opportunities for farmers also being supported while ensuring farm productivity.





Growing Responsibly

*Sustainable Rice Cultivation and Carbon Offsetting**

The importance of rice cannot be overstated. It is the third most grown crop in the world and a staple food for more than half the world's population who depend on it as their main source of daily nutrition. It is estimated that rice provides more than one-fifth of the calories consumed worldwide with 95% of the global production being both grown and consumed in developing countries across Asia, Africa, Latin America and the Caribbean. Rice is therefore a critical food security crop.



The Bayer Rice Carbon Program enrolled 2500+ hectares in 2021 and around 10,000+ hectares in 2022.



However, its conventional, Transplanted Puddled Rice (TPR) cultivation method is land, water, energy and labor intensive - and becoming less profitable as resources become increasingly scarce and expensive.

Farming uses about 70% of the world's developed freshwater resources and 24–30% is used by TPR. When considering water used for irrigation, transplanted rice uses an estimated 34–43% of the total world's irrigation water. To give a perspective on the magnitude of the problem, India grows rice on around 44 Million hectares with transplanting being the predominant cultivation practice.

To mitigate these concerns Bayer is reaching out to smallholder farmers through its Sustainable Rice Initiative (SRI) with the cultivation practices such as Alternate Wetting & Drying (AWD) and Direct Seeded Rice (DSR) that require less water, supporting more sustainable agriculture on the farm.

One of the most promising solutions to these challenges is DSR. But the transition is not easy and needs cross-industry support to make farmers successful without compromising on ROI.

We want to use our leadership and expertise in Seeds & Traits, Crop Protection and Digital Farming

Solutions to shape the transition to DSR moving from selling inputs to developing a digitally enabled crop system tailored to farmers' needs, generating value for our business and optimizing the environmental footprint of agriculture.

All farmers participating in Bayer's DSR program, DirectAcres, have the option to participate in the Bayer Carbon Project & earn additional revenues from the program by generating carbon credits.

The Bayer Rice Carbon Program aims to generate carbon offsets by encouraging rice farmers to switch from the current practice of transplanting to DSR and AWD. The Bayer Rice Carbon Program

enrolled 2500+ hectares in 2021 and around 10,000+ hectares in 2022. The program deploys a state-of-the-art management system and measurement review and verification mechanism to manage the practice change and track the emission reduction performance. It also involves training and hand-holding the participating farmers in order to support the smooth transition to the climate-efficient cultivation practice. A comprehensive measurement of the emission reductions, improvement in water use efficiency and soil health is an important part of the Rice Carbon Program.



¹ All About the Environmental Impacts of Rice Production - FoodPrint

² Foreword (fao.org)

³ <https://www.weforum.org/agenda/2022/03/visualizing-the-world-s-biggest-rice-producers/>

⁴ DIRECT SEEDED RICE CONSORTIUM - What is DSR? (irri.org)

⁵ Water management - IRRI Rice Knowledge Bank

*Initiative pertains to other Bayer entities in India



#ForBetter with DE&I (Diversity, Equity and Inclusion)

At Bayer, we focused our efforts in 2022 on increased representation of diverse talent as an essential driver of inclusion, strengthening leadership accountability and capabilities for DE&I and enabling equal opportunities through a culture of fairness, transparency and enabling policies.



Our BSecure App with features like Panic, Follow Me & Report Incident cater to the security requirements of an individual while in distress.



Gender balanced hiring slates, diverse interview panels, incentives to hiring partners and custom programs to hire women talent on the shop floor, at entry levels in customer facing field roles and at middle management have been successful in accelerating the representation of women in our workforce.

By placing business leaders and managers at the heart of the DE&I effort, several steps have been taken to not only strengthen the inclusive leadership capability of managers and employees but also hold them accountable for progress on inclusion.

Bayer offers flexible work options, health and wellbeing initiatives, equal opportunities for growth and development and a supportive environment that helps diverse talent successfully manage the demands of career and family. Our BSecure App with features like Panic, Follow Me & Report Incident cater to the security requirements of an individual while in distress and has especially useful for women in field roles, providing immediate access to responders in case of a crisis and as well promotes the feeling of being cared for and protected by the company.

Enabling policies like inclusion of Domestic & Same Sex Partners under the hospitalization benefit and “Srishti” our parental support



program which provides, expert advice, buddy support and flexible return to work arrangements are key enablers to creating an equitable work environment.

DE&I is central to our leadership agenda. These above-mentioned initiatives and programs have a far-reaching impact going beyond the women we employ. These are more importantly enabling and facilitating a mindset shift among families, communities and even society at large paving the way for more and more women to seek employment and financial independence.

The DE&I journey on which we have embarked has no finish line and progress can never be fast enough. Having a diverse & inclusive workplace, where each employee is heard and valued takes time, but we are all rowing in the same direction, be it leaders, managers and employees. Each thought, decision and action is yet another step to strengthen our commitment to an equitable workplace rooted in Inclusivity and Belonging, and that for us is being true to our employee proposition of ‘Be You, Be Bayer’!



Chairman's Message



Dear Shareholders,

I am pleased to present to you the 65th Annual Report for Bayer CropScience Limited. The report looks back on the Financial Year 2022-23. By all means an eventful year, interspersed with challenges, successes and green shoots of opportunities that have the potential to advance Indian agriculture.

We live in a volatile and recession-prone world and the current world situation has brought to light very starkly a mission-critical need to address the food and nutritional security requirements of the country. In addition to the geopolitical environment, soaring oil prices, rising inflationary pressures, increasing labour shortage, and

climate change manifesting in multiple distressing ways are all alarm bells not only for the agri-business but the economy at large. All this has further highlighted the need for a resilient supply chain, climate-smart agriculture and a strong digital and collaborative ecosystem of all stakeholders.

As an organization, Bayer has remained steadfast in its commitment to delivering innovative solutions to strengthen farmer resilience. As a leading player in Indian agriculture, we rolled out our drone commercial operations for paddy, soybean, corn and cotton crops during the 2022 Kharif season across

key states in India. This was a positive step towards sustainable agriculture thereby enhancing smallholder farmers' prosperity.

The company drove collaborative innovations to enhance farmer incomes, rural livelihoods, expanding access to innovative agri-inputs, modern technologies, training and capacity building while swiftly mapping and resolving customers' future needs, leading to significant gains.

In 2022-23, we persevered and delivered strong value for all our stakeholders. On the back of a strong crop protection portfolio, better corn acreages and strong



As an organization, Bayer has remained steadfast in its commitment to delivering innovative solutions to strengthen farmer resilience. As a leading player in Indian agriculture, we rolled out our drone commercial operations for paddy, soybean, corn and cotton crops during the 2022 kharif season across key states in India.

overall crop sentiments we were able to post strong growth of 9% in Revenue from Operations. BCSL also concluded the sale of its Environmental Science business in Q3 of FY 2022-23 with an exceptional income of ₹ 1,038 Million. Overall, BCSL is continuing on its trajectory with sustained growth investments while focusing on maintaining profitability despite inflationary pressures and other external challenges.

For our shareholders, the Board of Directors approved an interim dividend payment of ₹ 100/- per equity share for 44,942,092 of ₹ 10/- each for the financial year ending March 31, 2023.

As the past few years have shown, we have much to be thankful for and on behalf of the Board of Directors, I would like to express my gratitude to all our stakeholders, especially farmers, retailers, distributors, shareholders, employees, banks and financial institutions for your continued support and trust in Bayer. We look forward to your continued support in creating a collaborative ecosystem that helps all our people and planet thrive.

Best wishes,

Pankaj Patel

Chairman and Non-executive
Independent Director

MD & CEO's Message



Dear Shareholders,

The world as we know it today is testing the resilience of our people and planet, whether it is with regard to food & nutritional security or climate change concerns. But these adverse events, whether they are caused by the actions of humans or the forces of nature – tend to affect farmers, especially the smallholders, worse than others. The burden of serving the urgent and growing need to ensure the food and nutritional security of nations lies on their shoulders and these challenges are expected to compound in the coming years.

We already know, 80% of the world's food needs are met by smallholder farmers. Now more than ever is the

time to make these smallholders and their agricultural practices more sustainable and resilient.

But it is not a problem that can be solved by any one government or organization, or corporation alone. Most of the challenges faced by our smallholder farmers are firmly rooted in economic and socio-cultural norms that need to be addressed proportionately to bring about positive change. In addition to the problem of small land holdings, some of these challenges include lack of knowledge; low technology adoption; inadequate market linkages; gender inequality; and increasing shortage of labour among others. Much better progress in

achieving these goals can be made through collaboration with multiple stakeholders jointly addressing the same issues at scale.

A multi-pronged approach is needed to bridge these gaps and make farming more productive and profitable for smallholder farmers; increase the participation of women in agriculture; make farming attractive to future generations and make the latest agri-innovations and farming knowledge accessible to all farmers. Digital technologies become a great enabler in this context.

We are seeing work happening at all levels to advance and modernize



We already know, 80% of the world's food needs are met by smallholder farmers. Now more than ever is the time to make these smallholders and their agricultural practices more sustainable and resilient.

Indian agriculture through technology. There is an increasing trend of public-private partnerships to bring about yet another transformative agri revolution. Whether it is in the area of biotech or commercialization of drone spray services, the Government is open to dialogue and private partnerships to ensure such technologies are accessible to smallholder farmers even in the remotest of locations and you would be pleased to know that Bayer is spearheading some of these efforts.

We have also witnessed an increase in collectivization efforts wherein more and more farmers are coming together under the umbrella

of Farmer Producer Organizations (FPOs) to have better access to resources and better bargaining power due to economies of scale. The Government-backed Small Farmers Agribusiness Consortium (SFAC) is encouraging public-private partnerships in FPOs by inviting private companies to establish and promote FPOs across several states and Bayer is one such organization that will be forming 50 such FPOs across different states.

Last but definitely not least is our focus on the environmental, social and governance (ESG) pillars and from time to time, we keep giving you glimpses of our endeavors in this direction. But we are pleased to

present for the first time our Business Responsibility and Sustainability Report which will give you a holistic view of our commitment towards these critical pillars. These steps taken by the regulatory bodies are a step forward in the right direction in making these essential pillars of socio-economic development more mainstream for the corporate world.

To summarize, these are all great progress to rejoice about at the industry and the business level. However, we definitely need to be prudent about the rising inflationary pressures and ensure supply chain resilience. The good news is that we have remained on this consistent growth path and delivered a strong performance despite these challenges. Looking at this big picture, while we are fully committed to delivering on our operational and financial targets, we are simultaneously building new avenues and platforms that will not only address our future growth but also help us solve for some of the major challenges faced by Indian agriculture. In this journey of sustainable growth and development, we are extremely thankful for the continued support of all our stakeholders and partners.

Best wishes,

D Narain

Vice Chairman,
Managing Director and CEO

Board of Directors



Mr. Pankaj Patel

(DIN: 00131852)

*Chairman & Non-Executive
Independent Director*

Mr. 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 Lifesciences Ltd., a discovery-driven, global Lifesciences company with operations in 55 countries worldwide. He is also the Chairman of IIM Udaipur and a 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 is also a Member of the Governing Board of India Pharmacopoeia Commission (IPC), Ministry of Health & Family Welfare, Government of India. He is also a Member of the CEO Advisory Committee of the International Generics and Biosimilars Association (IGBA). Mr. Patel has also served as the President of the Federation of Indian Chamber of Commerce & Industry (FICCI). He also officiates as the Chairman of the Deaf and Mute School, Ahmedabad. He is also a Director and Chairman of the Board of Zydus Foundation which set up Zydus Medical College and Hospital, Dahod.

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.

D Narain (D) is President, South Asia, and Global Head of Smallholder Farming for Bayer. As President for South Asia, D oversees Bayer's Life Science business operations across India, Bangladesh, Sri Lanka, and Pakistan, and as Global Head of Smallholder Farming, he leads the efforts focused on providing holistic and innovative solutions for farmers in developing economies to enable them to grow their farms into sustainable businesses.

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.



Mr. Duraiswami Narain

(DIN: 03310642)

*Vice Chairman & Managing
Director and CEO*

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

Mr. 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).

Ms. 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 is 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.

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



Dr. Harsh Kumar Bhanwala

(DIN:06417704)

Non-Executive Independent Director

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 the Chairman of the Board of Directors of the Multi Commodity Exchange of India Ltd. (MCX), and he is a Trustee of the Foundation for MSME (The Ministry of Micro, Small and Medium Enterprises) Clusters. He headed the Technical Group appointed by SEBI on the Social Stock Exchange and was also 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.

Simon Wiebusch is the Country Divisional Head for the Crop Science Business of Bayer in India, Bangladesh & Sri Lanka (IBSL) since January 01, 2022, and is based in Bayer's South Asia headquarters in Thane, India. Simon began his stint in South Asia as the Chief Operating Officer of the Crop Science Division of Bayer for India, Bangladesh & Sri Lanka from August 21, 2018.

Prior to this, Simon was heading the South East Asia business, based in Bangkok, Thailand. Simon started his career with Bayer in 1997 based at the company's headquarters in Germany. He built his professional experience by leading diverse teams across functions and regions working within Germany, Eastern Europe and Asia.

He holds a bachelor's degree in Economics from the University of Applied Sciences in Essen, Germany, and an MBA from the University of Bradford. He has more than two decades of experience in the agriculture industry. He is passionate about transformative agriculture that produces sufficient and nutritious food while preserving resources. He is there with a strong proponent of sustainable agriculture and believes that technology and digital farming tools will improve access to nutritious food, reduce efforts needed to farm, ensure traceability and help especially smallholder farmers earn better livelihoods.



Mr. Simon Wiebusch

(DIN: 08335591)

Whole-time Director



Mr. Simon Britsch

(DIN: 09194547)

Executive Director & CFO

Simon Britsch plays a key role in enabling proactive solutions, creating value and supporting purpose driven initiatives to translate the company's vision into reality as a Chief Financial Officer. His international experience in leading culturally and functionally diverse teams is paired with a strong ability in finding pragmatic solutions and communicating proactively with stakeholders. Simon Britsch started his career with Bayer AG as a Commercial Trainee in the year 2000 and has subsequently held key positions in Bayer Vietnam and Bayer Healthcare in China. Simon returned to Bayer AG in 2016, where he set up the global Enterprise Risk Management & Business Continuity Management function. He was appointed as the Whole Time Director and Chief Financial Officer of Bayer CropScience Limited with effect from September 1, 2021, for a term of five years.

Simon holds an MBA from Instituto de Empresa in Spain as well as a bachelor's degree in Economics and Management from FOM University of Applied Sciences in Germany. He is an alumnus of Harvard Business School.

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. Thomas Hoffmann

(DIN: 06485949)

Non-Executive

Non-Independent Director



Mr. Brian Naber

(DIN: 09115300)

Non-Executive

Non-Independent Director

Brian Naber is Region Head of Crop Science Asia Pacific, responsible for commercial operations for the region. Brian first joined the company in 1998 as a sales representative in the United States. Through the years, Brian has taken on roles that spanned from operational execution to strategy, across different functions. He was Cluster Commercial Lead for Northern Europe based out of the Netherlands, before assuming the role of Head of Asset Management Insecticides based in Monheim, Germany.

Brian comes from a family of farmers and is looking forward to drive digital farming solutions and tools to positively impact the livelihood of millions of farmers, especially smallholders, across the APAC region.

He has a Bachelor's degree in Agribusiness management from Southwest Minnesota State University and an MBA from Saint Louis University.



Corporate Information

**Company
Secretary &
Compliance
Officer**

Nikunj Kumar Savaliya

Membership No.: FCS 7048

**Statutory
Auditor**

Deloitte Haskins & Sells LLP

CIN

L24210MH1958PLC011173

**Registered
Office**

Bayer House, Central Avenue,
Hiranandani Estate, Thane (West) - 400607
Maharashtra, India
Tel No.: +91 22 2531 1234
Fax No.: +91 22 2545 5063
Email: ir_bcsl@bayer.com
Website: www.bayer.in

**Registrar &
Share Transfer
Agent**

TSR Consultants Private Limited

(Formerly TSR Darashaw Consultants Private Limited)
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
Tel: +91-22-66568484
Fax: +91-22-66568494
Email ID: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in

A farmer wearing a wide-brimmed hat and a high-visibility vest is standing in a lush green field. He is holding a handheld device in his left hand and a probe in his right hand. The scene is framed by a large circular graphic with a green top half and a blue bottom half.

Better is
advancing agriculture
through technology



Notice

NOTICE is hereby given that the 65th Annual General Meeting of Bayer CropScience Limited will be held on Thursday, August 17, 2023 at 03:00 p.m. IST through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Bayer House, Central Avenue, Hiranandani Estate, Thane (West) – 400607. Maharashtra.

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited standalone financial statements for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare Final Dividend on Equity Shares for the financial year ended March 31, 2023.
3. To appoint a director in place of Mr. Brian Naber (DIN: 09115300), 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. 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 (“**Act**”) read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Act (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 on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company relating to “Insecticides” for the financial year ending March 31, 2024, 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 authorized 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 continuing COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India (MCA) vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, and Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022, and Circular No. 10/2022 dated December 28, 2022, (“MCA Circulars”) and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, and other applicable circulars issued in this regard has permitted and prescribed the procedure and manner of conducting Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM) without physical presence of Members. In compliance with the applicable provisions of the Act and MCA Circulars, the 65th AGM of the Members will be held through VC/OAVM and members can attend and participate in the AGM through VC/OAVM only as arranged by the Company with National Securities Depository Limited (NSDL).
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 authorized

representatives to attend the AGM through VC/OAVM and participate there at 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 MCA Circulars and SEBI Circulars, the Notice of 65th AGM along with the Annual Report 2022-23 is being sent only through electronic means to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 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. Physical copy of the Notice of the 65th AGM along with Annual Report for the financial year 2022-23 shall be sent to those Members who request for the same.
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
6. The Explanatory Statement setting out the material facts relating to the special business to be transacted at the AGM, 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 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, in respect of the Directors seeking approval for re-appointment at the AGM, forms part of the annexure to this Notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 05, 2023, till Saturday, August 12, 2023 (both days inclusive).
9. The final dividend of ₹ 30 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 65th Annual General Meeting will be paid on or after Wednesday, August 30, 2023:
 - (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 Friday, August 04, 2023, after effecting the request for transmission/transposition etc. lodged on that date which are valid and found to be in order.

- (ii) in respect of shares held in dematerialized form, to the Beneficial Owners of the shares as at the close of business hours on Friday, August 04, 2023, 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 be dispatched to such shareholders by post.
11. Members are requested to direct all shares related correspondence at the following address:

TSR Consultants Private Limited ("TCPL"),
(Formerly TSR Darashaw Consultants Private Limited)
Unit: Bayer CropScience Limited,
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai - 400083
Tel: +91-810 811 8484
Fax: +91-22-66568494
E-mail ID: csg-unit@tcplindia.co.in
Website: <https://www.tcplindia.co.in>
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - a. **For Shares held in electronic form:** to their Depository Participants (DP)
 - b. **For Shares held in physical form:** to the Company/TCPL in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021.



13. SEBI has mandated the updation of Permanent Account Number ("PAN"), contact details viz. complete address with Pincode, Mobile No., email id, Bank details and Account No., specimen signature and nomination details against folio/demat account. As per applicable SEBI Circular, PAN details are to be compulsorily linked to Aadhaar details, by June 30, 2023, or any other date specified by Central Board of Direct Taxes.

Members are requested to submit PAN, contact details, complete bank details viz., Bank Name and branch Bank A/c No and type, MICR and IFSC, nomination details and specimen signature (as applicable) to their DP in case of holding in dematerialized form or to TCPL through Form ISR-1, Form ISR-2 and Form SH-13 (as applicable). The Investor Service Request forms are available at www.bayer.in in case of holdings in physical form.

14. SEBI vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization. Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or TCPL, for assistance in this regard.
15. Members may note that SEBI vide its Circular dated January 25, 2022, has mandated that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at www.bayer.in and on the website of the TCPL at <https://www.tcplindia.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or

TCPL, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

17. As per the provisions of Section 72 of the Act and SEBI Circular dated March 16, 2023, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the Company's website www.bayer.in. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to TCPL in case the shares are held in physical form.
18. The Ministry of Corporate Affairs has vide notification dated September 05, 2016, brought into force certain provisions of Sections 124 and 125 of 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. Shareholders holding shares in physical

form are requested to submit Request Form ISR1 duly executed to TCPL for claiming the dividend along with original canceled cheque leaflet. Bank details as registered against the demat account will be considered to pay the outstanding dividend to shareholders holding shares in electronic form at the time of issue of payment on receipt of the request for claiming outstanding 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.

19. 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.
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 along with Form ISR1 duly filled and signed as per the specimen signature registered with the Company:
 - (i) to TCPL, for shares held in physical form; and
 - (ii) in respect of shares held in dematerialized 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_bcs@bayer.com and the Company shall endeavor 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 email at dividend.india@bayer.com on or before Friday, August 04, 2023, 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 AGM by electronic means and the business shall 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 14, 2023, (IST 9:00 a.m.) and ends on Wednesday, August 16, 2023, (IST 5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of Thursday, August 10, 2023, ("**Cut-Off Date**") 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. B. Narasimhan (Membership No. FCS 1303/CP No.10440) of BN & Associates, Practicing Company Secretaries or failing him Mr. Avinash Bagul (Membership No. FCS 5578/CP No. 19862) of BNP & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize 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 hereinbelow:

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. Members are advised to update their mobile number and email 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.

Type of Shareholders	Login Method
	<p>B. e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open the 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 (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 5. 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. <p>C. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi/Easiest, 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 is 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 & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL, where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<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 1800 22 5533

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

4. 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*****.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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***

5. 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 email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open

- the email and open the attachment i.e. a .pdf file. Open the .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 email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
6. 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.
 7. After entering your password, tick on Agree to "**Terms and Conditions**" by selecting on the check box.
 8. Now, you will have to click on "**Login**" button.
 9. After you click on the "**Login**" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

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 - 124434" of Company 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.
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 email IDs are not registered with the depositories/ Company 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), AADHAR (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.**
3. Alternatively, members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.

C) The Instructions for Members for E-Voting on the day of the AGM are as under:

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. Members 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. 124434 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 email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at ir_bcsl@bayer.com from Monday, August 07, 2023, (IST 09:00 a.m.) to Friday, August 11, 2023, (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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to narasimhan.b8@gmail.com 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.: 1800-1020-990 or and 1800 22 44 30 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 Mhatre, Manager – NSDL at evoting@nsdl.co.in.

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

- **Registration of email 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 Company/DPs are required to provide the same to TCPL on or before 5:00 p.m. IST, Thursday, August 10, 2023. The link for registering email ID is given herein:

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

- Select the Name of the Company from dropdown i.e. Bayer CropScience Limited.
- 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.
- Enter Mobile No. and Email address and click on "Continue" button.
- System will send OTP on Mobile and Email address.
- Enter the OTP received on Mobile and Email address.
- The system will then confirm the e-mail address as recorded for receiving the Notice for this Annual General Meeting.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for 2022-23 along with the e-Voting user ID and password. In case of any queries, Members may write to the following email 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 submission of duly completed Form ISR1. 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 Scrutinizer 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 2 (two) working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. On receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM. The Results declared along with the report of the Scrutinizer 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 authorized 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

Thane, May 24, 2023

Membership No. FCS 7048

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



ANNEXURE TO NOTICE:

Information on Directors seeking re-appointment as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards-2 issued by the Institute of Company Secretaries of India:

Mr. Brian Naber (DIN: 09115300)

Mr. Brian Naber (Age: 47 years) who retires by rotation being eligible has offered his candidature for re-appointment.

Qualification:

Mr. Brian Naber has a bachelor's degree in Agribusiness management from Southwest Minnesota State University and an MBA from Saint Louis University.

Brief Profile / Experience / Nature of Expertise in Functional Area:

Mr. Brian Naber is Region Head of Crop Science Asia Pacific, responsible for commercial operations for the APAC region. Brian first joined Bayer in 1998 as a sales representative in the United States. Through the years, Brian has taken on roles that spanned from operational execution to strategy, across different functions. He was Cluster Commercial Lead for Northern Europe based out of the Netherlands, before assuming the role of Head of Asset Management Insecticides based in Monheim, Germany. Mr. Naber comes from a family of farmers and is looking forward to drive digital farming solutions and tools to positively impact the livelihood of Millions of farmers, especially smallholders, across the APAC region.

Terms and conditions of re-appointment:

Mr. Brian Naber was appointed as an Additional Director – Non-Executive Non-Independent, on the Board with effect from January 01, 2022, and his appointment was regularized through Postal Ballot with effect from March 19, 2022, in accordance with Regulation 17(1C) of the SEBI Listing Regulations. He shall also be liable to retire by rotation.

Details of remuneration sought to be paid:

No remuneration is being paid to Mr. Brian Naber, Non-Executive Non-Independent Director of the Company.

Remuneration last drawn:

Not Applicable.

Date of first appointment on the Board:

Mr. Brian Naber was appointed as an Additional Director – Non-Executive Non-Independent, on the Board with effect from January 01, 2022.

Disclosure of relationships between directors inter-se:

None of the Directors are in any way related to Mr. Brian Naber.

Disclosure of relationships with other Key Managerial Personnel:

None of the Key Managerial Personnel or their relatives are in any way related to Mr. Brian Naber.

Number of Board meetings attended during the year:

3 (three)

Names of listed entities in which he holds directorships and memberships of Committees of the Board:

He does not hold directorships in any listed entity except Bayer CropScience Limited. He does not hold any memberships in any listed entity except Bayer CropScience Limited.

Names of listed entities in which he holds Chairmanships:

He does not hold Chairmanships in any listed entity, including Bayer CropScience Limited.

Names of the listed entities from which he has resigned in the past 3 (three) years: NIL

Shareholding in the Company:

He does not hold any shares in the Company.

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 in the accompanying notice:

Item No. 4:

The Board, on the recommendation of the Audit Committee, in its meeting dated May 24, 2023, 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, 2024, 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 2023-24. 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 Act 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. 4** of the Notice.

The Board of Directors recommends 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. 4**.

By Order of the Board of Directors

Nikunj Kumar Savaliya

Company Secretary
& Compliance Officer

Thane, May 24, 2023

Membership No. FCS 7048

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 65th 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, 2023.

Financial Performance

Particulars	(₹ in Million)	
	2022-23	2021-22
Revenue from Operations	51,397	47,344
Other Income	639	546
Total Income	52,036	47,890
Profit Before Tax and Exceptional Item	8,863	7,883
Add: Exceptional Items (Refer Note 46 to Financial Statement)	1,038	585
Profit Before Tax	9,901	8,468
(Less): Tax Expense	(2,319)	(2,015)
Profit for the year	7,582	6,453
Add/(Less): Other Comprehensive Income	(86)	29
Total Comprehensive Income for the year	7,496	6,482
Add: Retained Earnings at the beginning of the year	20,465	21,220
Amount available for Appropriation	27,961	27,702
Appropriations:		
Dividend declared	1,124	1,124
Transfer to General Reserve	645	495
Interim Dividend	4,494	5,618

Dividend

In line with the Dividend Distribution Policy, the Board of Directors have recommended a Final Dividend of ₹ 30 per Equity Share of ₹ 10 each amounting to ₹ 1,348 Million for the financial year ended March 31, 2023. The Final Dividend is subject to approval of the members at the ensuing Annual General Meeting of the Company. Further, the Special Dividend of ₹ 100 per Equity Share of ₹ 10 each amounting to ₹ 4,494 Million as recommended by the Board of Directors was paid on December 08, 2022.

The total Dividend for the financial year 2022-23, including the proposed Final Dividend, amounts to ₹ 130 per Equity Share of ₹ 10 each.

The Register of Members will remain closed from Saturday, August 05, 2023, till Saturday, August 12, 2023 (both days inclusive).

Material changes and commitments

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Exports

The export Sales for the financial year ended March 31, 2023 was ₹ 1,863 Million as compared to ₹ 1,775 Million during the previous year.

Insurance

Your Company's assets continue to be adequately insured against various risks like fire, riot, earthquake 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, hospitalization 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 endeavor, the 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 judgments 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, 2023, and of the profit of the Company for the financial year ended March 31, 2023;
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

During the period under review, India faced the third wave of the COVID-19 pandemic primarily caused by the Omicron variant. Though the case load was high, the severity was significantly lower than the second wave led by the Delta variant. However, BCSL continued to stay vigilant to prevent any escalation in cases at our sites, while being focused on delivering seeds and crop protection products to farmers, in accordance with the Company's vision of "Health for All, Hunger for None".

The Company's Crisis Management Team remained alert and prepared for any surge in the pandemic. The Company monitored the external situation and government notifications and issued periodic advisories to employees to inform them of the COVID-19 precautions to be taken. The Company continued the special COVID-19 policies of providing a flexible, workplace for employees, enhanced medical care and insurance facilities and special holistic health promotion initiatives to foster holistic health & well-being.

Health, Safety & Environment (HSE)

The Company aspires to make an impact in sustainability that helps people and our planet thrive along relevant Environmental, Social and Governance (ESG) topics. Our Sustainability, Safety, Health and Environment (SSHE) ambition is to make Bayer the healthiest & safest place to work while protecting our environment and generating impact in sustainability around the world.

At Bayer, we respect and care for the environment and the safety, health and wellbeing of people, whether they are employees, contractors, visitors or communities where we work, and the regulatory compliance is paramount. The Company continuously improves its business processes while meeting or exceeding legal and regulatory HSE requirements. The Company provides an environment for open and transparent communication of HSE matters and



concerns. The Company recognizes that the skills and involvement of its employees are essential for fulfilling its HSE principles and commitments. We impart all the required onsite training and defensive driver training to take care of our employees when at our sites and on the road.

The Company's major sites are certified to 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.
- ISO 45001:2018 Occupational Health and Safety management system; Shamirpet corn seeds processing site and R&D breeding site at Bengaluru.

By implementing these management systems, the sites foster a culture of continual improvement using the PDCA model (Plan-Do-Check-Act) in collaboration with our internal and external stakeholders. The Company has introduced an easy-to-use digital tool for robust HSE incident reporting and action tracking with Artificial Intelligence capabilities.

Led by the objective to create awareness amongst employees and to engage them for SSHE programs, the World Environment Day, India National Safety Week, Road Safety Week, International Self-Care Day, World Mental Health Day and Bayer Health and Safety Day are celebrated across the Company.

The Company also ensures safe operations in its value chain by periodically reviewing and hand-holding third party warehouses, suppliers and contract manufacturers.

Corporate Societal Engagement

With a presence for over 125 years in India, we have made significant contributions towards advancing agriculture, public health, and sustainability. The Company is constantly working to improve the quality of life in communities and collaborate to solving social challenges.

At Bayer, we want to contribute to a world where everyone has access to sufficient food and can live a healthy life. Accordingly, our corporate charitable giving to partners helps drive positive societal change supporting our purpose "Science for a better life" and fueling our vision "Health for all, Hunger for none".

The programs under the Company's Corporate Societal Engagement (CSE) function are also aligned with the global objectives of Bayer, with the aim to promote societal progress by supporting initiatives that tackle the root-cause of issues and ideas with the potential to make a lasting impact for change.

The Company believes in the system-changing power of innovation and focus on identifying new opportunities in rural livelihoods through women-centric approaches. The Company works for the upliftment of aspirational districts, deliver innovative technology-based solutions to bridge the healthcare gap in the country and drive unified community engagement projects around education, access to water and gender equality.

Business Responsibility and Sustainability 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 capitalization, shall include a Business Responsibility and Sustainability Report (BRSR) describing initiatives taken by the Company from an environmental, social and governance perspective. A separate Section on BRSR forms part of this Annual Report.

Human Resources

The Company's success is built on the knowledge, passion and commitment of our people. As an employer, we offer our colleagues wide-ranging developmental opportunities and our "LIFE" (Leadership, Integrity, Flexibility and Efficiency) values, continue to guide us as we passionately work towards our vision 'Health for all, hunger for none'. Bayer is focused on promoting an open dialog and feedback-oriented culture, based on trust, diversity, equity and inclusion.

In line with the global human resource strategy, the Company continues to provide an environment where fairness and respect guides all actions at the workplace. At Bayer, we continue to provide our employees with a transparent and equitable compensation system, flexible working hours and an increased focus on employee health and well-being, enabling us to retain the best-in-class employees for the company.

Measuring Employee Satisfaction

To map the employee satisfaction levels, BCSL has a system of institutionalized 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, the Company conducts surveys, and our latest engagement was 4.1 on a scale of 5.

Fostering Growth

The Company offers a broad range of opportunities to fulfill the employees' professional aspirations and fully leverage their potential. BCSL helps its employees to build a varied and meaningful career in a community of highly talented and diverse minds to make a meaningful difference to society. At the very heart of the Company's HR policy, the focus remains on attracting, developing and retaining the best managers and employees.

To truly reach the Company's vision, we have identified the need to transform. As we drive this transformation, we must change the way we work for the better – from how we lead and build teams, to how we prioritize, operate, and make decisions. The Company has the potential to become not just better, but the best life science company and our shared purpose pushes us to always go for better.

To achieve this, we must Engage, Shape, Perform (E.S.P.):

- Engage to create a truly global, highly engaged organization at top performance
- Shape our business and organization to seize the opportunities of the future
- Perform to deliver on all our stakeholder commitments and on our ambitions

E.S.P. fosters ONE Bayer culture that cuts across our businesses unifying and enhancing other transformational efforts to achieve Company's collective success.

To grow our leadership pipeline, the Company has Bayer Leadership Academy, which is designed to build future-ready leaders at all levels. The portfolio consists of ONE Bayer Learning & Development and offers cross-divisional, global, scalable and right development experiences at the right time.

In the broad portfolio of Bayer's development options, Mentoring and Coaching lets employees benefit from others' experience and receive expert guidance on development matters. Both happen on an individual, one-to-one basis and need one's personal commitment since they themselves drive their own development.

Equal Opportunities

The Company nurtures its internal talent by providing equal opportunities for growth, through a transparent and globally accessible platform for advertising job roles, right up to Management level. This platform facilitates internal movement within and outside of the country. The Company continues to focus on women talent and amongst the new hires, we have hired almost 30% women in the past year.

Attractive Working Conditions

As in the past years, the Company has continued to maintain a well-crafted, fair and transparent compensation policy. The policy is based on continuous benchmarking and evaluation. The Company's compensation policy also provides variable pay program which is based on Company and Individual performance. Flexible working hours has the option to work from home and support childcare beyond the statutory promoting healthy work-life balance to employees. To promote good health and ensure safe working conditions, the Company since the last 3 years has been following a global framework concept to promote employee health and quality of life (BeWell@ Bayer). It also strives to provide employees with access to affordable health offerings, such as regular medical check-ups, sports programs, and on-site medical care.

In addition to the Company's annual insurance plan for employees, a Digital-wallet scheme with a healthcare provider for Out-Patient Department (OPD) benefits that secures employees out-of-pocket expenses and covers expenses arising from doctor, consultations, prescribed diagnostics, health check-ups etc. has been introduced.

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.

The Company introduced special attention to welfare during the pandemic, various measures were undertaken to support employees. Measures like enhanced insurance cover, workshops for mental health, delivering masks at employee's residences, celebrating Bayer COVID Heroes, COVID pulse surveys, infrastructure assistance for work from home, frequent leadership connect etc.

All these initiatives were based on providing care with empathy and the employees appreciated it.



Awards & Recognition

The Company has been recognized, once again featured in the 100 Best Companies for Women in India and also has been certified as a Great Place to Work by the Great Place to Work Institute.

Divestment of Environmental Science Business

As a part of a global organizational transformational strategy, Bayer AG decided to globally divest its Environmental Science Professional business in February 2021 with the aim to sharpen its focus on its core agricultural business, accelerate its strategy implementation and allow the Environmental Science Professional business to find the growth resources it needs under new ownership. Bayer AG decided to sell its Environmental Science Professional business to Cinven on March 10, 2022, and entered into definitive agreement for the said purpose.

During the year under review, the Company's Environmental Science Professional business along with the assets and liabilities was sold to 2022 ES Discovery India Private Limited, as a going concern, on a slump sale basis as per the Income Tax Act, 1961, for a consideration of ₹ 1,111 Million. 2022 ES Discovery India Private Limited, was incorporated as a special purpose legal entity under the provisions of the Act by Bayer and the said legal entity was acquired by the entities controlled by Cinven.

Board of Directors

During the year under review, none of the Directors were appointed or resigned and hence there were no changes in the Board Composition of the Company.

At the forthcoming 65th Annual General Meeting (AGM) of the Company and in accordance with the applicable provisions of the Act, Mr. Brian Naber, 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 5 (five) 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, 2023, 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, 2023, are Mr. Duraiswami Narain, Vice Chairman & Managing Director and CEO, Mr. Simon Britsch, Executive Director & Chief Financial Officer, Mr. Simon Wiebusch, Whole-time Director and Mr. Nikunj Kumar Savaliya, Company Secretary of the Company.

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 34 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 2022-23, five Board Meetings were convened and held. The details of the Board Composition and Board Meetings are given in the Corporate Governance Report.

Audit Committee

During the financial year 2022-23, four Audit Committee Meetings were convened and held. The composition of the Audit Committee and the details of the Audit Committee Meetings are 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 & 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 & Remuneration Committee Meetings and were placed at the Board Meeting for the Chairman's review. The evaluation process primarily focused 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

The Company has a comprehensive Consolidated Policy for Nomination & Remuneration, Board Diversity and Performance Evaluation in place. The said Consolidated Policy lays down the criteria for each of the responsibilities of the Nomination & Remuneration Committee (NRC). The NRC shall be guided by the said Consolidated Policy while discharging its duties on behalf of the Company. This policy for selection and appointment of Directors, Senior Management and their remuneration, includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as required. The policy is framed in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The detailed 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 through its global mechanism has also provided hotline number(s) and a 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 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 the Senior Management of the 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 the Act and SEBI Listing Regulations.

All the Board Members and the Senior Management employees (as defined in the Code of Conduct) 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, Risk Management



Committee and other key managerial personnel of the Company with regards to risk management

- Structure and procedure for identification, escalation and minimization of risks

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

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 FY 2022-23, is set out in **Annexure “A”** to the Directors’ Report. The CSR policy is uploaded on the Company’s website at www.bayer.in.

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.

Internal Control System

Your Company has appropriate internal control system 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 controls evaluation, the Company has established a robust Internal Financial Controls framework across various processes prevalent in the organization. Internal 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 framework by adopting a systematic approach, which enables it to assess the design and the operating effectiveness of these controls.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the financial year ended March 31, 2023, 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.

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, 2023, are given under **Annexure “C”** to the Directors’ Report.

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 “D”** 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, 2023, 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.

Prevention of Sexual Harassment at Workplace

Your Company has a policy on prevention of sexual harassment to ensure harassment-free workspace for the employees. Sexual harassment cases are dealt as per the prevention of sexual harassment policy.

An Internal Committee (IC) has been set up by the Company to redress complaints received regarding sexual harassment. This policy is applicable to all its employees (permanent, contractual, temporary and trainees).

The following is a summary of sexual harassment complaints received and disposed of during financial year 2022-23:

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	Nil
Number of complaints pending as at the end of the financial year	1*

*The complaint was received on March 25, 2023, and the inquiries are still on-going.

Annual Return

In accordance with the provisions of Section 92 of the Act, the Annual Return of the Company is hosted on the website of the Company 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 (SS-1 and SS-2), respectively relating to meetings of the Board and its Committees, which have mandatory application during the year under review.

Reporting of Fraud 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.

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, 2023. The Secretarial Audit Report for the financial year ended March 31, 2023, is enclosed as **Annexure "E"** 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.

Cost Audit

Pursuant to the provisions of Section 148 of the Act 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, 2024. 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. 4 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 Act and as per their appointment at the 64th Annual General Meeting held on August 22, 2022, they held office for a period of 5 (five) years i.e. from the conclusion of the 64th Annual General Meeting till the conclusion of the 69th Annual General Meeting.

For the year ended March 31, 2023, the Company paid a consolidated sum of ₹ 14 Million to the Statutory Auditors.

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 as **Annexure "F"** to the Directors' Report and is also available on the Company's website at www.bayer.in.



Other Disclosures

- a. There have been no significant and material orders passed by the Regulators, Courts or Tribunals which impact the going concern status and Company's operations in future.
- b. The Internal Complaints Committee constituted in terms of the said Act, continues to be in place.
- c. The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.
- d. There was no change in the share capital or the nature of business of the Company.
- e. There is no application or proceeding pending under the Insolvency & Bankruptcy Code, 2016 against the Company.

Acknowledgments

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

Duraiswami Narain

Vice Chairman & Managing
Director and CEO
(DIN: 03310642)
Mumbai

Simon Britsch

Executive Director &
CFO
(DIN: 09194547)
Germany

May 24, 2023

ANNEXURE "A"

Annual Report On Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

At Bayer, we believe human ingenuity can shape the future of agriculture. For more than 125 years, we have used science and imagination to advance health and nutrition. We are committed to the world where biodiversity thrives in harmony with humankind and where farms are more sustainable, with plants that are more adaptive and resilient, to help improve life for families and communities.

Accordingly, the CSR initiatives of the Company are guided by our vision of "Health for All, Hunger for None" and fueled by the purpose "Science for a better life" and pursue a long-term, well planned, multi-stakeholder participatory approach resulting in a measurable impact on targeted communities.

Our programs focus on finding new answers for challenges related to the UN sustainable development goals around nutrition, health, gender equality and access to water, in alignment with our vision.

Our CSR initiatives focus primarily on the following thematic areas:

1. Rural Development
 - Capacity Building of Smallholder farmers
 - Nurturing & Strengthening Farmer Producer Organizations (FPO's)
 - Empowering Women Self-Help Groups
2. Preventive Healthcare
 - Access to health care facilities
 - Strengthen awareness on Health, Hygiene & Nutrition
3. Education & Community Engagement
 - Supporting Technology Incubators/Start-ups
 - Building Scientific Temperament
 - Supporting community initiatives

2. Composition of CSR & ESG Committee as on March 31, 2023:

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

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. Average net profit of the Company as per Section 135(5) of the Act: ₹ 7,284 Million
6. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act: ₹ 145.68 Million
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years – ₹ 2.95 Million
 (c) Amount required to be set off for the financial year, if any – NIL
 (d) Total CSR obligation for the financial year [6(a)+6(b)-6(c)] – ₹ 148.63 Million
 (e) 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) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
149.93	-	-	-	-	-

- (f) 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 sub-section (5) of Section 135 of the Act	145.68
ii	Total amount spent for the Financial Year	149.93
iii	Excess amount spent for the Financial Year [(ii)-(i)]	4.25
iv	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	2.95
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	1.30*

*The Company is not setting off the excess amount of ₹ 1.30 Million in succeeding financial year.

7. 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) of the Act	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 of the Act	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), of the Act, if any		Amount remaining to be spent in succeeding financial years
					Amount	Date of transfer	
1.	2019-20				Nil (No Unspent CSR Amount)		
2.	2020-21				Nil (No Unspent CSR Amount)		
3.	2021-22				Nil (No Unspent CSR Amount)		
Total					-		

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/acquired – Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
					Not Applicable		

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 of the Act – Not Applicable.

For and on behalf of the CSR Committee

Duraiswami Narain

Chairman - CSR Committee and
Vice Chairman & Managing Director and CEO
(DIN: 03310642)
Mumbai

Simon Britsch

Member – CSR Committee and
Executive Director & CFO
(DIN: 09194547)
Germany

May 24, 2023

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, 2023.

I. Conservation of Energy

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

- Installed light and motion detection sensor - 30 Nos, which resulted in saving of 3,000 kWh towards lighting (Himatnagar)
- High Efficiency chiller and variable frequency drive (VFD) controlled chilled water supply resulted in saving of 80,000 kWh (Himatnagar)
- Providing training on sustainability to all level of employees on effective use of energy (Silvassa)
- Effective utilization of power by installing power sensor in canteen and auto level indicators on the water tank (Silvassa)
- Replaced old air compressors with latest energy efficient variable speed drive compressors which reduces energy consumption by 20% (Shamirpet)
- Replaced old dust collection systems with cartridge-based models with energy efficient motors which saves energy consumption by 10% and enhanced dust collection efficiency (Shamirpet)
- Replaced LPG fuel-based burner system with pressurized natural gas fuel system for dryers, the fuel is safer, greener and cheaper with intent to reduce Scope-1 emissions by 45 MT & Scope-3 emissions by 30 MT (Shamirpet)
- 135 KVA solar panel installed to reduce electricity consumption at the Bayer Research and Development Center, Bangalore

(b) Steps taken for utilizing alternate sources of energy & Capital Investments on Energy/Water conservation equipment:

- Installed 50 kWh solar panel on rooftop to generate green energy and reduce

dependency on traditional energy and carbon emission

- Installed new filling machine to reduce energy consumption and increase in output optimizing shift operations: ₹ 10.3 Million
- Capital Investment for energy efficient air compressors: ₹ 2 Million
- Capital Investment for energy efficient dust collection systems: ₹ 3.5 Million
- Capital Investment for natural gas conversion of dryers: ₹ 3.5 Million
- Capital Investment for 160 tons of refrigerant (TR) chiller: ₹ 6 Million
- Reduction of water consumption in washrooms by installing sensor taps – ₹ 1.1 Million
- For proper tracking of ground water consumption, installed magnetic flow meters – ₹ 0.93 Million

II. Technology Absorption

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

1. Specific Areas:

The Company 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 as a leader in Innovation and Excellence. As a part of ongoing research and development activities, the Company is evaluating number of early phase compounds which are under global development and with the prospect of introduction of some promising compounds in India. 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:

We are committed to bringing in new innovations for protecting plant health and to support our growers in securing higher yields thereby creating better and more sustainable farming systems in future.

In continuation with the innovation journey, during the year under review, BCSL conducted 755 field experiments across the country in 32 crops, including major field crops and horticultural crops, for testing of more than 40 products. These innovations mainly include evaluation of early stage chemical compounds, biologicals, plant growth regulators and nutrient complex for the effective management of insects, diseases, weeds and overall plant health. These experiments will help us advance and propose new innovations for the farmers in managing different challenges due to emerging pests and diseases that are the major cause of yield loss for them.

BCSL has collaborated with more than 60 State Agriculture Universities and ICAR institutes for evaluation of crop protection innovations in different crops through over 500 experiments in project mode. 460 projects were concluded and study reports were utilized as part of the dossier submission to Central Insecticide Board and Registration Committee (CIB-RC) which will help BCSL to secure registration approvals in the years ahead. The Company has also worked on Drone Application Technology for safe and sustainable use of crop protection innovations in partnership with these universities and ICAR institutions, which will help to improve applicator safety and efficiency of the existing products.

During the year, the Company has secured the registration for the novel product 'Reatis' 480 FS (Tetraniliprole 480 FS) which was first diamide rice seed treatment registration in India and successfully launched the product for the management of insect pests in Rice and Maize. Tetraniliprole is a novel insecticide discovered and developed by Bayer AG. The product is registered in India for use as a seed treatment for the control of Stem Borer and Leaf Folder in Rice and Stem borer in Maize crops. The product provides a modern pest management solution to rice and maize farmers.

The Company also successfully secured registration for new recipe for Confidor 200 SL for use on Cotton and new source of supply for Fipronil Technical.

BCSL was also successful in obtaining several approvals for extending the use of existing products in other crops: Alion Plus for weed management in Grapes, Movento Energy against insect pests of Cotton, Solomon against insect pests of Chilli, Jump against insect pests Cotton, Lasenta against insect pests Cotton, Nativo against diseases of Onion and Coffee.

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 four new innovative products, three fungicide and one Bio stimulant product. These fungicide products will help Indian farmers in effective management of economically important diseases in various crops.

Besides this, 22 new applications for label extensions of existing key products were submitted for approval on various crops like pomegranate, grape, maize, chilli, apple, banana, brinjal, tomato, citrus, etc.

With the focus on improving productivity, quality of the produce and return on investment of farmers, the Company is developing 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 the 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.

Seeds (Corn):

This year has been a year of enhanced new digital tools, application of AI and New Breeding methodologies. During the year under review, Bayer introduced a second Corn Brand "Xellano"

in order to help many smallholder farmers reap the benefits of Technology and Innovation at affordable price. Under this Brand, Bayer launched 4 new products. Bayer Breeding tested thousands of new parental lines and new hybrid combinations in 352,000 test plots across India.

In order to counter the challenges faced by smallholder farmers owing to global warming and climate change, BCSL initiated a project called “Digital Twin” by deploying 100 Digital Arable devices which automatically captures environment data and transfer real-time data into, the system, so that the Company’s Scientists could use that data for developing climate resilient products for future.

BCSL made significant progress in the development of SSC (Short Stature Corn) and Preceon smart Corn Crop systems to provide enhanced benefits of integrated solutions to smallholder farmers across India.

BCSL’s efforts on improving the speed and accuracy of product development coupled with improved predictability of performance paved way for the development of new genomic models, sparse hybrid testing and capturing of environmental variance by 2x times. The Company has put in additional efforts in the area of plant health, considering uncertain weather and growing agro-climatic challenges faced by Indian farmers, to protect yield and to enhance resistance in germplasm.

During the year under review, BCSL deployed 3 Corn hybrids namely DKC9247, DKC9248 and DKC7240 and launched 2 hybrids DKC9228 and DKC9226 for commercial cultivation.

Under All India Coordinated research project for Maize, Govt. of India, Varietal Identification Committee (VIC) identified DKC9215 for Central West India (Zone 5) and DKC8211 for Hilly areas of India (Zone 1). VIC also promoted to the next stage 4 out of 7 hybrids that the Company submitted for Initial varietal testing (IVT) and 2 out of 5 hybrids from Advance varietal testing (AVT1).

The details of new launches are given below:

- DKC9228 launched for irrigated markets of Maharashtra. It offers short plant type, uniform ear size, high kernel row number and high yield.

- DKC9226 launched for rainfed and irrigated markets of Madhya Pradesh. It offers high yield, bold kernels and good color.

The Company partnered with International Maize and Wheat Improvement Center (CIMMYT) for testing pooled products, from both private and public organizations, in new geographies to promote maize cultivation, which will offer better profitability.

Details on Information regarding imported technology (imported during the last three years):

Not Applicable.

2. Future Plans:

India’s membership to the Organization for Economic Co-operation & Development (OECD) is resulting in regulatory data harmonization/ acceptance and helping to move towards regulatory data protection. In future, the Company plans to introduce high technology products in the country.

Expenditure on Research and Development

		(₹ in Million)
(a)	Capital	337
(b)	Recurring	831
Total		1,168
Total R&D Expenses are 2.27% of the Revenue from Operations		

III. Foreign Exchange Earnings and Outgo

- (i) Information relating to exports is contained in the Directors’ Report.

- (ii) Total foreign exchange utilized and earned:

Particulars	(₹ in Million)
Value of imports on C.I.F. Basis	777
Expenditure in Foreign Currency	593
Earnings in Foreign Exchange	
Export of Goods calculated on FOB Basis	913
Recoveries from Group Companies	638

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 2022-23.

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 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

Duraiswami Narain

Vice Chairman & Managing Director and CEO
(DIN: 03310642)
Mumbai

Simon Britsch

Executive Director & CFO
(DIN: 09194547)
Germany

May 24, 2023



ANNEXURE "D"

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, 2023:

Sr. No.	Name of the Director/KMP	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees ¹	Percentage increase in remuneration
1.	Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO	108:1	5.0%
2.	Mr. Simon Britsch	Executive Director & CFO	40:1	6.0%
3.	Mr. Simon Wiebusch	Whole-time Director	52:1	8.7%
4.	Mr. Nikunj Kumar Savaliya	Company Secretary	4:1	11.0%

1) The total remuneration for the financial year ended March 31, 2023, excludes the provision of ₹ 25.60 Million made towards Short-Term and invested Long-Term Incentives related to the Executive Directors of the Company.

2) Long-Term Incentives amounting to ₹ 41.11 Million was vested with Executive Directors during the financial year ended March 31, 2023.

- b. The percentage increase in the median remuneration of employees in the financial year:

9.26%

- c. The number of permanent employees on the rolls of the Company:

1,314

- 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 9.26%.

- 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 "E"

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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 – 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 having CIN:- L24210MH1958PLC011173** (hereinafter called 'the Company') for the financial year ended on March 31, 2023 (the "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 Company's books, papers, minutes books, forms and returns filed, records provided through virtual data room/physically and other records maintained by the Company and furnished to us all compliance-related actions taken by the Company during the Financial Year 2022-23 as well before the issue of this report;
- (ii) Compliance certificates confirming compliance with all laws applicable to the Company given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Company's Audit Committee / Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Company, its officers, agents and authorized 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, 2023, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanisms are 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, minutes books, forms and returns filed and other records maintained by the Company during the year in terms of the applicable provisions / clauses of:

- (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act (FEMA), 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018,
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

** The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirement of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.*

- (vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) and notified by the Central Government under Section 118(10) of the Act which have mandatory application.

1.2 During the period under review, and also considering the compliance related to action taken by the Company after March 31, 2023, but before the date of 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 all applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally complied with the applicable provisions / clauses of:
 - (a) The acts and rules mentioned under paragraph 1.1; and
 - (b) The Secretarial Standards on meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2)

mentioned under paragraph 1.1 (vi) above, which are applicable to the Board meetings and Committee Meetings held during the review period and the 64th Annual General Meeting (AGM) held on August 22, 2022. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.

- (c) During the year under review, the Company has received 1 (one) complaint under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act, 2013"), and at the end of the year the case is under investigation by the Internal Complaints Committee.

1.3 During the audit period under review, provisions of the following Acts/Regulations were not applicable to the Company:

- (i) The 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (v) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following Statute which

is applicable to the Company and has been duly complied with:-

- (a) The Insecticides Act, 1968 and the Insecticides Rules 1971; and
- (b) The Seeds Act, 1966 and the Seeds Rules, 1968.

2. Board processes of the Company:

We further report that:

1.1 The Board of Directors of the Company as on March 31, 2023 comprised of:

- (i) Two Executive Directors – Mr. Simon Johannes Britsch (DIN: 09194547) and Mr. Simon Thorsten Wiebusch (DIN: 08335591)
- (ii) One Managing Director – Mr. Narain Duraiswami (DIN: 03310642)
- (iii) Two Non-Executive Non-Independent Directors – Mr. Brian Naber (DIN: 09115300) and Dr. Thomas Hoffmann (DIN: 06485949)
- (iv) Four Non-Executive Independent Directors including a Woman Independent Director – Mr. Pankaj Ramanbhai Patel (DIN: 00131852), Mr. Sekhar Natarajan (DIN: 01031445), Dr. Harshkumar Bhanwala (DIN: 06417704) and Ms. Ketaki Sanat Bhagwati (DIN: 07367868)

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

1. Re-appointment and continuation of Dr Thomas Hoffmann (DIN: 06485949), as a Non-Executive Director of the Company, liable to retire by rotation at 64th Annual General Meeting held on 22nd August, 2022.

2.3 Adequate notice(s) with Agenda and the detailed notes to Agenda was given to all the Directors of the Company at least seven (7) days in advance and where the same were given at the shorter notice than seven days, more than one Independent Director was present at the Board Meeting as required under Section 173(3) of the Companies Act, 2013 and Secretarial Standards, to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board.

2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.5 We note from the minutes examined that, at the Board meetings held during the year:

- (i) Decisions were taken through the majority of the Board; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

3. Compliance mechanism

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

4. Specific Events / Actions

4.1 During the year under review, the following specific events/actions, having a major bearing on the Company's affairs took place:-

- (a) The Board of Directors of the Company at their meeting held on September 28, 2022 has given its approval to sell and transfer the Environmental Science business along with its employees, assets and liabilities, licenses, regulatory approvals, permits, contracts, liabilities and interests thereof to the Company "2022 ES Discovery India Private Limited" (the



“Company”) as a going concern by way of a slump sale, for an overall consideration of ₹ 1,111 Million.

- (b) The Board of Directors of the Company at their meeting held on November 9, 2022 has declared an Interim Dividend of ₹ 100/- per share on the equity shares of face value of ₹ 10/- each, payable to all beneficial members of the Company, as on record date November 19, 2022 for the Financial Year 2022-23 amounting to a total payout of approx. ₹ 4,494

Million and the same was paid within the prescribed timeline.

For **BNP & Associates**

Company Secretaries

[Firm Regn. No. P2014MH037400]

[PR No.: - 637/2019]

Avinash Bagul

Partner

FCS No.: F5578

COP No.: 19862

Place: Mumbai

Date: May 24, 2023

UDIN: F005578E000364112

Annexure A to the Secretarial Audit Report for the financial year ended March 31, 2023

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. We have considered compliance-related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. 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 No.: F5578
COP No.: 19862
UDIN: F005578E000364112

Place: Mumbai
Date: May 24, 2023

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 capitalization (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 flow 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 utilization 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 ("BCSL") 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 BCSL is built on its "LIFE" values, epitomizing Leadership, Integrity, Flexibility and Efficiency, which guide the Company in its day-to-day work. In its strategic journey, the Company is also led by its purpose – "Science for a better life". Guided by this Purpose in every facet of its business, the Company is committed to operating sustainably and addressing its social and ethical responsibilities as a responsible corporate citizen.

Corporate Governance at BCSL seeks to uphold these values and the Company's core values with ethical business conduct and a commitment to maximize value for all stakeholders and the Company over the 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 providing an adequate supply of high-quality food and feed.

The Company believes in the importance of building stakeholder 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. To maximize transparency, we provide regular and timely information on the Company's corporate position and significant changes in the business activities to shareholders, financial analysts, media and general public.

Corporate Compliance

Bayer globally maintains a comprehensive Compliance Management System designed to promote and reinforce compliant behavior. This system helps in managing businesses responsibly, fosters a positive compliance culture and ensures that the LIFE Value of "Integrity" is a part of every employee's daily business activity. The system considers proactively identified risks and outlines preventive measures for mitigating them and includes suitable policies/regulations, processes, monitoring, and training mechanism. The Company's compliance framework is an amalgamation of this Compliance Management System as well as requirements under the local statutory legislations, monitored through a dedicated tool, thereby helping the Company maintain its license to operate.

The Corporate Compliance Policy ("the Policy") outlines Bayer's principles of business conduct which are required to be followed by every employee of the Company. Each employee is expected to be familiar with this Policy and understand the laws, regulations and other Bayer policies that apply to their respective job responsibilities. The Policy outlines our commitments which are - competing fairly in every market, acting with integrity in all our business dealings, balancing economic growth with ecological and social responsibility, observing trade controls that regulate our global business, safeguarding equal opportunities in securities trading, keeping accurate books and records, treating each other with fairness and respect, protecting and respecting intellectual



property rights, acting in Bayer's best interests and protecting and securing personal data.

An expert group of compliance professionals, both at a local level as well as a part of a regional hub cater to the needs of the evolving legal landscape and support business in making well-informed, compliant decisions. A Compliance Committee comprising the senior management representatives of different functions act as the main decision body for strategic compliance topics and partakes in the continuous improvement of compliance processes in the Company. This Committee meets at regular intervals and is apprised of the important compliance topics having implications on business, gaps, if any identified in the existing processes, remediation measures, and the cases investigated as well as their outcome for a robust compliant organization.

All employees as well as our stakeholders are encouraged to raise serious concerns or violation of our principles or policies proactively to develop an open and transparent culture, thereby fostering compliance and integrity. The Compliance Hotline channels for reporting the complaints via email, web reporting or through a toll-free number are widely available across the Company and a person raising any type of incidences in good faith will be protected from threat of retribution, victimization, discharge or discrimination.

The Company takes pride in doing things right with the help of the established compliance principles and practices, thereby strongly contributing to our purpose of 'Science for a better life'.

2. Board of Directors

BCSL 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 Board of your Company comprises of highly experienced persons of repute, eminence and has a good and diverse mix of Executive, Non-Executive & Independent Directors including Independent Woman Director. The Company's Board composition is in line with the applicable provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") as amended from time to time. As on the date of the Report, the Board consists of total 9 (nine) Directors, of which three are Executive Directors, four are Non-Executive Independent Directors, including an Independent Woman Director, and two 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 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, 2023

Sr. No.	Name of Director	Category	No. of Directorship(s) held in other companies ¹	No. of Directorship(s) held in listed companies other than BCSL and category of Directorships	No. of other Committee Memberships ²	
					Chairperson	Memberships
1.	Mr. Pankaj Patel, Chairman	Non-Executive Independent Director	2	<ul style="list-style-type: none"> Zydus Lifesciences Limited (earlier Cadila Healthcare Limited) Torrent Power Limited 	1	1
2.	Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO	-	-	-	-
3.	Mr. Simon Britsch	Executive Director & CFO	-	-	-	-
4.	Ms. Ketaki Bhagwati	Non-Executive Independent Director	1	<ul style="list-style-type: none"> Axis Bank Limited 	-	-
5.	Mr. Brian Naber	Non-Executive Non-Independent Director	-	-	-	-
6.	Dr. Thomas Hoffmann	Non-Executive Non-Independent Director	-	-	-	-
7.	Mr. Simon Wiebusch	Whole-time Director	-	-	-	-
8.	Mr. Sekhar Natarajan	Non-Executive Independent Director	2	<ul style="list-style-type: none"> Ingersoll-Rand (India) Limited Colgate-Palmolive (India) Limited 	1	1
9.	Dr. Harsh Kumar Bhanwala	Non-Executive Independent Director	2	<ul style="list-style-type: none"> Capital India Finance Limited Multi Commodity Exchange of India Limited 	-	1

Notes:

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

Skills & Description

In terms of requirement of SEBI Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:



Business Leadership and Management – Leadership experience in large/global organizations, M & A, leading organization with understanding external environment changes, sustainable business development and expansion, experience in customer insights, marketing and innovation and leading business in different geographies/markets.



Strategy Development and Insight – Experience in developing long-term strategies to sustainably grow business, profitability and competitively, digital technologies in diverse business environments and highly regulated changing environment.



Agri Business – Knowledge of overall agriculture sector and the rural economy involving farmers, expertise in driving Value Chain Partnerships, Smallholder farming and Sustainability, emerging business opportunities and risks.



Governance, Risk and Compliance – Expertise of the corporate governance principles, Board accountability, Regulatory and Risk Management, internal control and emerging local and global trends.



Finance and Accounts – Experience in handling financial management along with an understanding of accounting and financial statements.

All the directors of the Company possess the above-mentioned skills and description as identified by the Board.

Board Independence

The Company'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 judgment of the Board, would affect the independence of the Directors.

Based on the declarations received from the Independent Directors, the Board confirms that in its opinion, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.

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 January 01, 2022, until December 31, 2022. Ms. Bhagwati's nomination was renewed with effect from January 1, 2023, until December 31, 2023. 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 five Board meetings during the financial year 2022-23 and the gap between two meetings did not exceed 120 days. The dates on which the Board meetings were held are May 24, 2022, August 04, 2022, September 28, 2022, November 09, 2022, and February 07, 2023.

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 & business updates

Board Support

The Company Secretary is responsible for preparation of the agenda and convening the Board and Committee meetings and collating, reviewing and circulating the information for the agenda items circulated to the Board and the Committees for consideration thereof. The Company Secretary attends the meeting of the Board and the Committee and assures/advises the Board on the various compliances that need to be adhered to by the Company based on the different applicable regulations and ensures appropriate recording and timely circulation of minutes of meetings.

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 statutes at various plant locations, registered and corporate offices and regional offices, 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, 2023, and AGM held on August 22, 2022, 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	5	5	Yes
2.	Mr. Duraiswami Narain	5	5	Yes
3.	Mr. Sekhar Natarajan	5	5	Yes
4.	Ms. Ketaki Bhagwati	5	5	Yes
5.	Dr. Thomas Hoffmann	5	4	Yes
6.	Dr. Harsh Kumar Bhanwala	5	5	Yes
7.	Mr. Simon Britsch	5	5	Yes
8.	Mr. Simon Wiebusch	5	5	Yes
9.	Mr. Brian Naber	5	3	Yes

Disclosure of Relationship between Directors inter se

As on March 31, 2023, none of the Directors of the Company are in any way related to each other as per the definition of 'relative' specified under the Act.

Number of shares held by Non-Executive Directors

Mr. Sekhar Natarajan, Non-Executive Independent Director holds 533 equity shares of ₹ 10/- each of the Company. No other directors of the Company hold shares of the Company as on March 31, 2023.

Meeting of Independent Directors

During the year under review, the Non-Executive Independent Directors of the Company met on February 07, 2023, 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 judgment 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. The Policy is available on the website of the Company at www.bayer.in.

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 focused 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 judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body and well engaged with different perspectives. The Board has a good focus on extant issues such as performance, compliance & controls and strategy. The Board members discuss the key topics, play a very constructive role and have a very collaborative approach.

Induction Program for new Independent Director(s) & ongoing Familiarization Program 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 familiarization program for its Non-Executive Independent Directors. The program aims to provide the Independent Directors with insights into the Company, to enable them to understand the Company's business in detail and facilitate 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.

The Board members are apprised of the key business initiatives undertaken by the Company and are 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 familiarization program of the Board members gives them an opportunity to closely interact with the Senior Leadership and further provide them with better insight on important aspects related to the Company.

The familiarization program 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 Chairman/Chairperson 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	Constitution of the Committees as on March 31, 2023			Risk Management Committee
	Nomination and Remuneration Committee	Corporate Social Responsibility & Environmental, Social and Governance Committee	Stakeholders' Relationship Committee	
Mr. Sekhar Natarajan – C	Ms. Ketaki Bhagwati – C	Mr. Duraiswami Narain – C	Mr. Pankaj Patel – C	Mr. Simon Wiebusch – C
Ms. Ketaki Bhagwati – M	Mr. Sekhar Natarajan – M	Mr. Pankaj Patel – M	Mr. Duraiswami Narain – M	Mr. Sekhar Natarajan – M
Dr. Harsh Kumar Bhanwala – M	Dr. Thomas Hoffmann – M	Ms. Ketaki Bhagwati – M	Mr. Simon Britsch – M	Mr. Amit Narkar – M
Dr. Thomas Hoffmann – M		Mr. Simon Britsch – M		

C – Chairman/Chairperson of the Committee

M – Member of the Committee

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, 2023, is 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 accounting/financial matters.

The Audit Committee met four times during the financial year ended March 31, 2023. The meetings were held on May 24, 2022, August 04, 2022, November 09, 2022, and February 07, 2023. Necessary quorum was present at all the meetings. The attendance of the Committee members at the meetings for 2022-23 was as under:



Name of Member	Category	No. of Meetings during the tenure	No. of Meetings attended during 2022-23
Mr. Sekhar Natarajan, Chairman	Non-Executive Independent Director	4	4
Ms. Ketaki Bhagwati, Member	Non-Executive Independent Director	4	4
Dr. Harsh Kumar Bhanwala, Member	Non-Executive Independent Director	4	4
Dr. Thomas Hoffmann, Member	Non-Executive Non-Independent Director	4	4

The Managing Director and Chief Executive Officer, Chief Financial 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 Audit Committee Meeting as well as the next Board Meeting.

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 judgment 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 utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the agency monitoring the utilization 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. Scrutinizing 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 met three times during the financial year 2022-23, on April 19, 2022, October 13, 2022, and February 07, 2023. The attendance of the Committee members at the meetings was as under:

Sr. No.	Name of Member	Risk Management Committee Meetings held in Member's tenure	No. of meetings attended during 2022-23
1.	Mr. Simon Wiebusch, Chairman	3	1
2.	Mr. Sekhar Natarajan, Member	3	3
3.	Mr. Amit Narkar, Member	3	3

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

1. To formulate a detailed risk management policy which shall include:
 - a. 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.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks
 - c. Business Continuity Plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;



4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. 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:

1. 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;
2. To review the measures taken for effective exercise of voting rights by shareholders;
3. 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;
4. 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 Committee held two meetings during the financial year 2022-23. The meetings were held on August 04, 2022, and February 07, 2023. 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 2022-23
1.	Mr. Pankaj Patel, Chairman	2	2
2.	Mr. Duraiswami Narain, Member	2	2
3.	Mr. Simon Britsch, Member	2	2

Complaints received and resolved by the Company during the financial year ended March 31, 2023, are given below:

Source of Complaints	April 01, 2022 to March 31, 2023	
	Received	Resolved
Referred by SEBI SCORES	7	7
Referred by Stock Exchange/NSDL/CDSL	4	4
Received directly from Investors	5	5
Referred by RBI/Ministry of Corporate Affairs	0	0
Total	16	16

Share Transfer Committee

The Share Transfer Committee has been formed to look into share transfer and all related applications as received from shareholders. 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, shares of the Company can be transferred only in dematerialized form with effect from April 01, 2019. Further, with effect from January 24, 2022, listed companies shall issue securities in dematerialized mode only while processing any investor service requests viz.

issue of duplicate share certificates, exchange/sub division/splitting/consolidation of securities, transmission/transposition of securities.

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, 2023, is as under:

Sr. No.	Name of Member	Designation
1.	Mr. Duraiswami Narain Vice Chairman & Managing Director and CEO	Chairman
2.	Mr. Simon Wiebusch Whole-time Director	Chairman
3.	Mr. Simon Britsch Executive Director & CFO	Member
4.	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, 2023, the Committee comprises two Non-Executive Independent Directors, and one Non-Executive Non-Independent Director.

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 three times during the financial year ended March 31, 2023. The meetings were held on May 23, 2022, August 04, 2022, and February 07, 2023. 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 2022-23
1.	Ms. Ketaki Bhagwati, Chairperson	3	2
2.	Mr. Sekhar Natarajan, Member	3	3
3.	Dr. Thomas Hoffmann, Member	3	3

The performance evaluation criteria for Independent Directors are set out in Board Evaluation above.

Corporate Social Responsibility & Environmental, Social and Governance Committee

With the objective to drive its Corporate Social Responsibility agenda in letter and in spirit, the Company had constituted a Corporate Social Responsibility ("CSR") Committee, as required under Section 135 of the Act. In order to sharpen its focus towards Environmental, Social and Governance (ESG) matters, the Company has re-named the CSR Committee to Corporate Social Responsibility & Environmental, Social and Governance Committee.

The Committee, as on March 31, 2023, comprises two Non-Executive Independent Directors and two Executive Directors.

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

1. Formulating and recommending to the Board the structure of the Corporate Social Responsibility Policy and the activities to be undertaken by the Company;
2. Recommending the amount of expenditure to be incurred on the activities undertaken;
3. Reviewing the performance of the Company in the area of Corporate Social Responsibility;
4. Monitoring the Corporate Social Responsibility Policy of the Company;
5. Formulating policies and procedures based on the requirement of SEBI for Business Responsibility Reporting;
6. Ensuring implementation of all the policies pertaining to business responsibility;
7. Ensuring effective communication of all the policies to all relevant stakeholders;
8. Reviewing and assessing the business responsibility performance annually;
9. Reviewing the business responsibility initiatives and encouraging participation; and
10. Reviewing the Business Responsibility Report and recommending it to the Board for approval;
11. Overseeing the development of and make recommendations to the Board regarding ESG strategy;
12. Identify the relevant ESG matters that do or are likely to affect the operation of the Company and/or its strategy;
13. Ensure that the Company monitors and reviews current and emerging ESG trends, relevant standards and legislative requirements.

During the financial year 2022-23, the Committee met three times on May 23, 2023, November 09,

2022, and February 07, 2023. The attendance at the meeting was as under:

Sr. No.	Name of Member	CSR Committee Meetings held in Member's tenure	No. of meetings attended during 2022-23
1.	Mr. Duraiswami Narain, Chairman	3	3
2.	Mr. Pankaj Patel, Member	3	3
3.	Ms. Ketaki Bhagwati, Member	3	2
4.	Mr. Simon Britsch, Member	3	3

5. Remuneration of Directors

The Non-Executive Directors have no material pecuniary relationships or transactions with the Company in their personal capacity.

Non-Executive Directors are paid Sitting Fees for the Board Meetings and Committee Meetings as recommended by the Board. The fees or compensation/commission, if any, paid to the Non-Executive Directors is within the limits prescribed under the Companies Act, 2013 and does not require any further approvals.

Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors during the financial year ended March 31, 2023.

a) Non-Executive Independent Directors

The details of the sitting fees and commission paid during the financial year ended March 31, 2023 are given in the table below:

(₹ in Million)

Sr. No.	Name of Director	Sitting Fees	Commission	Total
1.	Mr. Pankaj Patel	0.55	1.50	2.05
2.	Ms. Ketaki Bhagwati	0.75	1.50	2.25
3.	Mr. Sekhar Natarajan	0.85	1.50	2.35
4.	Dr. Harsh Kumar Bhanwala	0.50	1.50	2.00

Note: Commission was paid for the Financial Year 2021-22 in the month of August 2022.

b) Executive Directors

The details of the remuneration paid/payable to the Executive Directors during the financial year ended March 31, 2023 is as under:

(₹ in Million)						
Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Remuneration ⁽¹⁾	Contract Period
1.	Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO	157.30	41.78	199.08	December 01, 2018 – November 30, 2023
2.	Mr. Simon Britsch	Executive Director & CFO	63.33	10.98	74.31	September 01, 2021 – August 31, 2026
3.	Mr. Simon Wiebusch	Whole-time Director	82.20	13.77	95.97	December 17, 2021 – December 16, 2026

Notes:

- (1) The total remuneration for the financial year ended March 31, 2023, excludes the provision of ₹ 25.60 Million made towards Short-Term and unvested Long-Term Incentives related to Executive Directors of the Company.
- (2) Long-Term Incentives amounting to ₹ 41.11 Million was vested with Executive Directors during the financial year ended March 31, 2023.

c) Service contract, notice period and severance fees

Mr. Duraiswami Narain was appointed as the Vice Chairman & Managing Director and CEO 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. Simon Britsch was appointed as Whole-time Director of the Company with effect from September 01, 2021 by the Board of Directors. The employment contract with Mr. Britsch is for a period of 5 years, terminable by 3 months' notice on either side.

Mr. Simon Wiebusch was appointed as Whole-time Director of the Company with effect from December 17, 2021 by the Board of Directors. The employment contract with Mr. Wiebusch 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 and CEO or Whole-time Director(s).

human values, and to serve the interests of Bayer with integrity.

In terms of the Corporate Compliance Program 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 behavior, 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 victimization 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. The Whistle Blower Policy is available on the website of the Company at www.bayer.in.

Policy for Prevention of Sexual Harassment

Your Company aims to provide a respectful and safe working environment for all its employees. While strictly adhering to the norms laid down by law, the Company has in place 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 thereunder. Awareness amongst the employees of the Company was created in a succinct manner with adequate information on the Internal Committee members and certain critical elements of the Policy.

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



During the financial year 2022-23, one complaint with allegation of sexual harassment was received by the Company and the same is handled as per the provisions of the Prevention of Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is a summary of sexual harassment complaints received and disposed off during financial year 2022-23:

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	Nil
Number of complaints pending as at the end of the financial year	1*

*The complaint was received on March 25, 2023, and the inquiries are still on-going.

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. Simon Britsch, 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 BCSL comprises all the organizational 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 a detailed policy to inform the Risk Management Committee about risk assessment and mitigation 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 head 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 Risk Management 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 connected persons, 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 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.

Policy on Related Party Transactions

The Company has formulated a 'Policy on Related Party Transactions' in line with the requirements of the Act and SEBI Listing Regulations which was reviewed on March 24, 2022 by the Audit Committee and Board.

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, 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 IND AS 24 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

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, BCSL 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 17, 2023
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 Saturday, August 05, 2023, till Saturday, August 12, 2023 (both days inclusive).

Proposed Date of Dividend Payment

The final dividend of ₹ 30 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:

- 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 Friday, August 04, 2023.
- in respect of shares held in dematerialized form, to the beneficial owners of the shares as at the close of business hours on Friday, August 04, 2023 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, 2023
Second Quarter and Half Yearly results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Fourth Quarter and Annual Results	On or before May 30, 2024

*Tentative and subject to change

Corporate Identity Number (CIN)	L24210MH1958PLC011173
Registered Office Address	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400607 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



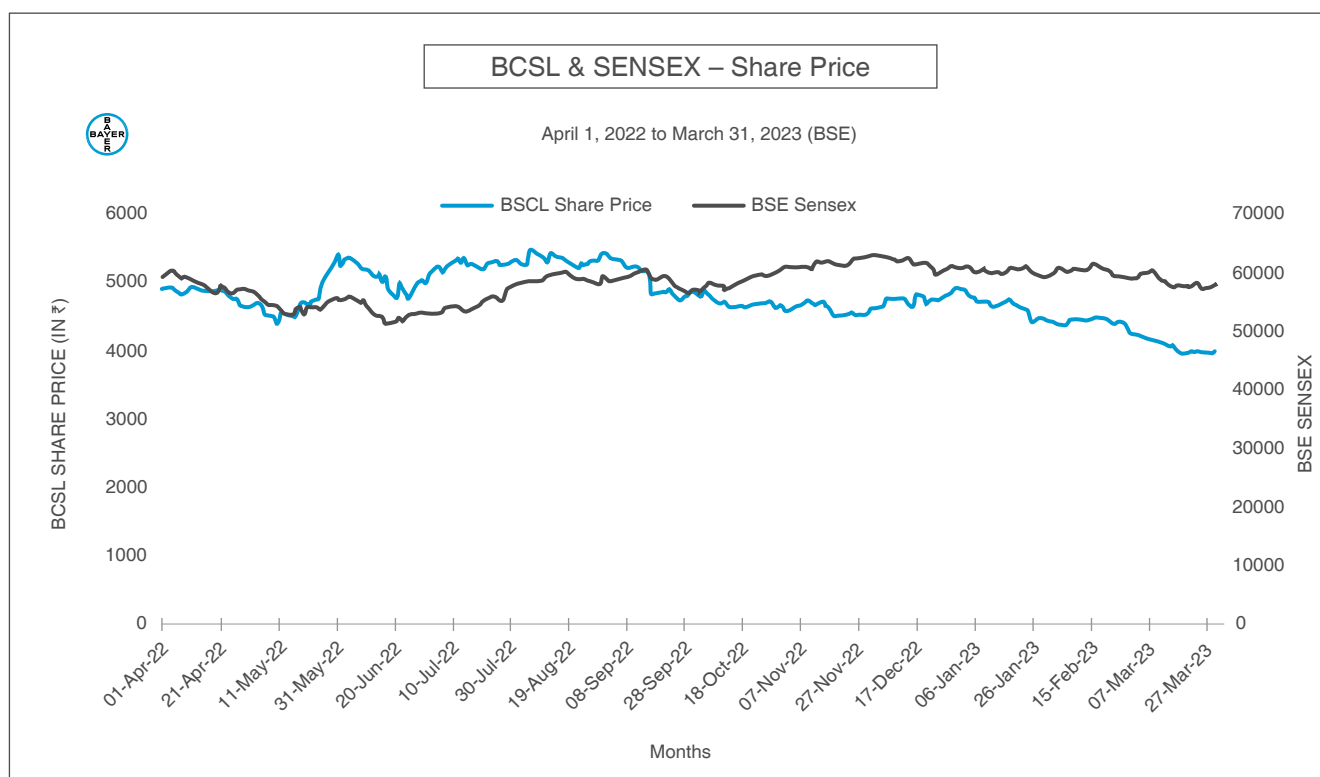
Stock Price Data

The monthly high and low price of the Company’s shares on BSE Limited from April 01, 2022 to March 31, 2023 was as under:

Month	Share Price (In ₹)	
	High Price	Low Price
April 2022	4,994.00	4,627.60
May 2022	5,445.20	4,307.70
June 2022	5,446.80	4,710.10
July 2022	5,395.55	4,984.05
August 2022	5,661.70	5,151.45
September 2022	5,481.65	4,589.10
October 2022	4,996.90	4,598.50
November 2022	4,817.95	4,498.00
December 2022	4,965.00	4,552.00
January 2023	5,031.70	4,416.60
February 2023	4,560.00	4,234.00
March 2023	4,307.65	3,922.45

Stock Performance

Bayer CropScience Limited (“BCSL”) Share Price vis-à-vis BSE Sensex April 01, 2022 to March 31, 2023:



Registrar & Share Transfer Agent

TSR Consultants Private Limited ("TCPL") acts as the Registrar and Share Transfer Agent of the Company. All shareholder-related processing of dividend payments, updation of Register of Members for shares held in physical form and attending to shareholders queries and correspondences viz., requests for duplicates, revalidation, transmission, dividend payment and other investor-related requests are attended by TCPL at its Registered Office situated at:

TSR CONSULTANTS PRIVATE LIMITED (Unit - Bayer CropScience Limited)

C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai - 400083
Tel: +91- 810 811 8484
Fax: +91-22-66568494
Email 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, 7 th Main 3 rd Cross, Hanumanthnagar Bengaluru – 560019 Tel: +91-80-26509004 Email : csg-unit@tcplindia.co.in	2 Kolkata C/o. Link Intime India Private Limited Vaishno Chamber, Flat No. 502 & 503, 5 th Floor, 6, Brabourne Road Kolkata – 700001 Tel: +91-33-40081986 Email : csg-unit@tcplindia.co.in
3 New Delhi C/o. Link Intime India Private Limited Noble Heights, 1 st Floor Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri New Delhi – 110058 Tel: +91-11-49411000 Email : csg-unit@tcplindia.co.in	4 Jamshedpur Qtr. No. L-4/5, Main Road, Bistupur (Beside Chappan - Bhog Sweet Shop) Jamshedpur – 831001 Tel: +91-657-2426937 Email : csg-unit@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 Email : csg-unit@tcplindia.co.in	6 Mumbai Building 17/19, Office No. 415 Rex Chambers, Ballard Estate, Walchand Hirachand Marg, Fort, Mumbai – 400001 Tel: +91- 7304874606

Share Transfer System

In terms of amended Regulation 40 of SEBI Listing Regulations w.e.f. April 01, 2019, transfer of securities is permissible only in electronic/demat form. The shares of the Company being in compulsory dematerialized form, are transferable through the depository system. However, the requests for transmission/transposition/

amalgamation are processed if technically found to be in order and complete in all respects. All such requests processed are approved by the Company on a weekly basis. Further, with effect from January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/



sub-division/splitting/consolidation of securities, transmission/transposition of securities. Also, vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request. The shareholders are required to lodge the Letter of Confirmation with the Depository Participant with whom they maintain their demat account to receive the credit of shares for the service request lodged.

Simplified Norms for processing Investor Service Request

SEBI vide its Circular dated November 03, 2021, December 14, 2021, and March 16, 2023

has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination / Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above-mentioned details are not registered by October 01, 2023, shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt-out of Nomination by sending a physical copy of the prescribed forms duly filled and signed by the registered holders along with the supporting documents stated thereon to TSR Consultants Private Limited (Unit – Bayer CropScience Limited) C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083. The forms are also available at the website of the Company at www.bayer.in.

Distribution of shareholding as on March 31, 2023

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1-500	57713	2217464	97.46
501-1,000	895	607819	1.51
1,001-2,000	308	421675	0.52
2,001-3,000	98	239798	0.17
3,001-4,000	32	112027	0.05
4,001-5,000	34	153238	0.06
5,001-10,000	54	362048	0.09
10,001- 99,999,999,999	84	40828023	0.14
Total	59,218	4,49,42,092	100.00

Shareholding Pattern as on March 31, 2023

Category of Shareholder	Number of Shareholders	Number of Shares	Number of Shares in Dematerialized 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	46	4,291,700	4,291,700	9.55
(b) Financial Institutions / Banks	13	10,863	7,550	0.02
(c) Insurance Companies	20	1,379,660	1,379,660	3.07
(d) Foreign Institutional Investors / Foreign Portfolio Investors - Corps	136	1,429,869	1,429,869	3.18

Category of Shareholder	Number of Shareholders	Number of Shares	Number of Shares in Dematerialized Form	Shareholding as a Percentage of Total Number of Shares
Sub-total (B)(1)	215	7,112,092	7,108,779	15.83
2. (a) Central Govt / State Govt	0	0	0	0.00
Sub-total (B)(2)	0	0	0	0.00
3. Non-Institutions				
(a) Bodies Corporate	708	1,112,247	1,110,063	2.47
(b) Individuals –				
Individual shareholders holding nominal share capital up to ₹ 2 lakh	54,210	3,339,942	3,130,264	7.43
Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	8	359,421	332,261	0.80
(c) Any other				
i. HUF	1,664	370,921	370,921	0.83
ii. Non-Resident Indian (NRI)	2,319	369,368	368,910	0.82
iii. LLP	42	6,320	6,320	0.01
iv. Trust	7	1,560	1,560	0.00
v. Clearing Members	25	1,263	1,263	0.00
vi. Alternate Investment Funds	8	45,977	45,977	0.10
vii. NBFCs registered with RBI	2	5,680	5,680	0.01
viii. Bodies Corp - Non-NBFC	0	0	0	0.00
ix. Foreign Nationals	1	33	33	0.00
x. Directors & Relatives	1	533	533	0.00
xi. IEPF A/c	2	113,736	113,736	0.25
Sub-total (B) (3)	58,997	5,727,001	5,487,521	12.74
Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	59,212	12,839,093	12,596,300	28.57
Total (A)+(B)	59,218	44,942,092	44,699,299	100.00

List of Top 10 shareholders as on March 31, 2023

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	Monsanto Company	1,544,613	3.44
7	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	1,559,381	3.47
8	Mirae Asset Emerging Bluechip Fund	1,174,689	2.61
9	Nippon Life India Trustee Ltd	829,256	1.85
10	HDFC Life Insurance Company Limited	585,310	1.30

**Pledge of Equity Shares**

None of the Equity Shares held by the Promoters and / or Promoter Group as on March 31, 2023 have been pledged or otherwise encumbered.

Dematerialization 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 dematerialized 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 dematerialized with any of the Depositories.

The process of conversion of the shares from physical to electronic form is known as Dematerialization. The member desiring to dematerialize the shares has to open a Demat account with a Depository Participant (DP) of his/her choice. Many nationalized 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 along with Client Master List, 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 dematerialize the shares, if the documents are complete in all respect 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

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details of foreign exchange risk and hedging activities are given in the Directors' Report under the caption 'Foreign Exchange Management'.

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, Lalgadi Malakpet Village, Shamirpet Mandal, Medhchal District – 500078, Telangana

List of Bankers

Sr. No.	Name of Bankers
1	Bank of America
2	Citibank N.A.
3	Deutsche Bank
4	HDFC Bank Limited
5	State Bank of India
6	Axis Bank Limited
7	ICICI Bank Limited
8	HSBC Bank Limited
9	SMBC Limited
10	MUFG Bank Limited
11	Mizuho Bank Limited
12	Cooperative Rabobank U A

Address for Investor Correspondence

1 The Company at the following address:

Bayer CropScience Limited
Law, Patents & Compliance Department
Bayer House, Central Avenue,
Hiranandani Estate,
Thane (West) - 400607.
Tel. No.: +91-25311234
Fax No.: +91-22-2545 5063
E-mail: ir_bcsl@bayer.com
Website: www.bayer.in

2 TCPL at their following address:

TSR 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

3 The Company has a specific Investor Grievance email ID: ir_bcsl@bayer.com

All information / requests for share transfers, dematerialization, 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.

Credit Ratings for Debt Instruments, Fixed Deposit Programs or any other scheme involving mobilization of funds

The Company has not undertaken the issuance of any debt instruments, Fixed Deposit Programs or any other scheme involving mobilization of funds.

9. Other Disclosures

Details of Annual General Meetings held in the past 3 years

Year	Venue	Date	Time
2021-2022	AGM conducted through Video Conferencing/Other Audio-Visual Means (OAVM)	August 22, 2022	03.00 p.m.
2020-2021	AGM conducted through Video Conferencing/Other Audio-Visual Means (OAVM)	August 12, 2021	03:00 p.m.
2019-2020	AGM conducted through Video Conferencing/Other Audio-Visual Means (OAVM)	August 07, 2020	11:00 a.m.

Special Resolutions passed in the previous 3 Annual General Meetings

- Change in place of keeping and inspection of the Registers and Returns of the Company
- Re-appointment of Mr. Pankaj Patel (DIN: 00131852) as the Non-Executive Independent Director of the Company at the AGM held on August 12, 2021

Postal Ballot

During the financial year 2022-23, no resolution(s) were passed through Postal Ballot and no Resolutions are proposed to be conducted through Postal ballot as on the date of this Annual Report.

Details of non-compliance

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

Compliance of Non-mandatory Requirements as on March 31, 2023

- The Board:** During the year under review, no expenses were incurred in connection with the office of the Chairman.
- Shareholder Rights:** The Company ensures that the disclosure of all the information is disseminated on a non-discretionary basis to all the stakeholders.



- **Modified Opinion(s) in Audit Report:** None
- **Separate Posts of Chairman & CEO:** The Chairman and Managing Director are two separate individuals.
- **Reporting of Internal Auditor:** The Company has an in-house Internal Auditor who submits reports to the Audit Committee, regularly.

Affirmation and Disclosure

- No funds have been raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.
- There are no loans and advances in the nature of loans to firms/companies in which directors are interested.
- None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as a Director by SEBI/Ministry of Corporate Affairs or any such statutory authority, which has also been confirmed by M/s. BNP Associates, Practicing Company Secretaries.
- During the financial year ended March 31, 2023, the Board has accepted all recommendations of its committees.
- The Company has duly complied with the requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

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 within the stipulated timelines. The results are also published in leading English newspaper having nationwide circulation, as well as leading Marathi newspaper.

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

Duraiswami Narain

Vice Chairman &
Managing Director and CEO
(DIN: 03310642)
Mumbai

Simon Britsch

Executive Director
& CFO
(DIN: 09194547)
Germany

May 24, 2023

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 Simon Britsch, 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, 2023, 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

Mumbai, India
May 24, 2023

Duraiswami Narain
Vice Chairman & Managing Director
and Chief Executive Officer

Simon Britsch
Executive Director &
Chief Financial Officer

**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)

To,
The Members,
Bayer CropScience Limited
Bayer House, Central Avenue,
Hiranandani Estate, Thane (West)-400607

We, BNP & Associates have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bayer CropScience Limited having CIN: L24210MH1958PLC011173 and having its registered office at Bayer House, Central Avenue, Hiranandani Estate, Thane (West)-400607 (hereinafter referred to as 'the Company'), produced before us through the virtual data room by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including verification of Directors Identification Number (DIN) status] in terms of the portal of Ministry of Corporate Affairs Government of India (MCA) www.mca.gov.in as considered necessary and pursuant to 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 ended on March 31, 2023, have been debarred or disqualified from appointment or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No.	DIN	Name of the Directors	Designation	Date of Appointment *
1	00131852	Mr. Pankaj Ramanbhai Patel	Non-Executive, Independent Director	05/07/2016
2	01031445	Mr. Sekhar Natarajan	Non-Executive, Independent Director	01/10/2019
3	03310642	Mr. Narain Duraiswami	Vice Chairman & Managing Director and Chief Executive Officer	23/10/2018
4	06417704	Dr. Harsh Kumar Bhanwala	Non-Executive, Independent Director	12/02/2021
5	06485949	Dr. Thomas Hoffmann	Non-Executive, Non-Independent Director	16/09/2019
6	07367868	Ms. Ketaki Sanat Bhagwati	Non-Executive, Independent Director	15/01/2019
7	08335591	Mr. Simon Thorsten Wiebusch	Whole-Time Director	17/12/2021
8	09115300	Mr. Brian Naber	Non-Executive, Non-Independent Director	01/01/2022
9	09194547	Mr. Simon Johannes Britsch	Executive Director and Chief Financial Officer	19/03/2022

*Date of appointment of Directors as are appearing on the MCA Portal.

Ensuring the eligibility of every director for appointment / continuity on the Board is the responsibility of the Management of the Company. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management of the Company has conducted the affairs of the Company.

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

Avinash Bagul
Partner

FCS No.: 5578
COP No.:19862

UDIN: F005578E000364145

Place: Mumbai
Date: May 24, 2023

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, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) 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’).

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 information and explanations provided to us and the representations provided by the Management, 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

PR No.: 1908/2022

UDIN: F005445E000357357

Place: Mumbai
Date: May 24, 2023



Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24210MH1958PLC011173						
2.	Name of the Listed Entity	Bayer CropScience Limited						
3.	Year of incorporation	1958						
4.	Registered office address	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400607 Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 5063						
5.	Corporate address	Bayer House, Central Avenue, Hiranandani Estate, Thane (West) - 400607 Tel. No.: + 91 22 2531 1234 Fax No.: + 91 22 2545 5063						
6.	Email	ir_bcs1@bayer.com						
7.	Telephone	+ 91 22 2531 1234						
8.	Website	www.bayer.in						
9.	Financial year for which reporting is being done	FY 2022-23						
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited						
11.	Paid-up Capital	₹ 449,420,920						
12.	Contact Person							
	Name of the Person	Mr. Duraiswami Narain (Vice Chairman & Managing Director and CEO)						
	Telephone	+91 22 2531 1234						
	Email address	ir_bcs1@bayer.com						
13.	Reporting Boundary							
	Type of Reporting (Standalone/Consolidated Basis)	Standalone						
	If selected consolidated: Not Applicable							
		<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Subsidiaries (s) /JVs/ Associate Companies</th> <th>CIN Number</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">None</td> </tr> </tbody> </table>	Sr. No.	Name of the Subsidiaries (s) /JVs/ Associate Companies	CIN Number	None		
Sr. No.	Name of the Subsidiaries (s) /JVs/ Associate Companies	CIN Number						
None								

II. Product/Services

14.	Details of business activities (accounting for 90% of the turnover)	Sr. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
		1	Crop Protection	Manufacture, sale and distribution of agrochemical products	80%
		2	Hybrid Seeds	Production, sale and distribution of Hybrid Corn seeds	13%

15.	Products/Services sold by the entity (accounting for 90% of the entity's Turnover)	Sr. No.	Product/Service	NIC Code	% of Total Turnover contributed
		1	Manufacture, sale and distribution of agrochemical products	20211	80%
		2	Production, sale and distribution of Hybrid Corn seeds	01113	13%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:	Location	Number of plants	No. of Offices	Total
	National	4	24	28
	International	-	-	-
17. Market served by the entity	Locations	Numbers		
	a. No. of Locations	National (No. of States/UT)	20/4	
		International (No. of Countries)	12	
b. What is the contribution of exports as a percentage of the total turnover of the entity?	6%			
c. A brief on types of customers	The Company offers a broad portfolio of hybrid seeds, innovative chemical crop protection products, and extensive customer service for supporting sustainable agriculture. The Company markets these products primarily via wholesalers and retailers. In addition, we also sell our products to corporate entities dealing in selling and distribution of Agri Inputs. In order to support government initiative of offering good quality products for mass distribution, we also supply to government/government agencies.			

IV. Employees

18. Details as at the end of Financial Year:						
Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees and workers (including differently abled)						
Employees						
1	Permanent Employees (A)	1,218	974	80%	244	20%
2	Other than Permanent Employees (B)	126	93	74%	33	26%
3	Total Employees (A+B)	1,344	1,067	79%	277	21%
Workers						
4	Permanent (C)	96	90	94%	6	6%
5	Other than Permanent (D)	2,882	2,865	99%	17	1%
6	Total Workers (C+D)	2,978	2,955	99%	23	1%
b. Differently abled employees and workers						
Employees						
1	Permanent Employees (E)	6	4	67%	2	33%
2	Other than Permanent Employees (F)	0	0	0%	0	0%
3	Total Employees (E+F)	6	4	67%	2	33%
Workers						
4	Permanent (G)	1	1	100%	0	0%
5	Other than Permanent (H)	0	0	0%	0	0%
6	Total Differently Abled Employees (G+H)	1	1	100%	0	0%

19. Participation/Inclusion/Representation of Women

Sr. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	9	1	11%
2	Key Management Personnel (other than Executive Directors)	1	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-23 (Turnover rate in current Financial Year)			FY 2021-22 (Turnover rate in previous Financial Year)			FY 2020-21 (Turnover rate in the year prior to previous Financial Year)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9%	11%	10%	9%	6%	9%	8%	5%	8%
Permanent Workers	5%	0%	5%	3%	0%	3%	2%	0%	2%

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:				
Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / subsidiary / associate / or joint venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Bayer AG	Holding Company	8.43%	No
2.	Bayer CropScience AG	Holding Company	11.91%	No
3.	Bayer SAS	Holding Company	14.73%	No
4.	Monsanto Company	Holding Company	3.44%	No
5.	Monsanto Investments India Private Limited	Holding Company	15.04%	No
6.	Bayer Vapi Private Limited	Holding Company	17.89%	No

VI. CSR Details

22. a.	Whether CSR is applicable as per Section 135 of Companies Act, 2013:	Yes
	Turnover (₹ in Million)	51,397
	Net worth (₹ in Million)	27,121

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for the Grievance Redressal Policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	https://www.bayer.in/en/investors/policies	16	0		15	0	
Communities	Yes							
Investors (other than Shareholders)	Yes							
Employees and Workers	Yes							
Customers	Yes							
Value Chain Partners	Yes							
Other (All Complaints other than Shareholders)	Yes							
			17	1		13	9	

24. Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Mitigation Plan	Financial Implication
Climate Protection	Risk	<p>Weather and climate can significantly impact the Company's business. Adverse weather conditions (such as drought, heavy rains, storms, etc.) pose a risk of crop losses, reduced yields and land degradation and therefore would impact the agricultural value chain as a whole.</p> <p>One of the long-term natural and physical effects of climate change is on the permanent water cycle (for example transition to a wetter or drier climate or delay in monsoon season), spread of diseases and insect pests as well as temperature changes.</p> <p>Introduction of regulatory requirements and economic disruptions due to transition risk could impact the Company's business.</p>	<p>The Company has taken following initiatives to reduce energy and air emissions:</p> <ol style="list-style-type: none"> 1. Energy source diversification through the use of sustainable source as well as renewable energy through installation of solar panel, conversion of dryers to natural gas. 2. Investing in process innovations and in the implementation and optimization of energy management systems at our production sites, such as installation of energy efficient air compressors, dust collection systems, light and motion detection sensors. 3. Optimization of our distribution network to achieve customer centricity has helped the Company to reduce overall logistics footprint. The Company is also envisaging usage of railways as an alternate logistics partner for customer directly shipped from our manufacturing sites. 	Negative - in short-term due to capital expenditure and operating expenditure involved in adoption of renewable energy sources and switching to cleaner fuels.
Protection of the Environment	Risk	<p>Non-reduction of air emissions, water scarcity and inadequacy of clean water in sufficient quantities could lead to disruption of business operations, affect health of the people, animals, and plants.</p> <p>Untreated water discharges from plant location could contaminate the soil or groundwater reserves.</p> <p>Non-compliance of existing or emerging regulations around environment protection such as recycling could result in economic penalties and reputational damage.</p>	<p>The Company has implemented various steps to contribute towards protecting the environment - both internally as well as in association with their customers:</p> <ol style="list-style-type: none"> 1. Environmentally friendly products: Majority of the Company's products are classified as blue and green label products. 2. Process innovations at our sites: We have installed energy efficient air compressors, dust collection systems which would result in lesser air emissions. 3. Water conservation: Adopted rainwater harvesting, implementing drip irrigation and water recycling systems. <p>Also, the Company is advocating transformation of rice cropping system from conventional Transplanted Puddled Rice to Direct Seeded Rice technique, which is anticipated to improve the water usage per kilogram of rice crop by about 25% by 2030.</p> <ol style="list-style-type: none"> 4. Wastewater management: Wastewater at our sites is subject to strict monitoring before it is discharged into the various authorized disposal channels. We have installed online analyzers to monitor critical parameters at the end outlets of their wastewater treatment plants. 	Negative - due to capital expenditure and operating expenditure on systems and processes needed for good environmental performance.



Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Mitigation Plan	Financial Implication
			<p>5. Sustainable farming practices: As a part of farmer advisory, the Company promotes sustainable farming practices that reduces the use of chemicals and prevent soil erosion; these practices include conservation tillage, crop rotation, cover crops, etc.</p> <p>6. Plastic waste management: Set up a mechanism in place to enable collection of plastic from the market and its disposal as per government approved processes.</p>	
Biodiversity	Risk	The biggest threat to biodiversity is the loss, deterioration and fragmentation of habitats due to the Company's operations.	<p>1. The Company is committed towards conserving biodiversity of the areas in which it operates. No new production sites or operations are planned in areas identified as statutorily protected with regards to their natural characteristics, biodiversity, or other factors.</p> <p>2. The Company undertakes initiatives in the form of trainings to farmers for safe use of its products as well as setup mechanism for plastic waste collection and disposal as measure towards avoiding plastic pollution and protecting the environment.</p> <p>3. Sustainable farming practices: As a part of farmer advisory, the Company promotes sustainable farming practices that reduces the use of chemicals and prevent soil erosion; these practices include conservation tillage, crop rotation, cover crops, etc.</p>	Negative - due to fines and penalties that can be levied on the Company for directly or indirectly impacting biodiversity on account of its operations.
Business Ethics	Risk	We strongly believe in conducting our businesses responsibly and in compliance with the statutory requirements and regulations. Any event of non-compliance can affect the Company's reputation, undermine stakeholder trust, disrupt business operations, and could result in financial repercussions, such as fines and penalties.	<p>The Company is committed to compliance and ethical business conduct. The Company believes that compliance is essential for our long-term commercial success, and it will forgo any business transaction that would violate any of the 10 principles in our Corporate Compliance Policy. These principles are:</p> <ul style="list-style-type: none"> - We compete fairly in every market. - We act with integrity in all our business dealings. - We balance economic growth with ecological and social responsibility. - We observe all trade controls that regulate our global business. - We safeguard equal opportunity in securities trading. - We keep accurate books and records. - We treat each other with fairness and respect. - We protect and respect intellectual property rights. - We act in Bayer's best interest. - We protect and secure personal data. <p>We encourage employees and third parties to raise their concerns about compliance. In addition to Company's employees, the SpeakUp Platform / Compliance Hotline is open to any third party who would like to report a possible compliance violation.</p>	Negative - due to expenses related to compliance management system and trainings.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Mitigation Plan	Financial Implication
			<p>This applies irrespective of whether the third party has a business relationship with the Company or whether their own rights are affected. Therefore, besides customers, employees of direct or indirect suppliers, residents around local sites, trade unions and NGOs, for example, are also entitled to submit their concerns.</p> <p>The Company has in place a robust IT-based compliance management tool which helps in monitoring adherence to all relevant laws and regulations.</p>	
Product Stewardship	Opportunity	<p>Product stewardship means that our products meet the highest quality standards and are safe for people and the environment when used properly. With the increasing demand for safe and sustainable products, as well as regulatory requirements surrounding it, product stewardship is a key topic for our business. Hence, we see this as an opportunity to expand our market presence through product stewardship initiatives.</p>	<p>The Company has put in place necessary directives and management systems to implement regulatory and voluntary product stewardship requirements.</p> <p>Our crop protection as well as seeds finished products are subject to stringent regulations prescribing specific and detailed approval and registration procedures. Hence, our products cannot be sold on the market until they have been approved by a competent authority or an official registration has been granted. Further, processes have been established throughout the Company to address inquiries about product safety or problems with our products that are already available on the market.</p> <p>Product counterfeiting is also a concern. We endeavor to resolutely and effectively prevent counterfeiting to ensure our customers have access to our safe and effective original products. In this regard, the following steps have been taken:</p> <ul style="list-style-type: none"> - consumers / farmers have access to digitized versions of product information in their preferred languages by scanning the QR code of product labels. - Company through its field force conduct safety briefings informing the consumers about the usage of PPEs and product handling. Since 2016, Bayer Safe Use Ambassador program is aimed at creating trainers for safe use products has been in place at various State Agricultural universities. 	Positive - due to improvement in market presence.
Human Rights	Risk	<p>Neglecting human rights would have a detrimental effect on the Company's reputation and public image, making it a crucial aspect of our overall responsible business conduct initiative.</p>	<p>Human rights are a matter of great importance for the Company not only within its own sites but across its entire supply chain. One of our Compliance Management principles is to ensure that employees enjoy Fairness and Respect at Work (FRW). All employees are aware of this, and they are encouraged to voice their grievance / concern with regard to FRW via the SpeakUp Platform / Compliance Hotline. Further, Company employees have access to Bayer AG's training program "Respecting Human Rights at Bayer" created to enhance awareness of the importance of human rights in their day-to-day activities.</p>	Negative - due to costs involved in due diligence and training.



Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Mitigation Plan	Financial Implication
			<p>The Company's Supplier Code of Conduct which is circulated and made known to all its suppliers covers topics of Ethics, People and Labor, Quality and Governance Management Systems. Under the topic of People and Labor, the Company has clearly laid out its expectations in respect of avoidance of child labor, avoidance of bonded or forced labor and protecting freely chosen employment, need to have freedom of association, need to have adherence to working time, wages and benefits, importance of equal treatment, etc. During the financial year 2022-23, the Company's Operations team, along with HSE colleagues, conducted reviews at 14 supplier sites (including tolling sites), on various topics, including those mentioned above.</p> <p>Regarding growers in our seeds business, we have implemented a governance mechanism to review practices related to wages and benefits and the avoidance of child labor at the growers' fields.</p>	
Employee Welfare and Occupational Safety	Opportunity	<p>It is well known that availability of trained and skilled workforce in a knowledge-based economy can lead to a significant increase in productivity, more efficient and effective operations which would contribute to Company's success. The advantage of having access to a large pool of trained talent helps us in meeting growing business requirements and is a key ingredient for us to gain competitive advantage.</p>	<p>Recognizing the importance of human resources, the Company has implemented several employee focused initiatives - this ranges from onboarding training, buddy culture, talent management, rewards and recognition, employee training, career development programs etc. In an endeavor to encourage employees to get a holistic work experience, there is a process for internal job rotations, short-term assignments etc. Annual performance evaluation process and Employee Potential evaluation through a 9 Box approach helps the Company to identify top talents and groom them for future leadership roles.</p> <p>The Company believes in open and transparent feedback culture. All managers are encouraged to seek feedback on an anonymous basis from their team members, peers and use the same for self-development. The Company has rolled out 'Employee Voice' surveys at half yearly intervals wherein it seeks feedback from its employees and uses this to make modifications, if need be, to its employee practices. Our hybrid working model, has provided flexibility to the employees and is one more step in ensuring necessary work-life balance.</p> <p>Within the context of Occupational Health and Safety, employees and employees of contractors receive extensive training in the prevention of accidents and safety incidents and in promoting and maintaining their own health. The measures range from general safety briefings to special training courses on the safe handling of chemical substances to web-based training that highlights the advantages and possibilities of a work environment that promotes health.</p>	Positive - due to increased productivity and sustainable operations.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Mitigation Plan	Financial Implication
			<p>We actively promote safety-conscious behavior as an important starting point for preventing accidents and injuries and encourage our employees and those of contractors to immediately report work-related hazards or dangerous situations to their supervisors.</p> <p>Health Safety Environment (HSE) management systems are implemented at our sites. Audits are an integral component of our global HSE management system. They help to ensure compliance with applicable regulations and improve our performance through the management and mitigation of possible HSE risks.</p>	
Supplier Management	Risk	<p>Our businesses operate in a complex and dynamic environment wherein the supply chain involves multiple stakeholders, both organized as well as unorganized and includes growers, suppliers, distributors, retailers, and consumers.</p> <p>In order to enable the Company to provide quality finished products to our customers, it is necessary that our suppliers provide us with the necessary quantity of materials (raw, intermediaries, packing, etc.) on timely basis. Any disruption in the supply chain could potentially adversely affect the production and delivery of our products.</p>	<p>The Company operates according to an established supplier management process. Long-term contracts and active supplier management for strategically important goods and services are important elements of this topic. This helps to minimize our procurement-specific risks such as supply bottlenecks or significant price fluctuations, while at the same time also safeguards the Company's competitiveness and ensuring smooth production processes.</p> <p>In addition to the above, the Company is focusing on sustainable supplier environment. Our expectations from the suppliers are clearly laid out in Supplier Code of Conduct. The document covers topics of Ethics, People and Labor, Quality and Governance Management Systems. From establishing a review mechanism, during the financial year 2022-23, the Company's Operations team, along with HSE colleagues, conducted reviews at 14 supplier sites (including tolling sites), on various topics, including those mentioned above.</p>	Negative - due to adoption of adequate systems and processes and due diligence.
Stakeholder and Community Involvement	Risk	<p>Stakeholder activism has increased in the past few years. Failure to engage and address the concerns of various stakeholders can result in various market and reputational risks.</p>	<p>Stakeholder dialog helps us to recognize important trends and developments in society and our markets at an early stage and take this information into account when shaping our business.</p> <p>In community engagement, the Company is active through its CSR programs. Our community engagement processes involve analyzing and getting to know the beneficiaries, execution of the program and culminates with an impact assessment.</p> <p>For other stakeholders such customers, suppliers, investors, regulators the relevant business function is in close interactions with them at necessary frequencies.</p>	No significant financial impact.



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.bayer.in/en/investors/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	No Certification	ISO 9001 (quality management systems)	ISO 45001 (occupational health & safety management systems)	No certification	Bayer is a founding member of the UN Global Compact and respects the Universal Declaration of Human Rights of the United Nations	ISO 14001 (environmental management systems)	No certification	No certification	No certification
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	BCSL is in the process of setting targets.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	BCSL is in the process of setting targets. Performance of the Company on the individual targets will be reported in the next reporting year.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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Policy and Management Processes

Governance, Leadership and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements.

The BRSR report takes a deeper look at the Company's Environmental, Social and Governance (ESG) challenges and its achievements in the last fiscal.

It is an exciting time to be in the agriculture industry. Today, the future of food production and food security hinges on delivering new tools and technologies to farmers that help solve farm- and field-level challenges while improving overall sustainability. However, the planet continues to experience the impacts of climate change in the form of extreme weather, shifting rainfall patterns, and rising temperatures. This not only poses a risk to the business but is also a potential cause of crop losses, reduced yields and land degradation impacting the agricultural value chain as a whole.

At BCSL, our customer-first perspective guides our efforts to deliver differentiated technologies that help farmers be more productive. We believe our capabilities, expertise, and commitment to serving our customers, positions us rightly to help solve these pressing issues.

Through continuous development of new technologies and sustainable practices, we are assisting farmers in producing more with fewer resources and thereby helping to boost their farm productivity and profitability. Sustainable innovation is helping farms flourish while improving resilience to weed, insect, disease, and extreme weather pressures, and protecting our natural resource.

Along with financial growth, we also prioritize the integration of ESG parameters such as reduction in environmental footprint, engaging and empowering communities, and rural development across our business activities. Additionally, we have also incorporated environmental and social initiatives across our business activities to reduce resource consumption and enhance our sustainability performance.

Our ESG initiatives comprise key mitigation plans categorised with focused steps.

Protecting Clean Air

Under climate protection, the Company is reducing energy and air emissions via energy source diversification using sustainable sources as well as renewable energy through installation of solar panel and conversion of dryers to natural gas. We are investing in process innovations and in the implementation and optimization of energy management systems at our production sites. For example, we have installed energy efficient air compressors, dust collection systems, light and motion detection sensors. Short-term financial implications are a challenge, due to capital expenditure and operating expenditure involved in adoption of renewable energy sources and switching to cleaner fuels.

Saving Water for a secure future

Water conservation is our key ESG goal. For this, BCSL has adopted rainwater harvesting, implemented drip irrigation, and water recycling systems. The Company is also advocating transformation of rice cropping system from the conventional Transplanted Puddled Rice to Direct Seeded Rice technique, which is expected to improve the water usage per kilogram of rice crop by about 25% by 2030. Furthermore, wastewater at our sites is subject to strict monitoring before it is discharged into the various authorized disposal channels. We have installed online analyzers to monitor critical parameters at the end outlets of our wastewater treatment plants.

Ensuring product safety

Furthermore, the Company has put in place necessary directives and management systems to implement regulatory and voluntary product stewardship requirements. To this effect, our crop protection as well as seeds finished products are subject to stringent regulations prescribing specific and detailed approval and registration procedures. Consequently, our products cannot be sold on the market until they have been approved by a competent authority or an official registration has been granted. As product counterfeiting is an area of concern, we endeavor to resolutely and effectively prevent counterfeiting to ensure our customers have access to our safe and effective original products. The following steps have been taken in this regard:

- Consumers/farmers have access to digitized versions of product information in their preferred languages by scanning the QR code of product labels.
- Bayer's field force conducts safety briefings informing consumers about the usage of PPEs and product handling. Since 2016, the BAYER Safe Use Ambassador program aimed at creating trainers for safe use of products, has been in place at various State Agricultural universities.

Preserving Human Rights

Human rights are a matter of great importance for Bayer, not only within its own sites, but across its entire supply chain. One of our Compliance Management principles is to ensure that employees enjoy Fairness and Respect at Work (FRW). All employees are aware of this, and they are encouraged to voice their grievance / concern about FRW via the SpeakUp Platform / Compliance Hotline. Recognizing the importance of human resources, the Company has implemented several employee-focused initiatives such as training during onboarding, buddy culture, talent management, rewards and recognition, employee training, and career development programs among others.

Regarding our seeds business, we have implemented a governance mechanism to review practices pertaining to Wages and Benefits and Avoidance of Child Labor at our growers and seeds tollers. We introduced the practice of maintaining Labor Wage registers by the growers. From a regular oversight perspective, the Field Assistants conduct periodic assessments of the above during their visits to the growers' fields.



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
<p>Corporate Governance at Bayer</p> <p>Bayer has always placed great importance on responsible corporate governance. Good Corporate Governance is a key pillar of our 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.</p> <p>Through compliance with laws, protecting our values, and enhancing our reputation, we strive to ensure the enduring prosperity of our company and build a culture of trust among all our stakeholders. The Company believes in the importance of building stakeholder 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. To maximize transparency, we provide regular and timely information on the Company's corporate position and significant changes in the business activities to shareholders, financial analysts, media and general public.</p> <p>As a global multinational with a rich, proud local heritage in India, we are committed to continuous improvement. We will continue to collaborate with others, relentlessly develop our science, and bring sustainable solutions to new fields. We will drive conversations and engage with society to create a better future where life can be lived to the fullest.</p>									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	CSR & ESG Committee								
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes</p> <p>A CSR & ESG Committee exists, and Mr. Duraiswami Narain is the Chairman.</p>								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	As part of the Internal Audit (global and local), Procurement Audits, HSE Audits as well as Compliance Audit, adherence to policies is checked and recommendations (if any) are made.									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes									Annually								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	No independent assessment has been carried out by an external agency.								

12. If answer to question above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
a. The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
c. The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
d. It is planned to be done in the next financial year (Yes/No)									
e. Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	1	<ul style="list-style-type: none"> 9 NGBRC Principles and 10 Corporate Compliance Principles 	100%
Key Management Personnel	1	<ul style="list-style-type: none"> 9 NGBRC Principles and 10 Corporate Compliance Principles 	100%
	3	<ul style="list-style-type: none"> Barriers to Inclusion Insight combo - Hogan Tool IT Country Integration workshop 	75%
Employees other than BODs and KMPs	19	<ul style="list-style-type: none"> Developing Leadership Mindset Fourth Quadrant for Pre-commercial team Building Cohesive Team and Growth Mindset Agricultural Inputs Marketing Executive Development Program - AIM-EDP Peak Performance Culture S2p Global Team MBTI and Cycle Building COMPASS (COMS & PASS) Resilience Program Supply Chain Team Barriers to Inclusion High Impact Presentation Skills program Resilience First Aid Certification Collaboration to Win New Manager Onboarding Program IT Country Integration workshop Coaching Mandate Insight combo - Hogan Tool Disha Program (IIMM) Learning Nuggets: Performance Excellence Advance Excel 	24%



Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Workers	28	<ul style="list-style-type: none"> • Induction & Refresher training on HSE Topics for all employees including external contractors • Provided PPE for all activities based on risk assessment • Annual & Quarterly Medical checkup for BCS Employees as per legal requirements • Local exhaust ventilation for all formulation & filling/packing activities • Safety work permit system • Process & Plant Safety risk assessment for new and modified process • Management of change procedure. • Ergonomic working conditions • Automation of filling & packing operation. • Safety interlocks provided for machineries to avoid accident/incident • DCS Operation for formulation & filling/packing • Five 'S' Concept is implemented at site to reduce injuries • Behavior Based Safety program is running at site for making safe habits • POSH & FRW • Gyan Vruksh 	100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies/ judicial institutions, in the financial year, in the following format.

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	Principle 6	Gujarat Pollution Control Board ("GPCB") under Water (Prevention and Control of Pollution) Act 1974	₹ 1,275,000 as Interim Environment Damage Compensation	The operations at the Company's crop protection formulations plant located at Himatnagar ("Plant"), Gujarat were temporarily discontinued pursuant to the Directions under Section 33-A of the Water (Prevention and Control of Pollution) Act 1974 from GPCB w.e.f. December 12, 2022. The Company complied with all the observations to the satisfaction of GPCB and upon fulfillment of other conditions GPCB revoked the Directions and the Plant became operational effective December 15, 2022.	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/ agencies/ judicial institutions
-	-

4. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable.

5. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Management Regulations Online (MARGOs) are in place for Anti-corruption or Anti-bribery. Following the weblink: <https://www.bayer.in/en/investors/policies>

6. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

7. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

8. Provide details of any corrective action taken or underway on issues related to fines/penalties/ action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

No such complaint or case of corruption and conflicts of interest registered in FY 2022-23.

LEADERSHIP INDICATORS

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% of persons covered by the awareness programs
1 (Subcontracted labor force)	Safety	100%
1 (Supplier)	Supplier Engagement	<1%
1 (Registered Retailers through Bayer Reward Plus Application (BRP))	Connect Newsletter covering Sustainable Farming Practices, Road Safety, Promoting Rural Entrepreneurship	100%



2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same

Yes. The Company has a policy on Code of Conduct for the Board of Directors and Senior Management of the Company. The policy outlines the process for a conflict of interest for the Directors and Senior Management and are expected to avoid situations in which his/her personal interest could conflict with the interest of the Company. The Company also receives annual declarations from its Board members on the entities they are interested in and ensures requisite approvals as required are in place.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	99%	100%	The Company is empowering seed growers to adopt water saving and sustainable practices. Sustainable practices in the form of drip irrigation and farm ponds are being adopted by growers with an aim of increasing the grower land footprint coverage to 50% by 2025 as compared to 27% in 2022. The Company is committed to supporting the growers through advocacy, training and technical knowledge building and extending financial support on case-to-case basis. In 2022, the drip irrigation and farm ponds initiatives have benefited 1,519 growers covering 5,889 acres and 140 growers from 259 acres respectively. Overall, these initiatives are contributing towards saving water, reducing Green House Gases (GHG) emissions, increasing crop yield and improving farmer incomes thereby contributing towards environmental and social betterment.
Capital Expenditure (CAPEX)	3%	2%	<p>FY 2022-23:</p> <ul style="list-style-type: none"> Installed 50 kWh solar panel on roof top to generate green energy and reduce dependency on traditional energy and carbon emission Installed new filling machine to reduce energy consumption and increase in output optimizing shift operations: ₹ 10.3 Million Capital Investment for energy efficient air compressors: ₹ 2 Million Capital investment for energy efficient dust collection systems: ₹ 3.5 Million Capital investment for natural gas conversion of dryers: ₹ 3.5 Million Capital Investment for 160 tons of refrigerant (TR) chiller: ₹ 6 Million Reduction of water consumption in washrooms by installing sensor taps – ₹ 1.1 Million For proper tracking of ground water consumption, installed magnetic flow meters – ₹ 0.93 Million <p>FY 2021-22:</p> <ul style="list-style-type: none"> Replaced air conditioner with 5 star rated Inverter Type air conditioner which reduces the electrical consumption Installed new filling machine to reduce energy consumption and increase in output optimizing shift operations: ₹ 10.5 Million Capital Investment for solar tubes: ₹ 2.2 Million Capital Investment for new HVAC systems: ₹ 18.5 Million Capital Investment for occupancy sensor: ₹ 0.13 Million Rainwater harvest pond: ₹ 3.8 Million Solar lights: ₹ 0.1 Million

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) Other waste.

Processes are in place to ensure the safe disposal of products, including the disposal of obsolete/damaged inventories or waste. We aim to minimize material consumption and disposal volumes through systematic waste management. Waste separation, safe disposal channels and economically expedient recycling processes serve this purpose. In accordance with our philosophy, all manufacturing sites are obliged to prevent, recycle, and reduce waste and to dispose of it safely.

In line with good environmental practices and in compliance with applicable law, all manufacturing sites of the Company handle (segregation, storage, and disposal) all categories of waste considering the conditions prescribed in authorizations given by State Pollution Control Boards.

- a) Plastic:** Under the 'Plastic Waste Management Rules, 2022', the Company has initiated its Empty Container Management program through a dedicated recycling agency to collect the empty crop protection product containers from consumers and facilitate its safe disposal of the same at state level incineration plant.
- b) E-waste:** The disposal of Bayer IT hardware and storage media is handled in a secure way following our group-wide philosophy with regards to e-waste management. The Company has signed agreements with e-waste vendors who are registered and certified by the government to undertake e-waste disposal in an eco-friendly manner without any adverse effect to the environment.
- c) Hazardous:** The Company has a process to receive back products from the market at the end of its shelf life as well as in case product containers are damaged. Such products are sent back to the manufacturing sites which are then further sent to the authorized parties for incineration. Additionally, autoclave waste generated at Bengaluru Mega Breeding Station (MBS) is also sent to authorized waste vendor
- d) Others:** All our locations (manufacturing sites and offices) have eliminated use of single use plastics. In addition, Shamirpet has installed an organic waste composter to convert organic waste into manure which is then utilized in fields near manufacturing site.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable. We have received the license from the Central Pollution Control Board (CPCB) and have submitted a plan to the CPCB which is in line with the EPR.

LEADERSHIP INDICATORS**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, the Company's sustainability strategy is not restricted to its own operations but also extends to its suppliers through its Supplier Code of Conduct. It covers topics such as Ethics, Labor & Human Rights, Health & Safety, Climate & Environment, Quality and Governance & Management Systems; with the goal of strengthening our mutual understanding of how these principles should be practiced in day-to-day business. In addition, the Company has processes in place to ensure the safe disposal of products, including the disposal of obsolete/damaged inventories or waste in line with relevant state regulations.



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

There is 0% recycled or reused input used in production.

4. Of the products and packaging reclaimed at end-of-life products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

Product	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
a. Plastics (including packaging) (MT)	0.00	1.40	3.40	0.00	5.12	0.84
b. E-Waste (MT)	0.00	0.00	0.80	0.00	0.00	0.00
c. Hazardous Waste (MT)	0.00	0.00	9.52	0.00	0.00	47.11
d. Other Waste (MT) (Non-Hazardous)	0.00	0.00	2,483.00	0.00	0.00	2,439.00

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
a. Plastics (including packaging) (MT)	0%
b. E-Waste (MT)	0%
c. Hazardous Waste (MT)	0%
d. Other Waste (MT)	0%

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
Permanent Employees											
Male	974	974	100%	974	100%	0	0%	974	100%	974	100%
Female	244	244	100%	244	100%	244	100%	0	0%	244	100%
Total	1,218	1,218	100%	1,218	100%	244	20%	974	80%	1,218	100%
Other than Permanent Employees											
Male	93	93	100%	93	100%	0	0%	0	0%	93	100%
Female	33	33	100%	33	100%	33	100%	0	0%	33	100%
Total	126	126	100%	126	100%	33	26%	0	0%	126	100%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
Permanent Workers											
Male	90	90	100%	90	100%	0	0%	90	100%	90	100%
Female	6	6	100%	6	100%	6	100%	0	0%	6	100%
Total	96	96	100%	96	100%	6	6%	90	94%	96	100%
Other than Permanent Workers											
Male	2865	2865	100%	2865	100%	0	0%	0	0%	0	0%
Female	17	17	100%	17	100%	17	100%	0	0%	17	100%
Total	2882	2882	100%	2882	100%	17	1%	0	0%	17	1%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Sr. No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	Yes	100%	100%	Yes
3	ESI	100%	100%	Yes	100%	100%	Yes
4	Others-Please Specify	-	-	-	-	-	-

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all premises/offices are accessible to differently abled employees and workers. These include ramps at entry/exit gates and parking areas (no access or ramps are in restricted zone of production area), spacious lifts available to accommodate wheelchairs. Personal assistance and a wheelchair provided wherever required.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has Equal Opportunity Policy as per the Rights of Persons with Disabilities Act. *Weblink- <https://www.bayer.in/en/investors/policies>*

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	78%	0	0%
Female	100%	100%	0	0%
Total	100%	84%	0	0%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Bayer is committed to conducting business in an ethical and lawful way and we encourage employees to raise their concerns about compliance. Our SpeakUp Platform/Compliance Hotline is available 24/7 for raising grievances. Additionally, a location-based grievances handling mechanism is also in place (https://www.bayer.in/en/investors/policies)
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	



7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%
Permanent Workers						
Male	90	90	100%	92	82	89%
Female	6	6	100%	0	0	0%
Others	0	0	0%	0	0	0%
Total	96	96	100%	92	82	89%

8. Details of training given to employees and workers:

Category	FY 2023 (Current Financial Year)					FY 2022 (Previous Financial Year)					
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation		
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)	
Details of training given to employees and workers:	Employee										
	Male	974	974	100%	214	22%	1,090	1,090	100%	309	28%
	Female	224	224	100%	73	33%	228	228	100%	86	38%
	Total	1,218	1,218	100%	287	24%	1,318	1,318	100%	395	30%
	Worker										
	Male	90	90	100%	90	100%	92	82	89%	82	89%
	Female	6	6	100%	6	100%	0	0	0%	0	0%
	Total	96	96	100%	96	100%	92	82	89%	82	89%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	% (D/C)
Permanent Employees						
Male	974	938	96%	1090	627	58%
Female	244	215	88%	228	116	51%
Others	0	0	0%	0	0	0%
Total	1218	1153	95%	1318	743	56%
Permanent Workers						
Male	90	90	100%	92	82	89%
Female	6	6	100%	0	0	0%
Others	0	0	0%	0	0	0%
Total	96	96	100%	92	82	89%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes
a.1. What is the coverage of such system?	All sites have implemented an occupational health safety management system. All sites also comply with the Bayer Corporate Policy 2055 (https://www.bayer.com/sites/default/files/HSE-Key-requirements.pdf) which lays down the framework for a management systems approach to occupational health and safety. Additionally, Himatnagar, Shamirpet and MBS Bangalore are Occupational Health and Safety Management System ISO 45001 certified since several years.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Sites conduct Occupational Safety and Health risk assessment for all activities. The Risk Assessment document is a live document and includes control/mitigation measures required to reduce risk to an acceptable/manageable level.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes. There are processes for workers to report work-related hazards and to remove themselves from such risks. All safety observations, near misses and incidents are reported in the Bayer Intelex® Incident reporting tool. This online reporting tool is available for all Bayer employees and supervised contractors. The reported incidents are verified by the Health and Safety team and corrective/preventive actions are tracked to closure in the system.
d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes. Employees/Workers have access to non-occupational medical and healthcare services. A Digital health wallet facility with non-occupational annual medical health check-ups, OPD benefits, specialist medical consultation has been extended to all employees.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

“Health for all” is a core element of our corporate vision, which is why the health of our employees is of utmost importance for the Company. Safeguarding the occupational health and safety of our employees, and that of the employees of contractors (commissioned outside companies) who are under the direct supervision of BCSL, involves preventing occupational accidents and occupational illnesses, assessing potential hazards, ensuring comprehensive risk management, and creating a healthy working environment.

The Company’s occupational health management activities include preventive programs ranging from ergonomic workplace and stress management initiatives; as well as programs to support access to reliable and high-quality healthcare; all aimed at promoting healthy behavior.

Within the context of the Company’s occupational health, safety and environmental protection management, Bayer employees and employees of contractors receive extensive training in the prevention of accidents and safety incidents and in promoting and maintaining their own health. The measures range from safety briefings and special training courses (face-to-face as well as web-based training)



Examples of the initiatives implemented are – the safe handling of chemicals, identifying workplace hazards, importance of using personal protective equipment (PPE), awareness of the latest legal requirements, rewarding employees on safe behavior, tracking safety-related KPIs and HSE management system. During the year the Company, at its Shamirpet site, also undertook process optimization measures such as the installation of a dust extraction system, HVLS (High Volume Low Speed) fans, rooftop fall protection system etc.

Additionally, Process & Plant Safety and general HSE audits including explosion protection are conducted periodically and corrective measures are taken, wherever applicable. The Company also undertakes safety assessment such as Hazardous Area Classification and Risk Assessment (HACRA), Process Hazard Analysis (PHA), Hazard & Operability Study (HAZOP) from time to time.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints	0	0	No complaints
Health & Safety	0	0	No complaints	0	0	No complaints

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Directorate of Safety and Health Inspectors and Labor inspectors visit the sites periodically. Any corrective/preventive actions recommended by the authorities are implemented by the sites and compliance is intimated to the respective authorities. As of date, no significant risks/concerns from these assessments are outstanding.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N), (B) Workers (Y/N)?

a. Employees (Yes/No): Yes

b. Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the partners:

Checks are undertaken to ensure that statutory dues have been deducted and deposited by value chain partners at the time of value chain partner invoice processing. Required proofs are submitted by the value chain partners to demonstrate the depositing of statutory dues with regulatory authorities.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current Financial Year 2022	Previous Financial Year 2021	Current Financial Year 2022	Previous Financial Year 2021
Employees	0	0	0	0
Workers	0	1	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, the Company is associated with an outplacement agency for termination cases.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company performs HSE audit of key suppliers following a risk-based approach. Such audit is based on the principles of the Bayer Supplier Code of Conduct that includes environment, and health and safety. In FY 2022-23, BCSL completed 14 such assessments. The assessments include review of regulatory compliance, HSE management systems, emergency response mechanisms, etc. Corrective actions on the gaps identified are reviewed and followed up for compliances. Whenever an assessment is conducted by external agencies, formal reports are prepared, and recommendations are provided to the suppliers. Recommendations are aimed to improve the suppliers' HSE and Compliance Management Systems.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company engages with multiple stakeholders across the entire value chain wherein each business function develops a list of relevant stakeholders and expectations of the Company and respective stakeholders are understood and aligned. Stakeholders are identified based on the Company's industry dynamics, business model, capital structure, dependency on third party to create value and Go-to-market strategy. Identified stakeholders are categorized into four groups:

Partners	Financial Market Participants	Social Interest Groups	Regulators
<ul style="list-style-type: none"> Suppliers Employees Customers Associations Academic Institutions Farmers Growers 	<ul style="list-style-type: none"> Investors Banks Rating Agencies 	<ul style="list-style-type: none"> Communities NGOs General Public 	<ul style="list-style-type: none"> Law Makers Regulatory Authorities/Bodies

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers/ Consumers	No	Multiple	Continuous / Perpetual	Commercial business, Product Stewardship related guidance and understanding their needs
Suppliers	No	Multiple	Continuous / Perpetual	Commercial business, training on code of conduct and good business practices
Employees	No	Multiple	Continuous / Perpetual	General employee trainings and awareness sessions
Associations and Universities/ Schools	No	Multiple	Monthly	Research opportunities
Investors	No	Community Meetings	On need basis	Replying to queries/information sought by investors
Banks and Rating agencies	No	Multiple	Continuous / Perpetual	Commercial business transactions
General Public	No	Press releases	Need basis	Public interactions on emergency preparedness, CSR Implementation
NGOs	No	Multiple	Continuous / Perpetual	Community engagement, discuss key concerns and solutions and discussion topic pertaining to innovation
Local Communities and Competitors	No	Multiple	Continuous / Perpetual	Health and safety related aspects (such as COVID-related safety measures, eye-check drives, information around road safety protocols)

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has an intensive stakeholder consultation mechanism. The Board consults the stakeholders on economic, environmental, and social topics through relevant responsible functions. Feedback from stakeholders is compiled and presented to the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, we use stakeholder consultation for environmental and social topics. BCSL engages with regulatory agencies such as State Pollution Control Boards for consultation on environmental projects such as rainwater harvesting and hazardous waste management. BCSL has piloted the Farm Waste Plastic take back program focused on collecting plastic and hazardous waste from the farming communities where we operate.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

One of our key stakeholders are customers (retail distributor)/consumers (farmers); some of them could be from the vulnerable and marginalized groups. There are occasions wherein due to fluctuating monsoon,

customers/consumers are faced with economic difficulty to pay our receivables on time. In such situations the Company considers these requests for an extended payment window on a case-to-case basis and decides appropriately. Further, we also take initiatives for the development of our surrounding communities and society at large. With regard to smallholder farmers, we have provided an in-depth training on crop agronomy practices advisory, stewardship, safe & judicious use of crop protection products, responsible and safe disposal of pesticides as well as general health tips and awareness on vector control. One of our key initiatives has resulted in creating a conducive eco-system via the Better Life Farming (BLF) alliance. The alliance's agri-entrepreneurship model functions through Better Life Farming Centers that are managed by local agri-entrepreneurs. At these centers, the agri-entrepreneurs enable the 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.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,218	1,218	100%	1,318	1,318	100%
Other than Permanent	126	126	100%	118	118	100%
Total Employees	1,344	1,344	100%	1,436	1,436	100%
Workers						
Permanent	96	96	100%	92	92	100%
Other than Permanent	2,882	2,882	100%	2,885	2,885	100%
Total Workers	2,978	2,978	100%	2,977	2,977	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	974	0	0%	974	100%	1,090	0	0%	1,090	100%
Female	244	0	0%	244	100%	228	0	0%	228	100%
Total	1,218	0	0%	1,218	100%	1,318	0	0%	1,318	100%
Other than Permanent										
Male	93	0	0%	93	100%	89	0	0%	89	100%
Female	33	0	0%	33	100%	29	0	0%	29	100%
Total	126	0	0%	126	100%	118	0	0%	118	100%
Workers										
Permanent										
Male	90	0	0%	90	100%	92	0	0%	92	100%
Female	6	0	0%	6	100%	0	0	0%	0	100%
Total	96	0	0%	96	100%	92	0	0%	92	100%
Other than Permanent										
Male	2,865	1,146	40%	1,719	60%	2,867	1,146	40%	1,721	60%
Female	17	7	40%	10	60%	18	7	40%	11	60%
Total	2,882	1,153	40%	1,729	60%	2,885	1,153	40%	1,732	60%

3. Details of remuneration/salary/wages, in the following format:

(₹ in Million)				
Sr. No.	Type of employee	Gender	Total Number	Median remuneration/salary/wages
1	Directors	Male	8*	39.74*
		Female	1	2.25
2	Key Management Personnel	Male	1	5.8
		Female	0	0.0
3	Employees	Male	974	1.42
		Female	244	1.39
4	Workers	Male	90	0.23
		Female	6	0.15

* The median remuneration is for 6 directors, no remuneration is provided to 2 directors.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to conducting business in an ethical and lawful way and we encourage employees and third parties to raise their concerns about compliance with human rights. Employees can raise the concerns or grievances initially through the management channels by whatever medium available. The Company provides different communication channels to report possible or actual compliance violations- Manager/Supervisor, Department Head, Law, Patents and Compliance Department, Compliance Officer, Internal Audit, Human Resources (for employment-related matters). The aggrieved person can also approach the Chairperson of the Audit Committee of the Company directly to report any concern.

In addition to all Bayer employees, the SpeakUp Platform/Compliance-Hotline is open 24/7 to any third party who would like to report a possible compliance violation anonymously. This applies irrespective of whether the third party has a business relationship with Bayer or whether their own rights are affected. Therefore, besides customers, employees of direct or indirect suppliers, residents around local sites, trade unions and NGOs, for example, are also entitled to submit their concerns. Additionally, a location-based grievances handling mechanism is also in place (<https://www.bayer.in/en/investors/policies>).

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	1	Investigation is underway	0	0	
Discrimination at Workplace	1	0		0	0	
Child Labor	0	0		0	0	
Forced Labor/ Involuntary Labor	0	0		0	0	
Wages	0	0		0	0	
Other Human Rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

In the Company, we want to foster an environment where our employees feel comfortable speaking up and living our values. The Company has a zero-tolerance policy with respect to discrimination and harassment. Employees and third parties who make complaints in good faith are protected against any form of reprisal and are always treated fairly and with respect. The colleagues who undertake such investigations are trained to keep the identity of the complainant anonymous.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Based on the assessments, no corrective action was required.

LEADERSHIP INDICATORS**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

There has been no change in the process for addressing human rights grievances/complaints during the current financial year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Bayer's Supplier Code of Conduct requires that suppliers (including tollers) respect the human rights of their employees, local communities, and vulnerable groups, treat them with dignity and respect. This includes the relevant aspects such as Child Labor Avoidance, Freedom of Association, Freely Chosen Employment, Working Time, Wages and Benefits, Non-Discrimination & Fair Treatment, Use of Security Forces, and Local Communities and Vulnerable groups. During the last year, the HSE colleagues conducted reviews at 14 supplier sites including tolling sites for various topics, including the ones mentioned above. With regard to growers for our seeds business, we have implemented a governance mechanism to review practices pertaining to Wages and Benefits and Avoidance of Child Labor at our growers and seeds tollers. We introduced the practice of maintaining Labor Wage registers by the growers. From a regular oversight perspective, the Field Assistants conduct periodic assessments of the above during their visits to the growers fields.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

Sr. No.	Category	% of value chain partners (by value of business done with such partners) that were assessed		
		Seed Tollers	Crop Protection Toller	CFAs
1	Child Labor	100%	17%	-
2	Forced/Involuntary Labor			10%
3	Sexual Harassment			-
4	Discrimination at Workplace			-
5	Wages			-
6	Others – please specify			-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions recommended by authorities based on assessment results.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ)	29,422.90	31,380.45
Total fuel consumption (B) (GJ)	21,704.56	25,436.62
Energy consumption through other sources (C) (GJ) – (Solar)	290.51	289.10
Total energy consumption (A+B+C) (GJ)	51,417.97	57,106.17
Energy intensity per rupee of turnover (<i>Total energy consumption/ turnover in rupees</i>) (GJ per Million ₹)	1.00	1.21
Energy intensity (<i>optional</i>) – the relevant metric may be selected by the entity (GJ per MT)	2.26	1.90

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No site has been identified as a designated Consumer under Performance Achieve and Trade.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	37,229.63	31,385.53
(iii) Third party water	7,633.00	8,563.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others (Rainwater storage)	0.23	0.08
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	44,862.86	39,948.61
Total volume of water consumption (in kilolitres)	44,853.44	39,948.25
Water intensity per rupee of turnover (<i>Water consumed / turnover</i>) (kl per ₹ Million)	0.87	0.84
Water intensity (<i>optional</i>) – the relevant metric may be selected by the entity - Specific water consumption per unit of product (KI/MT)	1.97	1.33

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment by an external agency has been carried out.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

All sites except Bangalore Mega Breeding Station (MBS) R&D Center have implemented a mechanism for Zero Liquid Discharge, Wastewater generated is treated and reused within the site premises. Bangalore MBS R&D center is discharging effluents post-secondary treatment, this treated water is sent to third party waste disposal agency for further treatment.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	T/year	0.40	0.31
SOx	T/year	0.14	0.14
Particulate matter (PM)	T/year	0.16	0.13
Persistent organic pollutants (POP)	T/Year	0.00	0.00
Volatile organic compounds (VOC)	T/Year	0.04	0.03
Hazardous air pollutants (HAP)	T/year	0.00	0.00
Others – please specify – CO ₂	T/year	37.88	26.83

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	1,637.37	1,678.85
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	2,289.95	2,347.82
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/₹ in Million	0.08	0.09
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/MT	0.17	0.13

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

To reduce GHG emissions at the site, various projects have been implemented, such as replacing energy-inefficient equipment and reducing energy consumption using solar power. As a result of these initiatives, 120,555 kWh of energy is saved annually. In addition, 70 tCO₂e of emissions were reduced by replacing LPG with natural gas as the fuel source for dryers.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste (A)	16.76	12.04
E-waste (B)	1.24	2.42
Bio-medical waste (C)	3.58	1.73
Construction and demolition waste (D)	2,101.80	230.00
Battery waste (E)	1.70	0.40
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	265.72	347.86
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	2,813.96	3,000.67
Total (A+B + C + D + E + F + G+ H)	5,204.78	3,595.12
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	1,040.23	955.82
(ii) Re-used	0.00	269.99
(iii) Other recovery operations	0.57	0.00
Total	1,040.80	1,225.81
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	384.15	506.33
(ii) Landfilling	2,105.94	248.06
(iii) Other disposal operations	1,600.96	1,619.86
Total	4,091.05	2,374.25

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Processes are in place to ensure the safe disposal of products, including the disposal of obsolete/damaged inventories or waste. We aim to minimize material consumption and disposal volumes through systematic waste management. Waste separation, safe disposal channels and economically expedient recycling processes serve this purpose. In accordance with our philosophy, all manufacturing sites are obliged to prevent, recycle, and reduce waste and to dispose of it safely.

In line with good environmental practices and in compliance with applicable law, all manufacturing sites of the Company handle (segregation, storage, and disposal) all categories of waste considering the conditions prescribed in authorizations given by State Pollution Control Boards.

- a) **Plastic:** Under the ‘Plastic Waste Management Rules, 2022’, the Company has initiated its Empty Container Management program through a dedicated recycling agency to collect the empty crop protection product containers from consumers and facilitate its safe disposal of the same at state level incineration plant.
- b) **E-waste:** The disposal of Bayer IT hardware and storage media is handled in a secure way following our group-wide philosophy with regards to e-waste management. The Company has signed agreements with e-waste vendors who are registered and certified by the government to undertake e-waste disposal in an eco-friendly manner without any adverse effect to the environment.

g) Hazardous: The Company has a process to receive back products from the market at the end of its shelf life as well as in case product containers are damaged. Such products are sent back to the manufacturing sites which are then further sent to the authorized parties for incineration. Additionally, autoclave waste generated at Bengaluru Mega Breeding Station (MBS) is also sent to authorized waste vendor.

Others: All our locations (manufacturing sites and offices) have eliminated use of single use plastics. In addition, Shamirpet has installed an organic waste composter to convert organic waste into manure which is then utilized in fields near manufacturing site.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

None of our operations/offices are situated in/around ecologically sensitive areas.

Sr. No.	Location of operations/offices	Type of Operation	Whether the conditions of environmental approval / clearance are being complied with? (Yes/No)	If no, the reasons thereof and corrective action taken, if any
1	NA	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No instances			No		

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with the applicable environmental laws/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules.

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective actions if any
1	Water (Prevention and Control of Pollution) Act	GPCB officials inspected the Company's crop protection formulations plant located at Himatnagar, Gujarat and issued Directions under Section 33-A of the Water (Prevention and Control of Pollution) Act 1974 based on their observations.	₹ 1,275,000/- as Interim Environment Damage Compensation	The Company complied with all the observations to the satisfaction of GPCB and upon fulfillment of other conditions GPCB revoked the Directions.
2	Air (Prevention and Control of Pollution) Act	Nil	Nil	Nil
3	Environment Protection Act and rules thereunder	Nil	Nil	Nil
4	The Hazardous and Other Wastes (Management and Transboundary Movement) Rules,	Nil	Nil	Nil
5	The Plastic Waste Management Rules, 2016	Nil	Nil	Nil



Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective actions if any
6	The E-Waste (Management) Rules	Nil	Nil	Nil
7	The Solid Waste Management Rules	Nil	Nil	Nil
8	The Batteries (Management and Handling) Rules	Nil	Nil	Nil

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (in GJ)		
Total electricity consumption (A) – (Solar)	290.51	289.10
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	290.51	289.10
From non-renewable sources		
Total electricity consumption (D)	29,422.90	31,380.45
Total fuel consumption (E)	21,704.56	25,436.62
Energy consumption through other sources (F)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	51,127.46	56,817.07

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment has been carried out by external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii) To Groundwater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iii) To Seawater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third parties		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment – (Secondary)	9.42	0.36
(v) Others		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	9.42	0.36

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency.

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

There is no site located in areas of water stress.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area -
- (ii) Nature of operations -
- (iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	0.00	0.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others (Municipal corporations)	0.00	0.00
Total volume of water withdrawal (in kilolitres)	0.00	0.00
Total volume of water consumption (in kilolitres)	0.00	0.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.00	0.00
Water intensity (optional) – the relevant metric may be selected by the entity (KI/MT)	0.00	0.00
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(ii) Into Groundwater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iii) Into Seawater		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third parties		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment – (Secondary)	0.00	0.00
(v) Others		
- No treatment	0.00	0.00
- With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	0.00	0.00

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment has been carried out by external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	The Company is in the process of formulating its Green House Gas (GHG) inventory for Scope 3 emissions	–
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/₹		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	TCO ₂ e/MT		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiatives Undertaken	Details of Initiative (Web-link, if any, may be provided along with summary)	Outcome of Initiative
1	Shamirpet: Energy efficient air compressors	Replaced old reciprocating air compressors with latest energy efficient VSD-based models	Energy saved through initiative is 24,000 kWh / Annum
2	Shamirpet: Energy efficient dust collectors	Replaced bag filter dust collectors with cartridge type systems	Energy saved through initiative is 9,000 kWh / Annum
3	Shamirpet: Energy efficient HVAC systems in QT lab	Replaced all split AC with centralized HVAC systems with better control and energy efficiency	Energy saved through initiative is 7,000 kWh / Annum
4	Shamirpet: Pressurized Natural gas fuel for dryers	Replaced LPG with Natural gas as fuel for dryers	70 tCO ₂ e reduced
5	Mega Breeding Station (MBS): Rainwater Harvesting pits	Rainwater collected from 17.5 acres of land and stored in a pond and used for irrigation.	800 KL of water harvested

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has a Crisis Management Manual in place. The weblink is as following: <https://www.bayer.in/en/investors/policies>

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No significant adverse impact to the environment was identified as a part of assessment done at value chain partner sites.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

7%

PRINCIPLE 7: BUSINESSES WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/associations.

We are affiliated with twenty-seven major associations through which we actively participate in the overall development of industrial landscape.

b) List the top 10 trade and industry chambers /associations (determined based on the total members of such a body) the entity is a member of / affiliated to.

The trade and industry chambers /associations the entity is a member of/ affiliated	Reach of trade and industry chambers/ associations (state/national)
The Federation of Indian Chambers of Commerce and Industry (FICCI) - Agrochemicals & Seeds/Traits	National
The Associated Chambers of Commerce and Industry of India (ASSOCHAM) - Agrochemicals, Seeds, ES, etc.	National
Confederation of Indian Industries (CII) - Agrochemicals and Seeds/Traits. Bayer is a member of the committee, however, no membership in CII	National
Crop Life India (CLI) - Agrochemicals	National
Federation of Seed Industry of India - Seeds	National
Alliance for Agri Innovations (Biotech, Gene editing, new innovative technologies)	National
Public Affairs Forum of India (External Communication) – Seeds, Agrochemicals, Traits & Policy	National
AgroChem Federation of India (Agrochemicals & Seeds/Traits)	National
Indo-German Chamber of Commerce - External Communication - Agrochemicals & Seeds/Traits	National
PHD Chamber of Commerce & Industry	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

There are no instances of adverse orders from regulatory authorities.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

Sr. No.	Public policy advocated	Method resort for such advocacy	Whether the information is available in the public domain? (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly/ Other- please specify)	Web Link, if available
1	India Ag policy overview	Industry platforms, Conferences, Internet	Yes	Need based	https://www.cropscience.bayer.in/Sustainable-Crop-Solutions/Our-Principles
2	ITPGRFA synopsis (biodiversity)		https://www.bayer.com/en/sustainability/position-biodiversity		
3	Sustainable Ag - Carbon		https://www.bayer.com/en/sustainability/sustainable-policy		
4	Kisan drones		https://www.bayer.com/en/agriculture/article/drones-revolutionize-farmers-lives		
5	Farmer linkages - FPO, BLF		https://www.cropscience.bayer.in/Sustainable-Crop-Solutions/Food-Chain-Partnerships		
6	Direct seeded rice		https://www.bayer.in/en/thisisbayer/sustainable-rice-project		
7	Genome editing in plants		https://www.bayer.com/en/agriculture/genome-editing		
8	Biotech traits		https://www.bayer.com/en/agriculture/seeds-traits		
9	ESG		https://www.bayer.in/en/development		
10	Plastic Waste Management		https://www.cropscience.bayer.in/Sustainable-Crop-Solutions/Our-Principles		

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

We have not undertaken any projects requiring Social Impact Assessment (SIA).

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not applicable

3. Describe the mechanisms to receive and redress grievances of the community:

The Company is committed to conducting business in an ethical and lawful way and we encourage employees and third parties to raise their concerns. In addition to all Bayer employees, the Compliance-Hotline is open to any third party who would like to report a possible compliance violation. This applies irrespective of whether the third party has a business relationship with Bayer or whether their own rights are affected. Therefore, besides customers, employees of direct or indirect suppliers, residents around local sites, trade unions and NGOs, for example, are also entitled to submit their concerns.

SpeakUp Platform/Compliance Hotline is available 24/7 for raising grievances for internal/external stakeholders. Additionally, a location-based grievances handling mechanism is also in place (<https://www.bayer.in/en/investors/policies>)

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/Small producers	9%	8%
Sourced directly from within the district and neighbouring districts	33%	31%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

We have not undertaken any projects requiring Social Impact Assessment (SIA).

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount Spent (₹)
1	Maharashtra	Osmanabad, Nandurbar	1,76,82,325
2	Jharkhand	Latehar, Dumka, Lohardaga	1,41,06,652
3	Chhattisgarh	Narayanpur, Kondagaon	1,41,06,652
4	Odisha	Rayagada, Dhenkanal	76,91,128
5	Madhya Pradesh	Barwani, Kondwa, Khandwa	1,41,60,779
6	Bihar	Araria, Katihar	1,15,85,694
7	Andhra Pradesh	Vizianagaram, Visakhapatnam	25,11,727
8	Karnataka	Raichur	2,01,39,154
9	Kerala	Wayanad	2,40,000
10	Tamil Nadu	Ramanathapuram, Virudhunagar	2,40,000
11	Uttar Pradesh	Bahraich, Chandauli, Balrampur, Sonbhadra	26,67,376

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No, currently there is no Preferential Procurement Policy in place. The Preferential Procurement Policy is part of the procurement roadmap.

(b) From which marginalized/vulnerable groups do you procure?

No

(c) What percentage of total procurement (by value) does it constitute?

No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects.

Sr. No.	CSR Project	No. of persons benefited from CSR Projects as on March 31, 2023	% of beneficiaries from vulnerable and marginalized groups
1	Strengthening and Nurturing FPO's (Farmer Producer Organizations) and providing holistic solutions, with an aim to sustainably improve the livelihoods of smallholder farmers	21,000	100%
2	Comprehensive Telemedicine solutions providing quality healthcare for rural communities	1,43,775	100%
3	Promoting Science Education through adoption of ATLS (Atal Tinkering Labs) an encouraging science education amongst school children	29,233	100%
4	Fellowship Program-MEDHA to support 125 Masters and PhD students in the field of agriculture and life sciences across the country	125	100%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumer Complaints:

The Company is committed to conducting business in an ethical and lawful way and we encourage employees and third parties to raise their concerns whenever required. Consumers can inform their complaints/provide their feedback through a toll-free number on Bayer's national helpline number 'HELLO BAYER'. These calls are answered by local agri-experts who are trained in multiple Indian languages. Further, there is an email id customercare@bayer.com where consumer can record their complaints. Call Centers after receiving the complaints divert the same to the Front-End Commercial teams for appropriate resolution. In addition, the Company has a SpeakUp Platform/Compliance-Hotline that is open 24/7 to any third party who would like to report a possible compliance violation anonymously <https://www.bayer.in/en/investors/policies>.

2. Turnover of products and services as a percentage of turnover from all products/services that carry information.

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints

	FY 2022-23 Current Financial Year		Remarks	FY 2021-22 Previous Financial Year	
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year
Data privacy	0	0		0	0
Advertising	0	0		0	0
Cyber-security	0	0		0	0
Delivery of essential services	0	0		0	0
Restrictive Trade Practices	0	0		0	0
Unfair Trade Practices	0	0		0	0
Others (Specifications, Labelling, and Packaging)	7	7	For 2022-23: 7 for product liability. For 2021-22: 18 for product liability.	18	18

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	0	There have been no product safety related recalls in FY 2022-23.
Forced recalls	0	

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, for Data Privacy and Information Security, we have respective policies in place. Following is the weblink: <https://www.bayer.in/en/investors/policies>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There was no need to take a corrective action as the Company did not have any instance of product recall due to safety issues or cyber security or data privacy related to customers.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information for our Products and some of our Services is available on www.cropscience.bayer.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company takes constructive steps for educating consumers about product safety and responsible usage. Multiple protocols are followed as per law and information is provided to the consumers on a timely basis.

Packaging of our products is done as per the Indian Institute of Packaging (IIP) requirement, Material Safety Data Sheet (MSDS), Tremcards and labels are provided to customers. In addition, SOPs for safe usage and handling of materials as well as brochure are available which mentions HSE requirements.

Consumers are able to access digitized versions of product information in their preferred languages by scanning the QR code of product labels.

The Company through its field force conduct safety briefings informing the consumers about the usage of PPEs and product handling. Since 2016, the BAYER Safe Use Ambassador program aimed at creating trainers for safe use products has been in place at various state agricultural universities. From dissemination of information perspective, there is a YouTube channel which provides safe use information in dramatized SOP versions in eight languages.

The Company has got regulatory approval with regard to usage of drones for spraying crop protection products which would enable minimalistic human contact and is in line with recommended stewardship guidelines.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company is in constant exchange with its customers/consumers and any disruption in the supply of products that is foreseen in the near future is informed to them.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

a. As part of label information, we are providing additional information related to Resistance Management for most of our products. The information is printed in the form of internationally accepted / followed Mode of Action (MoA) based icon and the statements in the DFU (Direction for use) which is an integral part of the product label. We do share additional recommendations for successful usage via field teams and via Farmrise.

b. Yes, we undertake different surveys for customer satisfaction and perceptions related to our products. This is only done for the top products.

5. Provide the following information relating to data breaches:

a. **Number of instances of data breaches along with impact** - Nil

b. **Percentage of data breaches involving personally identifiable information of customers** - Nil

Management Discussion & Analysis Report

1. Overview of Indian Agriculture

With the record for second-largest agricultural land in the world, India's agricultural sector is the backbone of the economy, being the primary source of livelihood for ~58% of the population. India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar.

The performance of the agriculture sector has been buoyant over the past several years, on account of the measures taken by the government to augment crop productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund (AIF).

India is one of the largest agricultural product exporters in the world. India's agricultural exports grew 9% in FY23 in comparison to FY22 amounting to US\$ 26.3 Billion¹. The shipment of products under the Agricultural and Processed Food Products Exports development authority (APEDA) basket surpassed the target of US\$ 23.56 Billion for FY23. The spike was driven by substantial rise in the shipments of rice, fruits and vegetables, livestock, and dairy products. The rise in agricultural exports helps to improve realizations for farmers and has an overall positive impact on their income. To boost exports, the Government's Farmer Connect Portal continues to provide a platform for farmer producer organizations and companies as well as cooperatives to directly interact with exporters. The largest importers of India's agricultural products are the USA, Bangladesh, China, UAE, Indonesia, Vietnam, Saudi Arabia, Iran, Nepal and Malaysia. The other importing countries are Korea, Japan, Italy, and the UK.

The Government of India is keen to organize virtual buyer-seller meets (V-BSM) on agricultural and food products with the major importing countries to provide a platform to connect exporters and importers. So far 17 V-BSMs have been organized with Kuwait, Indonesia, Switzerland, Belgium and Iran.

The Indian agricultural sector is poised for robust growth driven by a growing population, rising income levels in both rural and urban areas, tremendous market development stimulated by the growing adoption of cutting-edge techniques including blockchain, artificial intelligence (AI), geographic information systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications.

The sector is expected to generate better momentum in the future due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. The growing use of genetically modified crops will likely improve the yield. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

Government support

The government's commitment to increasing farmers' income is reflected in growing agri-exports. Various initiatives taken by the government through APEDA such as organizing B2B exhibitions in different countries, exploring new potential markets through product-specific and general marketing campaigns have worked as catalysts to grow exports. The government has created a product matrix for 50 agricultural products with strong export potential and recognized 220 labs to provide services for testing a wide range of products to enable exporters². To promote the adoption of technology and further the Make in India initiative, the government has made available Kisan drones for the farmers which are aimed at automated spraying of insecticides and nutrients on farms.

1. Agri and processed food exports up by 9% in FY23 - IndBiz | Economic Diplomacy Division | IndBiz | Economic Diplomacy Division
2. Centre creates matrix for 50 agricultural products with good export potential to help boost agri exports (pib.gov.in)

Continued government support for the agriculture sector was reflected in the Union Budget 2022-23 announcements:

- ₹ 1.25 lakh crore allocated to the Department of Agriculture, Cooperation and Farmers' Welfare³.
- ₹ 8,514 crore allocated to the Department of Agricultural Research and Education⁴.
- Agriculture Accelerator Fund launched to support agri-startups by young entrepreneurs.
- Provision of ₹ 450 crore made for the Digital Agriculture Mission and ₹ 600 crores allocated for the promotion of the agriculture sector through technology⁵.
- Plan to empower 10 million farmers to switch to natural farming⁶.
- To assist farmers in storing their produce and obtaining fair prices through timely sales, a sizable, decentralized storage capacity to be set up.
- A Digital Public Infrastructure for Agriculture will be created as an open source, open standard, and interconnected general welfare. This will be aimed at solutions that are inclusive of farmers and help to increase access to farm inputs, market intelligence, and support for startups in the agriculture sector.
- PM PRANAM to be launched to encourage states and Union Territories to use alternative fertilizers.
- ₹ 2,516 crore investment made to start computerizing 63,000 Primary Agricultural Credit Societies⁷.

Other than the Budget, government initiatives during the year include:

- In October 2022, PM Kisan Samman Sammelan 2022 was inaugurated with the release of PM-KISAN Funds worth ₹ 16,000 crores⁸.
- In August 2022, four new facilities at the Central Arid Zone Research Institute were inaugurated, which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research⁹.
- In February 2023, ₹ 126.99 crores were released towards Kisan Drone promotion including ₹ 52.50 crores to the Indian Council of Agriculture Research (ICAR) for the purchase of 300 Kisan Drones and organizing their demonstrations on the farmers' fields in 75000 hectares through 100 KVKs, 75 ICAR institutions and 25 SAUs. It also includes funds released to various State Governments for the supply of more than 300 Kisan Drones to farmers on subsidy and the establishment of more than 1500 Kisan Drone CHCs to provide drone services to the farmers¹⁰.
- In February 2022, a network of 729 Krishi Vigyan Kendras was established at the district level across the country to ensure that newer technologies such as improved variety seeds of crops, new breeds/ strains of livestock and fish, and improved production and protection technologies reach farmers¹¹.
- In February 2023, the 13th installment of the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) Benefits under the PM Kisan program was distributed.
- As per the economic survey 2022-23, ₹13,681 crores were sanctioned for Post-Harvest Support and Community Farms under the AIF¹².

3. Press Information Bureau (pib.gov.in)

4. Agriculture Budget 2023: Key Highlights, Schemes, Details Analysis for UPSC & Govt. Exams (jagranjosh.com)

5. Press Information Bureau (pib.gov.in)

6. Budget 2023: Boost to Natural Farming (investindia.gov.in)

7. HIGHLIGHTS OF THE UNION BUDGET 2023-24 (pib.gov.in)

8. Press Information Bureau (pib.gov.in)

9. Press Information Bureau (pib.gov.in)

10. pib.gov.in/PressReleaselframePage.aspx?PRID=1898051

11. Press Information Bureau (pib.gov.in)

12. Press Information Bureau (pib.gov.in)

Foodgrain production in 2022-23¹³

As per the third Advance Estimate of production of major crops for 2022-23, total food grain production in the country is at a record 330.53 Million tonnes (MT), 14.92 MT higher than in 2021-22. This is the highest ever foodgrain production in India. The production during 2022-23 is higher by 31.72 MT than the previous five years' (2017-18 to 2021-22) average production of foodgrains. The continuous agricultural development in the country is attributable to the perseverance of farmers, the proficiency of scientists and farmer-friendly policies.

2. Industry Overview

Impact of monsoon¹⁴

The southwest monsoon seasonal rainfall during June to September 2022 as a whole had been above normal (105 -110% of Long Period Average (LPA)). Quantitatively, all India monsoon seasonal rainfall during 1 June to 30 September 2022 had been 92.5 cm against the LPA of 87.0 cm based on data of 1971-2020. The southwest monsoon seasonal rainfall had been above normal over South peninsula (122% of LPA) and Central India (119 % of LPA). Seasonal rainfall had been normal over Northwest India (101%) and below normal over East and Northeast India (82%). The southwest monsoon seasonal rainfall over the monsoon core zone, which consists of most of the rainfed agriculture regions in the country had been above normal (120% of LPA). These 6 Met subdivisions which got deficient rainfall are West Uttar Pradesh, East Uttar Pradesh, Bihar, Jharkhand, Gangetic West Bengal, and Nagaland, Manipur, Mizoram & Tripura (NMMT). Considering month-to-month rainfall variation over the country as a whole, the season was very unique with contrasting month-to-month variation. The rainfall over the country as a whole was 92%, 117%, 104% and 108% of LPA during June, July, August and September respectively. The Southwest monsoon set in over Kerala on 29th May against the normal date of 1st June and covered the entire country by 2nd July against the normal date of 8th July.

Crop Protection¹⁵

Indian agriculture has been underperforming due to low crop yields with yields much lower than in North American and European regions, and in similar countries, such as China. Uncontrolled pests significantly reduce the quantity and quality of food production. It is estimated that annual crop losses could double without the use of crop protection products. Food crops must compete with 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. There is a dire need to include crop protection chemicals in agricultural practices to protect crops from pests and increase yield.

Farmers are increasingly realizing the need for increasing crop yields leading to increased demand for crop protection chemicals. Farmers are focusing on increasing production with proper pest management and the use of crop protection products, such as insecticides, fungicides, and nematicides. The industry has a huge unrealized potential due to the low level of agrochemical consumption. India is the fourth-largest manufacturer of agrochemicals after the United States, Japan, and China and has emerged as the 13th largest exporter of pesticides globally¹⁶. However, India's pesticide consumption is one of the lowest in the world with per hectare consumption of just 0.60 Kg as compared to UK at 5 Kg/ha and Japan at 12 Kg/ha.

India's agrochemicals sector grew 23% in FY22 and is expected to grow at 15-17% in FY23, primarily driven by strong exports and stable domestic demand, according to Crisil¹⁷. India is expected to continue to benefit from the "China plus one" strategy of global players and as patents on key molecules expire. It is estimated that molecules worth US\$4 Billion will be going off-patent over the next two years.

Insecticides dominate the Indian crop protection market with 53% share. Herbicides are, however, emerging as the fastest-growing segment. Paddy

13. pib.gov.in/PressReleaseSelfframePage.aspx?PRID=1927272#:~:text=As per Third Advance Estimates%2C the estimated production,Lakh Tonnes %28Record%29 Bajra – 111.66 Lakh Tonnes, doc2023525205101.pdf (pib.gov.in)
14. [20221001_pr_1849.pdf](https://www.imd.gov.in/20221001_pr_1849.pdf) (imd.gov.in)
15. India Crop Protection Chemicals Market Size & Share Analysis - Industry Research Report - Growth Trends (mordorintelligence.com)
16. India Crop Protection Market Overview, 2022-28 (marketresearch.com)
17. India's agrochemicals industry to see double-digit growth in FY23 and FY24 on strong exports boost, says Crisil | Business Insider India

accounts for the maximum share of pesticide consumption, followed by cotton. The eight states including Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for usage of >70% of the agrochemicals used in India. Andhra Pradesh has the highest market share of 24%.

Indian population is increasing and the per capita size of land decreasing, thus the use of pesticides in India has to improve further. Besides increasing domestic consumption, the exports by the Indian crop protection industry can be doubled in the coming years if proper strategies and sophisticated technologies are adopted.

Seeds

The escalating demand for genetically modified seeds helping in enhancing the quantity of the yield is one of the primary factors driving the seed industry in India. With growing awareness among farmers, the popularity of hybrid seeds is growing as compared to the utilization of outmoded open-pollinated varieties. In India, hybrids dominated over open-pollinated varieties, due to higher pest-resistant properties of these seeds and lesser losses and cost of production. This increased demand for hybrid seeds has boosted the market for commercial seeds. This trend has encouraged farmers to shift their focus from conventional seed sources to packaged seeds that promise better yields. In commercial seed cultivation areas, hybrids accounted for 65% area, whereas OPVs account for the remaining 35% area in 2021¹⁸.

Leading seed breeders are increasingly introducing advanced digital technologies to help farmers overcome the negative impacts of pests, climate, and other environmental factors. With changing times and technological advancement, there has been growing use of integration of data science, AI tools, advanced phenomics, and genomics, patent protection systems, inflating income levels of individuals, and intellectual rights over plant varieties, in the agricultural sector. Moreover, increasing investments in research and development activities to enhance crop production, supply chain management, and quality assurance is expected to drive the seed industry in India.

According to IMARC, the seed industry in India size US\$ 6.3 Billion in 2022 and is expected to grow to US\$ 12.7 Billion by 2028, at 12.43% CAGR¹⁹. The growing population coupled with the ample availability of rich arable lands and different agro-climatic zones, act as a key enabler for the seeds industry growth. Along with this, various opportunities provided by the government to encourage farmers and breeders are creating a positive outlook for the market. The government has introduced various schemes like Integrated Scheme for Oilseeds, Pulses, Oil Palm, and Maize, and Rashtriya Krishi Vikas Yojana, etc.

Digital Farming

The government is striving to absorb digital technology in the agricultural sector since it is expected to play a transformational role in modernizing and organizing agricultural activities. There has been a steady rise in the adoption of digital technologies in the agricultural value system with growing farmer awareness. Various measures are taken by the government to provide farmers with ready access to technology and information and give the much need push to digital agriculture in the country.

The government has finalized the core concept of the India Digital Ecosystem of Agriculture (IDEA) framework to lay down the architecture for the federated farmers' database. IDEA would serve as a foundation to build innovative agri-focused solutions leveraging emerging technologies to contribute effectively in creating a better ecosystem for agriculture. This shall aid in increasing the income of farmers in particular and improving efficiency. Under National e-Governance Plan in Agriculture, funds are released to states/UTs for projects involving the use of modern technologies like AI, machine learning, robotics, drones, data analytics, blockchain, etc.

For instance, in the last few years, the use of spray drones, remote and electric-operated devices, has become commonplace in farming. Sprayer drones help to apply chemicals over crops using a small tank and spray nozzle. These drones fly slightly above the crops and are useful in the targeted application of pesticides saving money and time.

18. India Seed Market Size & Share Analysis - Industry Research Report - Growth Trends (mordorintelligence.com)

19. Seed Industry in India | Share, Size, Growth, Trends and Forecast 2023-2028 (imarcgroup.com)

More importantly, the drone spray technique eliminates all the harmful effects that chemicals can have on humans. A drone spray can typically cover an acre of land in 15-20 minutes.

The Sub Mission on Agricultural Mechanization is aimed at 'reaching the unreached' by bringing to the small and marginal farmers in the core and giving the benefits of farm mechanization. This is done by promoting 'Custom Hiring Centers', creating hubs for hi-tech & high-value farm equipment, distributing various agricultural equipment, creating awareness among stakeholders through demonstration and capacity-building activities, and ensuring performance-testing and certification at designated testing centers.

National Agriculture Market (e-NAM) is a pan-India electronic trading portal that networks the existing Agricultural Produce Market Committee (APMC) mandis to create a unified national market for agricultural commodities. Digital services are provided to traders, farmers, Farmers Producer Organizations (FPO), and mandis through various modules of the e-NAM platform.

Under the PM KISAN Scheme, fund is directly transferred into the bank accounts of the eligible farmers under Direct Benefit Transfer mode. Farmers can self-register in the portal. Mobile App was launched to broaden the reach of the scheme.

Integrated Scheme for Agricultural Marketing schemes (AGMARKNET) to promote the creation of agricultural marketing infrastructure by providing backend subsidy support. Services are provided through the AGMARKNET portal, a G2C e-governance portal, which caters to the needs of various stakeholders such as farmers, industry, policy makers and academic institutions by providing agricultural marketing-related information from a single window. It facilitates web-based information flow, of the daily arrivals and prices of commodities in the agricultural produce markets spread across the country.

AIF helps to mobilize debt finances facility for investment in viable projects for post-harvest management infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country. Financial assistance is provided digitally in the form of interest subvention and credit guarantee for setting up post-harvest management infrastructure.

Kisan Suvidha mobile application was developed to facilitate the dissemination of information to farmers on critical parameters like weather, market prices, plant protection, input dealers, farm machinery, soil health card, cold storages and godowns, veterinary centers and diagnostic labs, etc.

The ICAR has compiled more than 100 mobile apps and uploaded them on its website, in the areas of crops, horticulture, veterinary, dairy, poultry, fisheries, natural resources management and integrated subjects. These apps offer valuable information to the farmers, including packages of practices, market prices of various commodities, weather-related information, advisory services, etc. The government is also providing advisories services on various crop-related matters to the registered farmers through SMSs.

3. Company Overview

Bayer CropScience Limited is a key player in the Indian agriculture industry. The Company's operations include three key business areas: Crop Protection, Seeds & Traits 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 focuses 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. BCSL's product portfolio consists of hybrid seeds for crops such as corn and paddy.
- **Digital Farming:** Modern farming method that uses technology to improve crop yield and efficiency while reducing waste and environmental impact. At the top end of the spectrum, it involves using various technologies such as remote sensing, IoT sensors, GPS, drones, artificial intelligence, and data analytics

to monitor and manage crop growth, soil quality, weather patterns, and other factors that affect crop production. Digital can also add value in market linkage, financial inclusion, access to farm machinery and labor and removing information silos. At Bayer, we are committed to bringing digital innovations at scale to benefit farmers in small-holder markets as well through FarmRise™ and various other digital applications such as drones for spray services, etc.

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 overcome 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 100 Million people employed directly or indirectly in farming operations. Together, these 200 Million people represent ~58% of India's working population. Smallholder farmers own landholdings that are less than 2 hectares of land. Besides fragmented land, they grapple with limited access to natural resources, modern agricultural technologies, finance, credit, market linkages and growing concerns of a shortage of labour. To ensure safe, affordable and enough food, it is important to tackle farmers' challenges around low productivity and income.

Better Life Farming: a multi-stakeholder partnership

As of 2023, more than 20 million smallholder farmers across India were supported by Bayer's agri-inputs, technologies, farm advisory, and digital solutions. One of the key programs 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; 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 and Fertis India Private Limited for soil and nutrient management and Axis Bank, Jai Kisan 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.

Better Life Farming has led to a doubling of crop yields, and a tripling of farm incomes among participating 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.

The BLF Alliance's agri-entrepreneurship model functions through Better Life Farming Centers run by local agri-entrepreneurs. At these centers, agri-entrepreneurs enable the 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 mechanization services as well as crop advisory.

Currently, over 1,500 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 5,000 agri-entrepreneurs across horticulture, corn, and rice crops. The BLF Alliance has also adopted a gender-smart approach by promoting women agri-entrepreneurs to serve women smallholder farmers.



Food Value Chain Partnership

Food Value 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 Value Chain Partnerships across 39 countries in 64 different crops. Bayer's Food Value 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 Value 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

- 80 Food Chain Partnerships across 392,000 acres and 16 crops, benefiting 115,000 farmers.
- In 2022-23, Bayer conducted 39 BayG.A.P. training programs for 1131 Indian farmers to help them learn good agricultural practices required for certification programs
- 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, farm income or return on investment decreases due to inadequate crop performance. This is often due to a lack of appropriate agronomic advice, as most farmers depend on fellow farmers or channel partners for crop management advisory. To address this key challenge of providing the right agronomic advice, BCSL Piloted Bayer Learning Centers (BLC) concept in 2020. Since then, BLCs have been established across India for single and multiple crops, and during the year 2022-23, there were a total of 115 BLCs.

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 (Sales, Better Life Farming associates, Farmer advisors, Bayer Gram), influential farmers, Farmer Producer Organizations (FPOs), Institutional Businesses, and Channel partners. Academia & Research Associates from State Agriculture Universities and Officials from the Department of Agriculture have also Participated & appreciated Bayer's effort in developing such platforms.

The centers are also digitally enabled to support live telecasting that can deliver consistent, high-quality communication complementing the conventional methods such as in-house training, learning center visits, etc. This had proven to be particularly beneficial and effective for knowledge transfer during the COVID-19 pandemic, which had made in-person visits and travel difficult. Through digital channels, we reached out to over 2 Lakhs stakeholders.

Product Stewardship

Supporting our customers and partners in the safe handling of our seed and crop protection products is the cornerstone of our product stewardship strategy. Bayer markets Crop Protection products, seeds and services, which have been granted regulatory approval by the concerned Central and State authorities. All our crop protection products are safe for the operator and the environment when used in accordance with label instructions. 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.

Our product stewardship measures also include displaying product information of the highest mandated standards and transparency in line with the law of land for labeling of our products. In addition to product information, it also offers key information such as Direction for Use (DFU) that enables our customers to utilize our products in ways that generate maximum value for their enterprises including safety standards.

BCSL continues to offer regular training and awareness programs to help farmers identify

and purchase authentic crop protection products in a developing digital ecosystem and to cater to the evolving needs of the farmers, in 2021, Bayer launched a digital agriculture platform “AgrowSmart” – One-Stop Agro Solution that delivers localized best in class crop advisory on seeds & traits, crop protection solutions and provides agronomic insights to both internal and external stakeholders in the parameterized form to support business and sustainability goals.

Bayer advisory service is utilized by farmers across the geographies of our operation. With the introduction of ‘Hello Bayer’, a centralized toll-free helpline, where farmers can reach out for agri-related queries, resolution and after-sales support, Bayer has supported more than 20 Million smallholder farmers across India for Bayer’s agri-inputs, technologies, crop & farm advisory and digital solutions.

Sahbhaagi (Advisor) is one of our new go-to-market approaches which we have introduced in India. Despite challenges such as COVID-19, we have successfully implemented the Sahbhaagi program across India. Sahbhaagis play a key role in connecting with smallholder growers for safe and responsible use of products and services

and help us to register digitally enabled sales and generate grower transactional data and insights.

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 programs to help farmers identify and purchase authentic crop protection products. Our training programs focus on the safe & responsible use of crop protection products and the proper use of Personal Protection Equipment (PPE). Bayer Crop Science Limited is making PPEs available at the warehouses to be called in by the distributors and dealers to sell to farmers engaged in spray operations. Over 1.9 Million farmers were trained in the year 2022 alone by Bayer.

4. Financial and Operational Performance

Financial Performance including ratio analysis

In FY 2022-23, the Company registered Revenue from Operations of ₹ 51,397 Million, compared to ₹ 47,344 Million in the previous year, registering an overall revenue growth of 9%. Profit Before Exceptional Items & Tax stood at ₹ 8,863 Million, compared to ₹ 7,883 Million in the previous year.

Ratio Analysis

Ratio	Formula	Apr'22 - Mar'23	Apr'21 - Mar'22	Deviation (%)
Debtors Turnover Ratio (times)	[Revenue from Operations/Average Trade receivables]	5.2	5.4	(4)%
Inventories Turnover Ratio (times)	[COGS/Average Inventories]	1.7	1.9	(11)%
Interest Coverage Ratio (times)	[EBIT/Finance Cost]	40.7	62.10	(34)%*
Current Ratio (times)	[Current Asset/Current Liability]	2.2	2.2	-
Debt Equity Ratio (times)	[Debt/Shareholders Equity]	N.A.	N.A.	-
Operating Profit Margin Ratio (%)	[EBIT/Revenue from Operations]	17.7%	16.9%	4%
Net Profit Margin Ratio (%)	[Profit After Tax [#] /Revenue from Operations]	14.8%	13.6%	9%
Return on Net Worth (%)	[Profit for the year (before exceptional items and after tax)/Net Worth]	25%	23.8%	5%

* The deviation is due to higher interest cost for the year ended 31st March 2023

[#] After exceptional items and tax

Operational Performance

Crop Protection: Our focus continues to be on liquidation which is driven by crafting consumer centric messages and creating brand awareness at scale amongst farmers. These efforts have delivered healthy growth in liquidation which has positively impacted the channel inventory. Further, this has helped us to be resilient to market conditions and drive the right product at the right time. Owing to higher rainfall during the monsoon season, the weed control segment witnessed higher growth and Bayer could cater to these needs with the right product solution because of our vast portfolio mix. Overall, a good monsoon and positive commodity price scenario for key crops in Kharif as well as Rabi, helped the demand momentum for our products in the market. 'Differentiated Portfolio' users kept increasing and these brands catering to the middle of the pyramid helped smallholder farmers to manage their crop protection needs economically.

Seeds & Traits: Our Seed business kept growing in view of our new launches in Corn. We also saw a surge of demand for existing high value delivering hybrids. Thus, the combination of new launches coupled with the success of existing hybrids helped in delivering favourable business outcomes. We were able to cater to the farmer's need of a good seed brand that delivers a better ROI as the commodity prices for corn improved. Rice on the other hand faced certain challenges due to acreage reduction. This was due to water-related issues on account of monsoon delays.

In 2022-23, the Company successfully launched the following new products in hybrid seeds in Corn:

Dekalb 9210: High-yielding Kharif hybrid for rainfed areas and places with support irrigation. The hybrid has a big ear size & attractive grain color. Dekalb 9210 is best suited for Maharashtra & Karnataka.

Dekalb 8225: This is a Rabi hybrid launched for Bihar with a unique proposition of faster dry out, less moisture, and more cobs per acre which eventually gives a higher yield.

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 Seeds & Traits 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 a strong network of more than 3750 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, shortage of labour 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 and technologies.

The practice of sustainable agriculture can help ensure safe, affordable and enough food and overcome farmers' challenges around low productivity and 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 on sustainability efforts to conserve water and 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. North Indian states like Punjab and Haryana are making a concerted effort to promote Direct Seeded Rice cultivation and diversification of crops like corn and cotton, which will help conserve water. Incentives and subsidies are helpful in the adoption of such practices by farmers. At the same time, the export competitiveness of rice has to be preserved by improving crop yields and quality. This requires the adoption of a holistic crop management system and driving more hybridization. The Sustainable Direct-seeded Rice Cropping System is the need of the hour to address the multi-fold concerns of labour shortage, water conservation & efficient water management and emission reduction from rice cultivation.

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 a steady and sufficient supply of diverse crops and would protect both consumers and farmers from price fluctuations.

6. Risks and Concerns

The Company has developed a comprehensive framework of robust mechanisms and processes

to identify risks that may negatively impact its operations. It endeavours to review and identify threats and formulate mitigating measures to curtail them within set timeframes. It has well-placed risk monitoring systems for a swift response to safeguard itself from the permanent loss of capital and ensure sustenance of operational performance.

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, 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

Pankaj Patel

Chairman

(DIN: 00131852)

Ahmedabad, May 24, 2023

A young woman with dark hair pulled back, wearing a blue patterned shirt, is smiling warmly at the camera. She is standing in a lush green field of crops, likely a bean field. She is holding a bunch of green beans in her hands. The background is filled with rows of similar green plants. A large, curved graphic element, transitioning from light green to blue, arches over the right side of the image.

Better is
helping farmers improve
their yield





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, 2023, 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, 2023, 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 (SAs) specified under section 143(10) of the Act. 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	Auditor’s Response
1	<p>Revenue Recognition – Rebates/ Discounts and Returns. 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>Principal audit procedures performed: 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 evaluated 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>

Independent Auditor's Report (Contd.)

Sr. Key Audit Matter No.	Auditor's Response
<p>The Management has determined refund liabilities of ₹ 3,828 million as at March 31, 2023 (Refer Note 22 of the financial statement).</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>
<p>2 Litigation related to Direct tax matters.</p> <p>The Company has outstanding contingent liabilities arising from litigation related to direct tax matters amounting to ₹ 1,872 million as at March 31, 2023 (Refer Note 35 of the financial statement).</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, 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 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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

Independent Auditor's Report (Contd.)

for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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

Independent Auditor's Report (Contd.)

to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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 except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India (Refer Note 48 to the financial statements).
 - 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) 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,

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.

- i) 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 of financial statement.
 - 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 as on March 31, 2023. 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 - Refer Note 21(a) of Financial Statement.



Independent Auditor's Report (Contd.)

- iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 47 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the

circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in Note 40 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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
(Membership No. 102911)
(UDIN: 23102911BGYCEV4283)

Place: Mumbai

Date: May 24, 2023

Report on Internal Financial Controls Over Financial Reporting

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Bayer CropScience Limited** ("the Company") as of March 31, 2023 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention



Annexure “A” To The Independent Auditor’s Report (Contd.)

or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions,

or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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)
(Membership No. 102911)
(UDIN:23102911BGYCEV4283)

Place: Mumbai
Date: May 24, 2023

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, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress, Investment properties and relevant details of right-of-use assets.
- B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of verification of Property, Plant and Equipment, Investment properties and right-of-use assets to cover all the items in a phased manner over a period of 3 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 Property, Plant and Equipment, Capital work-in-progress and Investment properties were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and investment property, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at March 31, 2023		Held in the name of	Whether promoter director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross carrying value	Carrying value in the financial statements				
Freehold land located at Kallinayakanahalli, Bangalore	47	47	Monsanto India Limited	No	2009	The title deeds are in the name of Monsanto India Limited, erstwhile amalgamating Company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law tribunal.
Freehold land located at Udaipur, Rajasthan	30	30	Monsanto India Limited	No	2013	

- d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

Annexure “B” To The Independent Auditor’s Report (Contd.)

- (ii) a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/ alternate procedures performed as applicable, when compared with the books of account.
- b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Hence reporting on the quarterly returns of statements filed by the Company with such banks or financial institutions is not applicable.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clauses iii (a), (c), (d), (e), (f) of the Order is not applicable.
- b) The investments made, during the year are, prima facie, not prejudicial to the Company’s interest.
- (iv) 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) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Profession tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable except for Provident fund as given below-

Name of statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Due Date
The Employees' Provident Funds Scheme, 1952*	Provident fund	0.18	April-22	May 15, 2022
		0.19	May-22	June 15, 2022
		0.17	June-22	July 15, 2022
		0.20	July-22	August 15, 2022
		0.12	August-22	September 15, 2022

* In case of 3 employees, Provident fund could not be deposited due to non-linking of Provident fund account with Aadhar and PAN details.

Annexure "B" To The Independent Auditor's Report (Contd.)

- b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2023 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 2003-2004, 2009-2010, 2012-2013, 2014-2015, 2018-2019 and 2021-2022	712
		Supreme Court	Assessment Years 1999-2000 and 2001-2002	273
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 2017-2018	729
		Sales Tax Appellate Tribunal	Financial Years 1989-1990 to 1990-1991, 1995-1996 to 1996-1997, 2009-2010	3
Central Excise Act, 1944 ³	Excise Duty liability	Custom, Excise and Service Tax Appellate Tribunal	Financial Years 2006-2007 to 2014-2015, 2017-2018 to 2018-2019	124
The Finance Act, 1994 ⁴	Service Tax Liability	Custom, Excise and Service Tax Appellate Tribunal	Financial Years 2005-2006, 2006-2007, 2009-2010 to 2017-2018	268
		Appellate Authority – up to Commissioner's level	Financial Year 2017-2018	3
The Custom Act, 1962	Custom Duty	Appellate Authority – up to Commissioner's level	Financial Year 2002-2003	8
The Entry Tax Act, 1976	Entry Tax	Appellate Authority – up to Commissioner's level	Financial Year 2015-2016	1
The Central Goods and Service Tax Act, 2017 ⁵	Goods and Service Tax	Appellate Authority – up to Commissioner's level	Financial Years 2017-2018, 2018-2019, 2021-2022 and 2022-2023	415
Companies Act, 2013	Investor Education and Protection Fund	Not Applicable*	Financial Years 1996-1997 to 2015-2016	5

1. Net of 707 million paid, 2. Net of 88 million paid; 3. Net of 3 million paid; 4. Net of 4 million paid 5. Net of 1.6 million paid

* relates to disputed shareholder matters of Monsanto India Limited, the erstwhile amalgamating Company

Annexure “B” To The Independent Auditor’s Report (Contd.)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x) (a) of the Order is not applicable.
- b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) a) To the best of our knowledge no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, 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) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2023 and the draft of the internal audit reports were issued after the balance sheet date covering the period upto March 31, 2023 for the period under audit.
- (xv) In our opinion 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 Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Hence, reporting under clause (xvi)(a), (b) and (c) of the order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.

Annexure "B" To The Independent Auditor's Report (Contd.)

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet date and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our

reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sampada S Narvankar

Partner
(Membership No. 102911)
(UDIN: 23102911BGYCEV4283)

Place: Mumbai
Date: May 24, 2023



Balance Sheet as at March 31, 2023

₹ in Millions

	Notes	As At 31.03.2023	As At 31.03.2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	4,284	4,371
Capital work-in-progress	3	29	133
Investment Properties	4	256	261
Intangible Assets	5	84	43
Intangible Assets under development	6	1,063	850
Financial Assets			
- Other Financial Assets	7	54	68
Current Tax Asset (Net)	8	1,768	1,716
Deferred Tax Assets (Net)	9	-	73
Other Assets	10	284	259
Total Non-Current Assets		7,822	7,774
Current Assets			
Inventories	11	18,072	15,120
Financial Assets			
- Investments	12	411	385
- Trade Receivables	13	9,756	10,047
- Cash and Cash Equivalents	14	8,608	7,809
- Bank Balances other than Cash and Cash Equivalents	15	72	65
- Other Financial Assets	7	98	102
Other Assets	10	1,947	2,227
Total Current Assets		38,964	35,755
Total Assets		46,786	43,529
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	449	449
Other Equity	17	26,672	24,794
Total Equity		27,121	25,243
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Lease Liabilities	18	364	518
Provisions	19	1,523	1,175
Deferred Tax Liabilities (Net)	9	3	-
Total Non-Current Liabilities		1,890	1,693
Current Liabilities			
Financial Liabilities			
- Lease Liabilities	18	371	346
- Trade Payables	20		
Total outstanding dues of micro enterprises and small enterprises		117	154
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,615	8,044
- Other Financial Liabilities	21	444	444
Other Liabilities	22	7,069	6,348
Provisions	19	1,130	1,098
Current Tax Liabilities (Net)	23	29	159
Total Current Liabilities		17,775	16,593
Total Liabilities		19,665	18,286
TOTAL EQUITY AND LIABILITIES		46,786	43,529

The accompanying Notes 1- 50 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

Firm's Registration No.
117366W/W-100018

Sampada S Narvankar

Partner

Sekhar Natarajan

Non-Executive
Independent Director
DIN 01031445

Duraiswami Narain

Vice Chairman &
Managing Director and CEO
DIN 03310642

Simon Johannes Britsch

Executive Director
& CFO
DIN 09194547

Nikunj Kumar Savaliya

Company Secretary &
Compliance Officer

Place: Mumbai

Date: May 24, 2023

Place: Thane

Date: May 24, 2023

Place: Thane

Date: May 24, 2023

Place: Germany

Date: May 24, 2023

Place: Thane

Date: May 24, 2023

Statement of Profit and Loss for the year ended March 31, 2023

₹ in Millions

	Notes	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Revenue from Operations	24	51,397	47,344
Other Income	25	639	546
Total Income		52,036	47,890
Expenses			
Cost of Materials Consumed	26	25,418	25,779
Purchases of Stock-in-Trade		2,773	2,304
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(31)	(1,441)
Employee Benefits Expense	28	5,343	4,631
Finance Costs	29	223	129
Depreciation and Amortisation Expense	30	795	645
Other Expenses	31	8,652	7,960
Total Expenses		43,173	40,007
Profit Before Exceptional Items and Tax		8,863	7,883
Add: Exceptional Items			
Profit on sale of:			
Environmental science business	46(i)	1,038	-
Part of seeds distribution business	46(ii)	-	585
		1,038	585
Profit Before Tax		9,901	8,468
Tax Expense	32		
- Current Tax		2,207	1,919
- Deferred Tax		106	96
- Fringe Benefit Tax		6	-
		2,319	2,015
Profit for the year		7,582	6,453
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Remeasurement of Defined Benefit Obligation		(116)	39
- Tax on remeasurement of Defined Benefit Obligation	32(d)	30	(10)
Total Other Comprehensive Income		(86)	29
Total Comprehensive Income for the Year		7,496	6,482
Earnings Per Share - Basic and Diluted	43	₹ 168.71	₹ 143.58
[Face Value per Equity Share ₹ 10/-]			

The accompanying Notes 1- 50 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
Firm's Registration No.
117366W/W-100018

Sampada S Narvankar
Partner

Sekhar Natarajan
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Place: Thane
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Place: Thane
Date: May 24, 2023

Place: Germany
Date: May 24, 2023

Place: Thane
Date: May 24, 2023



Statement of Changes in Equity for the year ended March 31, 2023

		₹ in Millions				
A. Equity Share Capital	Notes	As At				As At
		31.03.2023				31.03.2022
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	Reserves and Surplus				Total Other Equity
		Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	
Balance as at 01.04.2021		1,394	52	2,388	21,220	25,054
Profit for the year		-	-	-	6,453	6,453
Other Comprehensive Income for the year		-	-	-	29	29
Total Comprehensive Income for the year		-	-	-	6,482	6,482
Transfer to General Reserve		-	-	495	(495)	-
Transactions with owners in their capacity as owners						
Dividend declared	40(b)(i)	-	-	-	(6,742)	(6,742)
Balance as at 31.03.2022		1,394	52	2,883	20,465	24,794
Profit for the year		-	-	-	7,582	7,582
Other Comprehensive Income for the year		-	-	-	(86)	(86)
Total Comprehensive Income for the year		-	-	-	7,496	7,496
Transfer to General Reserve		-	-	645	(645)	-
Transactions with owners in their capacity as owners						
Dividend declared	40(b)(i)	-	-	-	(5,618)	(5,618)
Balance as at 31.03.2023		1,394	52	3,528	21,698	26,672

The accompanying Notes 1- 50 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
Firm's Registration No.
117366W/W-100018

Sampada S Narvankar
Partner

Sekhar Natarajan
Non-Executive
Independent Director
DIN 01031445

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Nikunj Kumar Savaliya
Company Secretary &
Compliance Officer

Place: Mumbai
Date: May 24, 2023

Place: Thane
Date: May 24, 2023

Place: Thane
Date: May 24, 2023

Place: Germany
Date: May 24, 2023

Place: Thane
Date: May 24, 2023

Statement of Cash Flow for the year ended March 31, 2023

₹ in Millions

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
A. Cash Flow from Operating Activities:		
Profit Before Tax	9,901	8,468
Adjustments for:		
Exceptional items	(1,038)	(585)
Depreciation and Amortization Expense	795	645
Finance Cost	223	129
Interest income	(261)	(198)
Rent income	(77)	(81)
Penal Interest on Overdue Trade Receivables	(79)	(47)
(Profit)/ Loss on tangible assets Sold/ Discarded (Net)	(5)	6
Loss on intangible assets Sold/ Discarded (Net)	1	17
Profit on sale of investments measured at fair value through profit or loss (FVTPL)	(129)	(117)
Bad debts	90	53
Provision for Expected Credit Loss on Trade Receivables (Net)	(40)	56
Inventory write off/ (write down)	514	495
Fair Value loss/ (gain) on investments measured through profit or loss	(6)	23
Unrealised Foreign Exchange Fluctuations loss/ (gain) (Net)	8	(5)
	(4)	391
Operating profit before Working Capital changes	9,897	8,859
Adjustments for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	313	(2,563)
(Increase)/ Decrease in Financial Assets	8	71
(Increase)/ Decrease in Other Assets	290	(311)
(Increase)/ Decrease in Inventories	(3,579)	(2,364)
Increase/ (Decrease) in Trade Payables	533	(97)
Increase/ (Decrease) in Financial Liabilities	23	(209)
Increase/ (Decrease) in Provisions and Other Liabilities	1,003	1,411
Net changes in Working Capital	(1,409)	(4,062)
Cash generated from Operations	8,488	4,797
Taxes paid	(2,395)	(2,642)
Net cash from Operating Activities (A)	6,093	2,155



Statement of Cash Flow for the year ended March 31, 2023 (Contd.)

	₹ in Millions	
	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment/ Intangible Assets	(773)	(554)
Proceeds from sale of Property, Plant and Equipment/ Intangible Assets	47	81
Proceeds from sale of/ (Purchase of) Investments	104	231
Interest received	252	200
Rent received	92	70
Proceeds from sale of environmental science business (net) [Refer Note 46(i)]	1,107	-
Proceeds from sale of part of seeds distribution business [Refer Note 46(ii)]	4	614
Net cash generated from Investing Activities (B)	833	642
C. Cash flows from Financing Activities:		
Repayment of Lease Liabilities	(409)	(263)
Interest paid	(112)	(42)
Dividend paid	(5,611)	(6,728)
Net cash (used in) Financing Activities (C)	(6,132)	(7,033)
D. Net increase/ (decrease) in Cash and Cash Equivalents (A + B + C)	794	(4,236)
Cash and Cash Equivalents at the end of the year	8,608	7,809
Adjustment for Fair Value (gain) on liquid investments measured through profit or loss	(5)	-
	8,603	7,809
E. Cash and Cash Equivalents at the beginning of the year	7,809	12,045
F. Cash and Cash Equivalents at the end of the year (D + E)	8,603	7,809
		₹ in Millions
	As At 31.03.2023	As At 31.03.2022
Cash and Cash Equivalents comprise :		
Balances with Banks	6,542	5,910
Short-term Highly Liquid Investments	2,066	1,899
	8,608	7,809

Notes:

- The above Statement of Cash Flow has been prepared under the "Indirect Method" set out in Ind AS 7 - Statement of Cash Flows.
- 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 - 50 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
Firm's Registration No.
117366W/W-100018

Sampada S Narvankar
Partner

Sekhar Natarajan
Non-Executive
Independent Director
DIN 01031445

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Vice Chairman &
Managing Director and CEO
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Simon Johannes Britsch
Executive Director
& CFO
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Nikunj Kumar Savaliya
Company Secretary &
Compliance Officer

Place: Mumbai
Date: May 24, 2023

Place: Thane
Date: May 24, 2023

Place: Thane
Date: May 24, 2023

Place: Germany
Date: May 24, 2023

Place: Thane
Date: May 24, 2023

Notes to the Financial Statements for the year ended March 31, 2023

(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 production, sale and distribution of hybrid corn seeds. The Company is also involved in sale and distribution of other row crop 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 facility for agrochemical production at Himatnagar and Silvassa, drying and processing station 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 realization 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.

Essential estimates and assumptions that may affect reporting in the various item categories of the financial statements are described in the respective sections of the significant accounting policies. Such assumptions and estimates mainly relate to following categories.

Estimate and Assumptions	Significant Accounting Policies reference
Provision for refund liabilities	(d) Revenue Recognition
Uncertain tax positions and recognition of deferred tax assets	(f) Income Tax
Useful life of Property, Plant and Equipment	(l) Property, Plant and Equipment
Useful life of Investment Properties	(m) Investment Properties
Useful life of Intangible Assets	(n) Intangible Assets
Measurement and likelihood of occurrence of provisions and contingencies	(p) Provisions, Contingent liabilities and Contingent Assets
Measurement of defined benefit obligations	(q) Provision for Employment Benefits

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

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

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 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 recognized in accordance with Ind AS 115 - Revenue from Contracts with Customers.

(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 towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. Transaction price is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates and 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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(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 recognized in the Statement of Profit and Loss. The income taxes recognized are reflected at the amounts likely to be payable under the statutory regulations in force, or substantively 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 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 recognized as tax liabilities based on reasonable estimates. The amounts recognized 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 or tax loss carry forwards are recognized 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 recognized on temporary differences taxable in the future.

The probability that deferred tax assets resulting from temporary differences or tax 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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(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, vehicles and warehouses leases generally contain clauses that prohibit subleasing except with the consent of the lessor.

As a lessee:

As per Ind AS 116, 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 (lease term of 12 months or less) 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 respect 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 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 amortised 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 amortised 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 recognized as a 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.

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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(j) Investment and Financial Assets

Financial assets are recognised and measured in accordance with Ind AS 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, except for trade receivables are recognised initially at fair value, in the case of a financial asset not recorded at Fair Value through Profit or Loss (FVPL), plus transaction costs that are directly attributable to the acquisition of the Financial asset. Trade receivables that do not contain any significant financing component are measured at transaction price.

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 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 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

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***Equity Instruments (Contd.)**

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 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 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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(l) Property, Plant And Equipment (contd.)

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 the 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 the date of transition i.e. April 1, 2015.

(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.

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 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

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(p) Provisions, Contingent Liabilities and Contingent Assets (Contd.)

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.

(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, Superannuation Fund, Employees' State Insurance Fund and National Pension Scheme which are administered through Government authorities/ trustees/ government approved institutes. 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. Under National Pension Scheme, applicable to certain employees, the Company makes contributions to National Pension Scheme which is administered by HDFC Pension Management Company Limited ('HDFC Pension Fund') and has no further obligation beyond making the payment to HDFC Pension Fund. 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

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

(q) Provision for Employment Benefits (Contd.)

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 long term 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

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

The amendments to Ind AS along with impact evaluation carried out by the Company is given below:

Particulars	Impact
Amendment to Ind AS 1 - Presentation of Financial Statements It require the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.	No significant impact
Amendment to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors It has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.	No impact
Amendment to Ind AS 12 - Income Taxes It requires entities to recognize deferred tax on transactions that, in initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This amendment has narrowed the scope of the initial recognition exemption. The effective data for adoption of this amendment is annual periods beginning on or after April 1, 2023	No impact



Notes to the Financial Statements for the year ended March 31, 2023 (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 01.04.2022	Additions	Deletions	Divestment [Refer Note 46]	As at 31.03.2023	As at 01.04.2022	For the year	On Deletions	Divestment [Refer Note 46]	As at 31.03.2023	As at 31.03.2023
a) Owned Assets:											
Freehold Land	307	-	-	-	307	-	-	-	-	-	307
	(307)	(-)	(-)	(-)	(307)	(-)	(-)	(-)	(-)	(-)	(307)
Buildings	2,312	69	-	-	2,381	427	71	-	-	498	1,883
	(2,285)	(31)	(4)	(-)	(2,312)	(360)	(69)	(2)	(-)	(427)	(1,885)
Plant and Equipment	1,740	252	16	-	1,976	848	156	12	-	992	984
	(1,540)	(209)	(6)	(3)	(1,740)	(695)	(158)	(3)	(2)	(848)	(892)
Furniture and Fixtures	262	25	-	-*	287	167	29	-	-*	196	91
	(260)	(7)	(5)	(-)	(262)	(143)	(29)	(5)	(-)	(167)	(95)
Vehicles	395	6	111	10	280	197	39	72	6	158	122
	(591)	(5)	(201)	(-)	(395)	(257)	(62)	(122)	(-)	(197)	(198)
Office Equipment (including Computers)	645	152	64	5	728	513	85	64	1	533	195
	(657)	(67)	(79)	(-)*	(645)	(517)	(73)	(77)	(-)*	(513)	(132)
Owned Assets Total (a)	5,661	504	191	15	5,959	2,152	380	148	7	2,377	3,582
	(5,640)	(319)	(295)	(3)	(5,661)	(1,972)	(391)	(209)	(2)	(2,152)	(3,509)
b) Right of Use Assets: [Refer Note 44]											
Land	21	-	14	-	7	9	3	8	-	4	3
	(16)	(5)	(-)	(-)	(21)	(5)	(4)	(-)	(-)	(9)	(12)
Buildings	517	132	54	-	595	323	126	53	-	396	199
	(408)	(136)	(27)	(-)	(517)	(223)	(123)	(23)	(-)	(323)	(194)
Plant and Equipment	637	38	-	-	675	80	211	-	-	291	384
	(231)	(637)	(231)	(-)	(637)	(223)	(88)	(231)	(-)	(80)	(557)
Vehicles	153	74	19	-	208	54	55	17	-	92	116
	(87)	(66)	(-)	(-)	(153)	(27)	(27)	(-)	(-)	(54)	(99)
Office Equipment (including Computers)	1	-	1	-	-	1	-*	1	-	-	-
	(1)	(-)	(-)	(-)	(1)	(1)	(-)*	(-)	(-)	(1)	(-)
Right of Use Assets Total (b)	1,329	244	88	-	1,485	467	395	79	-	783	702
	(743)	(844)	(258)	(-)	(1,329)	(479)	(242)	(254)	(-)	(467)	(862)
Total (a+b)	6,990	748	279	15	7,444	2,619	775	227	7	3,160	4,284
	(6,383)	(1,163)	(553)	(3)	(6,990)	(2,451)	(633)	(463)	(2)	(2,619)	(4,371)

a) Figures shown in brackets are in respect of previous year.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

2 Property, Plant and Equipment [Refer Note 36(a)] (Contd.)

b) Title deeds of Immovable Properties not held in name of the Company:

As at 31.03.2023

Line item in the Balance sheet	Description of item of property and location	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	Kallinayakanahalli, Bengaluru	47	Monsanto India Limited	No	2009	The title deeds are in the name of Monsanto India Limited, the erstwhile amalgamating company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.
Freehold Land	Udaipur, Rajasthan	30	Monsanto India Limited	No	2013	The title deeds are in the name of Monsanto India Limited, the erstwhile amalgamating company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.

As at 31.03.2022

Line item in the Balance sheet	Description of item of property and location	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	Kallinayakanahalli, Bengaluru	47	Monsanto India Limited	No	2009	The title deeds are in the name of Monsanto India Limited, the erstwhile amalgamating company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.
Freehold Land	Udaipur, Rajasthan	30	Monsanto India Limited	No	2013	The title deeds are in the name of Monsanto India Limited, the erstwhile amalgamating company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.
Freehold Land	Shameerpet, Hyderabad	35	Monsanto India Limited	No	2005	The title deeds are in the name of Monsanto India Limited, the erstwhile amalgamating company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

3. Capital work-in-progress

Assets	Cost				As at 31.03.2023
	As at 01.04.2022	Additions	Deletions/ Transfers	Divestment [Refer Note 46]	
Capital work-in-progress	133	404	508	-*	29
	(76)	(378)	(321)	(-)	(133)
Total	133	404	508	-*	29
	(76)	(378)	(321)	(-)	(133)

a) Capital work-in-progress ageing

Assets	Amount in Capital work-in-progress for a period of				As at 31.03.2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	29	-*	-	-	29
	(116)	(2)	(15)	(-)*	(133)
Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)*	(-)*
Total	29	-*	-	-	29
	(116)	(2)	(15)	(-)*	(133)

b) Completion schedule for capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Assets	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
As at 31.03.2023				
Projects in progress:				
Molecular Laboratory	7	-*	-	-
Miscellaneous projects	1	-	-	-
Projects temporarily suspended	-	-	-	-
Total	8	-*	-	-
As at 31.03.2022				
Projects in progress:				
Molecular Laboratory	73	-	-	-
Shelling line	18	-	-	-
Miscellaneous projects	25	-	-	-
Projects temporarily suspended	-	-	-	-
Total	116	-	-	-

c) Figures shown in brackets are in respect of previous year.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

4. Investment Property

Assets	Cost/Deemed Cost				Depreciation/ Amortisation				Net Book Value		
	As at 01.04.2022	Additions	Deletions	Divestment [Refer Note 46]	As at 31.03.2023	As at 01.04.2022	For the year	On Deletions	Divestment [Refer Note 46]	As at 31.03.2023	As at 31.03.2023
Land	10	-	-	-	10	-	-	-	-	-	10
	(44)	(-)	(-)	(34)	(10)	(-)	(-)	(-)	(-)	(-)	(10)
Buildings	286	-	-	-	286	35	5	-	-	40	246
	(286)	(-)	(-)	(-)	(286)	(30)	(5)	(-)	(-)	(35)	(251)
Total	296	-	-	-	296	35	5	-	-	40	256
	(330)	(-)	(-)	(34)	(296)	(30)	(5)	(-)	(-)	(35)	(261)

- 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	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Rental Income [Refer Note 25]	43	46
Direct operating expenses from property that generated rental income (including Depreciation)	39	27

d) Fair value

	As at 31.03.2023	As at 31.03.2022
Investment properties	807	683

Estimation of fair value:

The fair value of Land and Building under Investment Properties has been determined by an external independent registered property valuer having recognised professional qualifications. 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.

e) Title deeds of Immovable Properties not held in name of the Company:

As at 31.03.2023

All Title deeds of Immovable Properties are in name of the Company

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

4. Investment Property (Contd.)

As at 31.03.2022

Line item in the Balance sheet	Description of item of property and location	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Shameerpet, Hyderabad	10	Monsanto India Limited	No	2005	The title deeds are in the name of Monsanto India Limited, the erstwhile amalgamating company under section 230 to 232 of the Companies Act, 2013 in terms of the approval of the National Company Law Tribunal.

5. Intangible Assets [Refer Note 36(a)]

Assets	Cost/Deemed Cost				Amortisation					Net Book Value	
	As at 01.04.2022	Additions	Deletions	Divestment [Refer Note 46]	As at 31.03.2023	As at 01.04.2022	For the year	On Deletions	Divestment [Refer Note 46]	As at 31.03.2023	As at 31.03.2023
Computer Software	113	4	-*	-	117	95	9	-	-	104	13
	(97)	(16)	(-)	(-)	(113)	(90)	(5)	(-)	(-)	(95)	(18)
Marketing Rights	30	53	-	1	82	5	6	-	-*	11	71
	(11)	(19)	(-)	(-)	(30)	(3)	(2)	(-)	(-)	(5)	(25)
Total	143	57	-*	1	199	100	15	-	-*	115	84
	(108)	(35)	(-)	(-)	(143)	(93)	(7)	(-)	(-)	(100)	(43)

- 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				
	As at 01.04.2022	Additions	Deletions/ Transfers	Divestment [Refer Note 46]	As at 31.03.2023
Intangible Assets under development	850	296	54	29	1,063
	(687)	(216)	(53)	-	(850)
Total	850	296	54	29	1,063
	(687)	(216)	(53)	-	(850)

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

6. Intangible Assets under development (Contd.)

a) Intangible assets under development ageing

Assets	Amount in Intangible assets under development for a period of				As at 31.03.2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	259	186	160	458	1,063
	(154)	(165)	(128)	(403)	(850)
Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Total	259	186	160	458	1,063
	(154)	(165)	(128)	(403)	(850)

b) Completion schedule for Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

Assets	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
As at 31.03.2023				
Projects in progress				
Registration Costs**	13	41	33	34
Projects temporarily suspended	-	-	-	-
Total	13	41	33	34
As at 31.03.2022				
Projects in progress				
Registration Costs**	-	3	1	28
Projects temporarily suspended	-	-	-	-
Total	-	3	1	28

**It represents cost incurred towards data generation, registration fees etc. capitalised as Marketing Rights for registering the new product or getting existing product registered for use on other crops with the registration authority in India.

c) Figures shown in brackets are in respect of previous year.

7. Other Financial Assets

	As At 31.03.2023	As At 31.03.2022	As At 31.03.2023	As At 31.03.2022
	Non-Current	Non-Current	Current	Current
(Unsecured, Considered good unless otherwise stated)				
Security Deposits				
- Considered Good [Refer Note 13(a)]	54	68	63	56
- Considered Doubtful	2	2	-	-
	56	70	63	56
Less: Provision for Expected Credit Loss [Refer Note 39(a)(i)]	2	2	-	-
	54	68	63	56
Accrued Interest Receivable	-	-	15	6
Receivables toward sales and distribution arrangement [Refer Note 13(a)]			17	6
Other Receivables [Refer Note (a) below]	-	-*	3	34
	54	68	98	102

a) Represents receivable towards other income

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***8. Current Tax Asset (Net)**

	As At 31.03.2023	As At 31.03.2022
	Non-Current	Non-Current
Advance payment of Income Tax [Net of Provision for Taxation 25,871 (Previous Year 21,737)]	1,768	1,710
Fringe Benefit Tax [Net of Provision for Taxation Nil (Previous Year 125)]	-	6
	1,768	1,716

9. Deferred Tax Assets/ (Liabilities) (Net)

	Provision for Expected Credit Loss on Trade Receivables, Advances	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 01.04.2021	86	122	45	63	20	54	154	61	(424)	(2)	179
(Charged)/ credited during the year											
To Statement of Profit and Loss	14	8	4	(7)	(7)	(18)	(43)	12	(64)	5	(96)
To Other Comprehensive Income	-	-	(10)	-	-	-	-	-	-	-	(10)
Balance as on 31.03.2022	100	130	39	56	13	36	111	73	(488)	3	73
(Charged)/ credited during the year											
To Statement of Profit and Loss	(7)	5	5	11	2	(18)	(47)	14	(64)	(7)	(106)
To Other Comprehensive Income	-	-	30	-	-	-	-	-	-	-	30
Balance as on 31.03.2023	93	135	74	67	15	18	64	87	(552)	(4)	(3)

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

10. Other Assets

	As At 31.03.2023	As At 31.03.2022	As At 31.03.2023	As At 31.03.2022
	Non-Current	Non-Current	Current	Current
(Unsecured, Considered good unless otherwise stated)				
Capital Advances	47	5	-	-
Other Advances:				
- Advance to Vendors	-	-	252	349
- Prepaid Expenses	4	5	67	113
- Advance to Employees	19	19	-	-
- Export Benefit Receivable	-	-	4	52
- Balance with Government Authorities				
- Considered Good	214	230	1,046	1,095
- Considered Doubtful	-	-	87	67
	214	230	1,133	1,162
Less : Provision for Doubtful Advances	-	-	87	67
	214	230	1,046	1,095
Right of Return Asset	-	-	578	618
	284	259	1,947	2,227

11. Inventories

	As At 31.03.2023	As At 31.03.2022
(Lower of Cost and Net Realisable Value)		
Raw Materials [includes in transit 3,105 (Previous Year 1,401)]	9,174	6,313
Packing Materials [includes in transit 3 (Previous Year 12)]	797	722
Work-in-progress [includes in transit 65 (Previous Year 60)]	2,199	2,172
Finished Goods [includes in transit 215 (Previous Year 234)]	4,982	5,181
Stock-in-Trade [includes in transit 110 (Previous Year 6)]	878	692
Stores and Spares	42	40
	18,072	15,120

12 Investments

	As At 31.03.2023	As At 31.03.2022
At Fair value through profit or loss (Unquoted#)		
Investments in Mutual Funds		
14,182,298 (Previous Year Nil) Units of ₹ 28.96 (Previous Year Nil) in Invesco India Arbitrage Fund - Direct Plan - Growth	411	-
Nil (Previous Year 10,126,990) Units of Nil (Previous Year ₹ 22.75) in Aditya Birla Sun Life Arbitrage Fund - Direct Plan - Growth	-	230
Nil (Previous Year 12,896,923) Units of Nil (Previous Year ₹ 11.99) in Tata Arbitrage Fund - Direct Plan - Growth	-	155
	411	385
Aggregate amount of Unquoted Investments	411	385

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, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***13 Trade Receivables [Refer Note 42]**

	As At 31.03.2023	As At 31.03.2022	As At 31.03.2023	As At 31.03.2022
	Non-Current	Non-Current	Current	Current
Secured, considered good	-	-	-*	6
Unsecured, considered good [Refer Note (a) below]	-	-	9,756	10,041
Unsecured, considered doubtful	352	380	34	46
Total	352	380	9,790	10,093
Less: Provision for Expected Credit Loss [Refer Note 39(a)(i)]	352	380	34	46
	-	-	9,756	10,047

- 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. During the year, the Company has recovered, overdue outstanding receivables towards distribution of seeds to third parties, from BBPL amount aggregating 51 (Previous Year 20) towards recoupment of loss as recovery is less probable. Till date, the overdue security deposits from third parties amounting to 13 has also been recovered from BBPL under this arrangement.

As and when the Company recovers any amount against such overdues, or any part thereof, from the respective customers, the Company is required to pay to BBPL such amounts so recovered. Accordingly, the amount recovered from BBPL as on March 31, 2023 (net) 365 (Previous Year 317) is included in "Other Financial Liabilities" in Note 21.

- b) There are no customers with receivables exceeding 5% of total trade receivables.

c) Trade Receivables Ageing

As At March 31, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,099	2,143	141	62	7	277	9,729
(ii) Undisputed Trade receivables, considered doubtful	17	16	8	39	2	1	83
(iii) Disputed Trade receivables, considered good	-	-	-	-*	6	21	27
(iv) Disputed Trade receivables, considered doubtful	-*	-*	2	3	72	226	303
Total	7,116	2,159	151	104	87	525	10,142

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

13 Trade Receivables [Refer Note 42] (Contd.)

As At March 31, 2022	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,591	1,963	120	33	7	276	9,990
(ii) Undisputed Trade receivables, considered doubtful	22	18	6	-	-*	-	46
(iii) Disputed Trade receivables – considered good	-*	1	1	17	26	12	57
(iv) Disputed Trade receivables, considered doubtful	-	1	-*	73	50	256	380
Total	7,613	1,983	127	123	83	544	10,473

d) Relationship with struck off companies

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

Name of Struck Off Company	Nature of Transaction	Transactions during the year	Balance outstanding As At 31.03.2023	Relationship with the struck off company
Chitra Fertilizers & Chemic (P) Ltd	Advance from customer written back	-*	-	Not a related party
	Advance from Customer	(-)	(-)*	Not a related party

a) Figures shown in brackets are of Previous Year

14 Cash and Cash Equivalents

	As At 31.03.2023	As At 31.03.2022
	Current	Current
Balances with Banks		
- In Current Accounts	702	535
- in Fixed Deposits (less than 3 months maturity)	5,840	5,375
Short-term highly liquid investments at Fair Value [Refer Note (a) below]	2,066	1,899
	8,608	7,809

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***14 Cash and Cash Equivalents (Contd.)****a) Investment in Liquid Mutual Funds
(Unquoted#)**

	As At 31.03.2023	As At 31.03.2022
5,178,396 (Previous Year 9,540,106) Units of ₹ 120 (Previous Year ₹ 114) in Nippon India Overnight Fund - Direct Plan - Growth	623	1,089
524,462 (Previous Year 173,692) Units of ₹ 1,186 (Previous Year ₹ 1,124) in Axis Overnight Fund - Direct Plan - Growth	622	195
368,253 (Previous Year Nil) Units of ₹ 1,196 (Previous Year Nil) in Kotak Overnight Fund - Direct Plan - Growth	441	-
324,131 (Previous Year Nil) Units of ₹ 1,173 (Previous Year Nil) in HSBC Overnight Fund - Direct Plan - Growth	380	-
Nil (Previous Year 534,577) Units of Nil (Previous Year ₹ 1,150) in Aditya Birla Sun Life Overnight Fund - Direct Plan - Growth	-	615
	2,066	1,899

#As Mutual Funds investments are not listed on stock exchange, it is considered as unquoted investments.

15 Bank Balances other than Cash and Cash Equivalents

	As At 31.03.2023	As At 31.03.2022
	Current	Current
Earmarked balances with banks in unpaid dividend accounts	65	58
Balances held as margin money against guarantees	7	7
	72	65

16 Equity Share Capital

	As At 31.03.2023	As At 31.03.2022
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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16 Equity Share Capital (Contd.)

b) Movement of Issued, Subscribed and Paid-up Equity Share Capital:

	As At 31.03.2023	As At 31.03.2022	As At 31.03.2023	As At 31.03.2022
	Number of Shares	Number of Shares	Amount	Amount
Balance as at the beginning of the year	4,49,42,092	4,49,42,092	449	449
Add: Changes during the year	-	-	-	-
Balance as at the end of the year	4,49,42,092	4,49,42,092	449	449

c) Shares bought back during 5 years immediately preceding the Balance Sheet date:

	As At 31.03.2023	As At 31.03.2022
	Number of Shares	Number of Shares
Aggregate number of Equity Shares bought back	10,20,408	10,20,408

d) Shares held by Ultimate Holding Company and its subsidiaries:

	As At 31.03.2023	As At 31.03.2022
	Number of Shares	Number of Shares
Ultimate Holding Company:		
Bayer AG, Germany	37,88,433	37,88,433
Subsidiaries of Ultimate Holding Company:		
Bayer Vapi Private Limited, India	80,39,736	80,39,736
Bayer S.A.S., France	66,18,105	66,18,105
Bayer CropScience AG, Germany	53,54,030	53,54,030
Monsanto Investments India Private Limited, India	67,58,082	67,58,082
Monsanto Company, USA	15,44,613	15,44,613

e) Details of shareholding of promoters:

	As At 31.03.2023		As At 31.03.2022		% Change during the year
	Number of Shares	% holding	Number of Shares	% holding	
Bayer AG, Germany	37,88,433	8.4 %	37,88,433	8.4 %	-
Bayer Vapi Private Limited, India	80,39,736	17.9 %	80,39,736	17.9 %	-
Bayer S.A.S., France	66,18,105	14.7 %	66,18,105	14.7 %	-
Bayer CropScience AG, Germany	53,54,030	11.9 %	53,54,030	11.9 %	-
Monsanto Investments India Private Limited, India	67,58,082	15.0 %	67,58,082	15.0 %	-
Monsanto Company, USA	15,44,613	3.4 %	15,44,613	3.4 %	-

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

16 Equity Share Capital (Contd.)

f) Shareholders holding more than 5% of the aggregate Equity Shares of the Company:

	As At 31.03.2023	As At 31.03.2022
	Number of Shares	Number of Shares
Bayer AG, Germany	37,88,433	37,88,433
Bayer Vapi Private Limited, India	80,39,736	80,39,736
Bayer S.A.S., France	66,18,105	66,18,105
Bayer CropScience AG, Germany	53,54,030	53,54,030
Monsanto Investments India Private Limited, India	67,58,082	67,58,082
Aditya Birla Sun Life Trustee Private Limited, India	15,59,381	23,45,226

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.

h) Relationship with struck off companies

Details of struck off companies holding shares of the Company as at year end or transaction during the year:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding As At 31.03.2023	Dividend paid during the year	Unpaid dividend outstanding As At 31.03.2023	Relationship with the Struck off company
Unicon Fincap Private Limited	Dividend Paid	-*	-*	-*	Not a related party
		(-)*	(-)*	(-)*	
Bashey Investments Private Limited	Dividend Paid	-	-*	-*	Not a related party
		(-)	(-)*	(-)*	
Folklore Holdings And Investments Private Limited	Dividend Paid	-*	-*	-*	Not a related party
		(-)*	(-)*	(-)*	
Inventa Investments Private Limited	Dividend Paid	-*	-*	-*	Not a related party
		(-)*	(-)*	(-)*	
Rajdeep Automation Private Limited	Dividend Paid	-*	-*	-	Not a related party
		(-)*	(-)*	(-)	
Shri Laxmi Chemicals And Industries Private Limited	Dividend Paid	-*	-*	-*	Not a related party
		(-)*	(-)*	(-)*	
Trump IT Entertainment And Creative Services Private Limited	Dividend Paid	-	-	-	Not a related party
		(-)	(-)*	(-)	
Badri Sarraf Finance And Mutual Benefit Company Limited	Dividend Paid	-*	-*	-*	Not a related party
		(-)*	(-)*	(-)*	

Figures shown in brackets are of Previous Year

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

17 Other Equity

	As At 31.03.2023	As At 31.03.2022
Reserves and Surplus		
Securities Premium [Refer Note (i) below]	1,394	1,394
Capital Redemption Reserve [Refer Note (ii) below]	52	52
General Reserve [Refer Note (iii) below]	3,528	2,883
Retained Earnings [Refer Note (iv) below]	21,698	20,465
	26,672	24,794
	As At 31.03.2023	As At 31.03.2022
Other Equity		
(i) Securities Premium [Refer Note (a) below]		
Balance as at the beginning of the year	1,394	1,394
Changes during the year	-	-
Balance at the end of the year	1,394	1,394
(ii) Capital Redemption Reserve [Refer Note (b) 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
(iii) General Reserve [Refer Note (c) below]		
Balance as at the beginning of the year	2,883	2,388
Add: Transfer from Retained Earnings	645	495
Balance as at the end of the year	3,528	2,883
(iv) Retained Earnings [Refer Note (d) below]		
Balance as at the beginning of the year	20,465	21,220
Profit for the year	7,582	6,453
Items of Other Comprehensive Income recognised directly in Retained Earnings:		
Remeasurement of defined benefit obligation [Refer Note 19(a)(B)(2)(ii)]	(116)	39
Tax on remeasurement of defined benefit obligation [Refer Note 9]	30	(10)
Appropriations		
Dividend [Refer Note 40(b)(i)]	(1,124)	(1,124)
Interim Dividend [Refer Note 40(b)(i)]	(4,494)	(5,618)
Transfer to General Reserve	(645)	(495)
Balance at the end of the year	21,698	20,465

- a) It represents premium on issue of shares.
- b) 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.
- c) It represents transfer from Retained Earnings.
- d) It represents profit earned net of appropriations.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

18 Lease Liabilities

	As At 31.03.2023	As At 31.03.2022	As At 31.03.2023	As At 31.03.2022
	Non-Current	Non-Current	Current	Current
Lease Liabilities [Refer Note 44]	364	518	371	346
	364	518	371	346

19 Provisions

	As At 31.03.2023	As At 31.03.2022	As At 31.03.2023	As At 31.03.2022
	Non-Current	Non-Current	Current	Current
Provision for Employee Benefits				
- Gratuity [Refer Note (a)(B) below]	177	44	118	111
- Compensated Absences [Refer Note (b) below]	368	352	75	79
- Other employee benefits [Refer Note (c) below]	536	356	937	908
Other Provisions				
Direct Tax Matters [Net of Advance Tax of 163 (Previous Year 163)] [Refer Note (d) & (e)]	23	23	-	-
Indirect Tax Matters [Refer Note (d) & (e)]	15	17	-	-
Commercial Matters [Net of Payment 5 (Previous Year 5)] [Refer Note (d) & (e)]	404	383	-	-
	1,523	1,175	1,130	1,098

a) Employee Benefit Obligation

Disclosure as required under Ind AS 19 - Employee Benefits:

A. Defined contribution plan:

The Company's defined contribution plans are Provident Fund, Superannuation, Employees' State Insurance Scheme and National Pension Scheme administered by Government authorities/ trustees/ government approved institutes since the Company has no further obligation beyond making the contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Employer's contribution to Provident Fund	181	169
Employer's contribution to Superannuation Fund	18	21
Employer's contribution to National Pension Scheme	53	48
Total (included in Note 28 - 'Employee Benefits Expense')	252	238

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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

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. 71% of the plan asset is invested in debt securities and 29% 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 31.03.2023	As At 31.03.2022
Present value of defined benefit obligation	1,324	1,309
Fair value of plan assets	1,029	1,154
Net defined benefit obligation	295	155

2. The expenses for defined benefit plan for gratuity comprise the following components:

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
i) Expenses Recognised in the Statement of Profit and Loss		
Current service cost (included in Note 28 - 'Employee Benefits Expense')	76	78
Net interest cost (included in Note 29 - 'Finance Costs')	11	11
Total	87	89
ii) Expenses/ (income) recognised in the Other Comprehensive Income (OCI) [Refer Note 17(iv)]		
Actuarial (gain)/ losses on obligation	79	(14)
Return on Plan Assets, excluding interest income	37	(25)
Total	116	(39)

3. The net defined obligation developed as follows:

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
i) Change in the present value of defined benefit obligation		
Opening present value of defined benefit obligation	1,309	1,262
Current service cost (included in Note 28 - 'Employee Benefits Expense')	76	78
Interest cost (included in Note 29 - 'Finance Costs')	91	81
Transfer of employees (Net)	(1)	7
Transfer of employees on Divestment [Refer Note 46]	(32)	(4)
Benefit paid from the fund	(198)	(101)
Actuarial (gains)/ losses due to:		
- change in demographic assumptions	1	-*
- change in financial assumptions	1	(32)
- experience adjustment	77	18
Closing present value of defined benefit obligation	1,324	1,309

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
ii) Change in the fair value of plan assets		
Opening fair value of plan assets	1,154	1,084
Interest income (included in Note 29 - 'Finance Costs')	80	70
Contributions by the employer	55	80
Benefit paid from the fund	(198)	(101)
Assets transferred out on divestment [Refer Note 46]	(25)	(4)
Expected return on plan assets (excluding interest income)	(37)	25
Closing fair value of plan assets	1,029	1,154
iii) Change in net defined benefit obligation		
Opening net defined benefit obligation	155	178
Current service cost (included in Note 28 - 'Employee Benefits Expense')	76	78
Interest cost (net) (included in Note 29 - 'Finance Costs')	11	11
Transfer of employees (Net)	(1)	7
Transfer of employees on Divestment [Refer Note 46]	(32)	(4)
Contributions by the employer	(55)	(80)
Assets transferred out on divestment [Refer Note 46]	25	4
Actuarial (gains)/ losses due to:		
- change in demographic assumptions	1	-*
- change in financial assumptions	1	(32)
- experience adjustment	77	18
Expected return on plan assets (excluding interest income)	37	(25)
Closing net defined obligation of funded plan	295	155

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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

5. Measurement parameters and their sensitivities

i) The following parameters were used to measure the obligation

	As At 31.03.2023	As At 31.03.2022
Discount rate (per annum)	7.44%	6.96%
Expected rate of return on plan assets (per annum)	7.44%	6.96%
Attrition rate (per annum)	6 - 13%	6 - 15%
Salary escalation rate (per annum)	9.60% p.a. for the next 1 year, 6.00% p.a. thereafter, starting from the 2nd year	9.00% p.a. for the next 1 year, 6.00% p.a. thereafter, starting from the 2nd year

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 31.03.2023	As At 31.03.2022
Delta effect of +0.5% change in discount rate	(39)	(39)
Delta effect of -0.5% change in discount rate	41	41
Delta effect of +0.5% change in salary escalation	41	41
Delta effect of -0.5% change in salary escalation	(39)	(39)
Delta effect of +0.5% change in attrition rate	3	2
Delta effect of -0.5% change in attrition rate	(3)	(2)

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

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
i) Expected employer's contribution for the next year	118	111

	As At 31.03.2023	As At 31.03.2022
ii) The weighted average duration of the defined benefit obligation (years)	7	8

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

19 Provisions (Contd.)

	As At 31.03.2023	As At 31.03.2022
iii) Projected Benefits payable in future years from the date of reporting [#] :		
1st Following Year	129	177
2nd Following Year	99	90
3rd Following Year	141	92
4th Following Year	129	126
5th Following Year	114	126
Sum of 6th to 10th Following Year	777	713

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 mainly include those recorded for performance based bonus, variable payments and long-service awards.

d) Movement in Other Provisions

	As At 31.03.2023				As At 31.03.2022			
	Direct Tax Matters	Indirect Tax Matters	Commercial and Other Matters	Others	Direct Tax Matters	Indirect Tax Matters	Commercial and Other Matters	Others [Refer Note (f) below]
Balance as at the beginning of the year	23	17	383	-	8	14	361	38
Add: Additional provision (net)	-	-	21	-	15	3	22	-
Less: Provision utilised	-	2	-	-	-	-	-	38
Less: Provision adjusted	-	-	-	-	-	-	-	-
Balance as at the end of the year	23	15	404	-	23	17	383	-

- e) Other Provisions represent 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, 21 (Previous Year 22) is recognised under the head Finance Costs [Included in Note 29] as an additional provision towards Commercial and Other Matters.

- f) Others includes gratuity obligations in respect of contractual manpower taken from outside agencies.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

20 Trade Payable [Refer Note 39(b) and 42]

	As At 31.03.2023	As At 31.03.2022
	Current	Current
Total outstanding dues of micro enterprises and small enterprises [Refer Note (a) below]	117	154
Total outstanding dues of creditors other than micro Enterprises and small enterprises	8,615	8,044
	8,732	8,198

- 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 31.03.2023	As At 31.03.2022
(I) (i) Principal amount due and remaining unpaid to any supplier at the end of accounting year [includes payables for Capital Purchases 0.17 (Previous Year Nil)]	3	3
(ii) Interest amount due and remaining unpaid to any supplier at the end of accounting year *Current Year 0.76 (Previous Year 0.02)	1	-*
(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	428	403
(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 *Current Year 0.03 (Previous Year Nil)	-*	-
(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.

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ Millions, unless otherwise stated)

20 Trade Payable [Refer Note 39(b) and 42] (Contd.)**b) Trade payables ageing**

As At 31.03.2023	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	31	83	2	1	-	-	117
(ii) Others	2,005	5,415	1,183	6	2	4	8,615
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	2,036	5,498	1,185	7	2	4	8,732

As At 31.03.2022	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	67	82	5	-*	-	-	154
(ii) Others	1,886	5,026	1,114	13	2	3	8,044
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	1,953	5,108	1,119	13	2	3	8,198

c) Relationship with struck off companies

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

Name of Struck Off Company	Nature of Transaction	Transactions during the year	Balance outstanding As At 31.03.2023	Relationship with the struck off company
Niche Events And Promotions Private Limited [#]	- Payables	- (-)*	- (-)	Nil Not a related party

[#]It includes write-back of Nil (Previous Year: 0.01)

Figures shown in brackets are of Previous Year

21 Other Financial Liabilities

	As At 31.03.2023	As At 31.03.2022
	Current	Current
Payable for Capital Purchases [Refer Note 20(a)]	7	39
Unpaid Dividends [Refer Note (a) below]	65	58
Deposits from customers	2	27
Liabilities toward sales and distribution arrangement [Refer Note 7(a) & Note 13(a)]	365	317
Interest accrual for Farmer financing	5	3
	444	444

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

21 Other Financial Liabilities(Contd.)

- a) As at the year end, there are no amounts which are due for payment to Investor Education and Protection Fund (IEPF) under section 124 and 125 of the Companies Act, 2013, except the amount pertaining to unpaid dividend of 5 and the related equity shares. Subsequent to the balance sheet date, the said amount of unpaid dividend has been transferred to IEPF excluding 0.09 which is retained based on legal order pursuant to section 124 of the Companies Act, 2013. The transfer of related equity shares is under progress. Based on information and records available with the Company, all these relate to disputed shareholder matters of Monsanto India Limited, the erstwhile amalgamating company.

22 Other Liabilities

	As At 31.03.2023	As At 31.03.2022
	Current	Current
Refund Liabilities		
- Anticipated Sales Returns	1,191	1,171
- Discounts payable to Customers	2,637	2,493
	3,828	3,664
Contract Liabilities [Refer Note 24(d)]		
- Advance from Customers	916	868
- Customer Loyalty Programmes	1,373	1,057
- Incentive Schemes	565	494
	2,854	2,419
Deferred Income	12	12
Payable towards Statutory Liabilities	287	225
Payable to Employees	88	28
	7,069	6,348

23 Current Tax Liabilities (Net)

	As At 31.03.2023	As At 31.03.2022
Provision for Income Tax [Net of Advance Tax 2,176 (Previous Year 3,973)]	29	159
	29	159

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

24 Revenue from operations

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Sale of Goods [Refer Notes below]	49,449	45,767
Other Operating Revenue:		
Recoveries from Group Companies and Third Parties	1,827	1,446
Scrap Sales	96	102
Royalty Income	16	19
Tolling income	9	10
	51,397	47,344

- a) It includes sales in accordance with a sales and distribution arrangement, net of material cost 2,649 (Previous Year 4,249).
- b) Disaggregation of revenue recognized 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:**

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Contracted Price [Refer Note (a) above]	57,516	52,810
Adjustments for:		
- Discounts	(6,415)	(6,001)
- Anticipated Sales Return	(1,190)	(1,169)
- Customer Loyalty Programme and Incentive Schemes (Net)	(462)	127
Sale of Goods	49,449	45,767

d) **The change in Contract Liabilities [Refer Note 22] are as follows:**

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Contract Liabilities - Opening	2,419	2,571
Add: Additions during the year, excluding amounts recognised as revenue during the year	2,632	2,434
Less : Revenue recognised in the current year which was included in Contract Liabilities	2,197	2,586
Contract Liabilities - Closing	2,854	2,419

25 Other Income

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Interest Income		
Interest Income from Financial Assets at Amortised Cost	261	198
Penal Interest on Overdue Trade Receivables	79	47
Other Non-Operating Income		
Export Incentives	38	36
Rent Income [Refer Note 4(c)]	77	81
Miscellaneous	44	67
	499	429
Other Gains		
Profit on Tangible Assets sold/ discarded (Net)	5	-
Profit on sale of investments measured at fair value through profit or loss (FVTPL)	129	117
Fair value gain on investment measured through profit or loss (FVTPL)	6	-
	140	117
	639	546

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

26 Cost of Material Consumed

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Raw Materials:		
Opening Stock	6,313	6,045
Add: Purchases	24,852	22,892
Less: Transferred on Divestment [Refer Note 46(i)]	96	-
	31,069	28,937
Less: Closing stock	9,174	6,313
Cost of Raw Materials consumed [Refer Note (a) below]	21,895	22,624
Packing Materials consumed [Refer Note (a) below]	1,232	1,281
Seed Grower Payments and Production Cost	2,291	1,874
	25,418	25,779

- a) It includes 35 (Previous Year 4) on account of write off/ down in carrying values of Raw Materials and Packing Materials.

27 Change in Inventories of Finished Goods and Work in Progress and Stock in Trade

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Opening Stock:		
- Finished Goods	5,181	4,090
- Work-in-progress	2,172	2,053
- Stock in Trade	692	461
	8,045	6,604
Less: Transferred on Divestment [Refer Note 46(i)]	17	
Closing stock:		
- Finished Goods	4,982	5,181
- Work-in-progress	2,199	2,172
- Stock in Trade	878	692
	8,059	8,045
(Increase) in Inventories [Refer Note (a) below]	(31)	(1,441)

- a) It includes 479 (Previous Year 491) on account of write off/ write down in carrying values of Inventories.

28 Employee Benefits Expense [Refer Note 33]

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Salaries and Wages	4,774	4,134
Contribution to Provident and Other Funds [Refer Note 19(a)(A)]	252	238
Gratuity [Refer Note 19(a)(B)(2)(i)]	76	78
Staff Welfare Expenses	241	181
	5,343	4,631

29 Finance costs

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Interest on Lease Liability [Refer Note 44]	45	24
Interest Others [Refer Note 19(a)(B)(2)(i) and 19(e)]	178	105
	223	129

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***30 Depreciation and Amortisation Expense**

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
- on Property, Plant and Equipment [Refer Note 2]	380	391
- on Right of Use Assets [Refer Note 2]	395	242
- on Investment Properties [Refer Note 4]	5	5
- on Intangible Assets [Refer Note 5]	15	7
	795	645

31 Other Expenses [Refer Note 33]

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Consumption of Stores and Spare Parts	101	70
Power and Fuel	157	142
Rent [Refer Note 44]	120	114
Repairs and Maintenance:		
- Plant and Equipment	37	34
- Buildings	74	45
- Others	34	50
	145	129
Insurance	44	50
Rates and Taxes	49	54
Job Work Charges	771	868
Freight Outward and Clearing Charges	1,062	1,215
Vehicle expenses and hire charges	120	75
Travelling and Conveyance	627	276
Loss on Disposal of Property, Plant and Equipment (Net)	-	6
Loss on Intangible Assets written off (Net)	1	17
Legal and Professional Fees	1,200	924
Royalty	256	132
Advertisement, Publicity and Sales Promotion	3,153	3,080
Communication	46	56
Donations [Refer Note 33]	142	128
Bad Debts	90	53
Less: Utilisation of Provision for Expected Credit Loss on Trade Receivable [Refer Note 39(a)(i)]	(90)	(53)
	-	-
Provision for Expected Credit Loss on Trade Receivable [Refer Note 39(a)(i)]	50	109
Foreign Exchange Fluctuations (Net)	22	2
Fair Value loss on investments measured through profit or loss (FVTPL)	-	23
Manpower & Labor Charges	154	144
Miscellaneous [Refer Note (a) below and Note 42(v)]	432	346
	8,652	7,960

a) Payments to Auditor (included in Miscellaneous expenses)

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
(i) As Statutory Auditor:		
- for statutory audit	6	6
- for limited review	3	3
- for tax audit	1	1
(ii) In Other Capacities:		
- audit of group reporting package	4	2
	14	12

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

32 Tax Expense

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
a) Current Tax Expenses		
Current Tax on Profits for the year	2,214	1,929
Adjustments for current tax of prior periods	(7)	(10)
Total Current Tax Expense	2,207	1,919
b) Deferred Tax Expense		
(Increase)/ Decrease in deferred tax assets	38	32
Increase/ (Decrease) in deferred tax liabilities	68	64
Total Deferred Tax Expense	106	96
c) Fringe Benefit Tax Expense		
Adjustments for Fringe Benefit Tax of prior periods	6	-
Total Fringe Benefit Tax Expense	6	-
Tax Expense	2,319	2,015
d) Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Profit Before Tax	9,901	8,468
Tax @ 25.168%	2,492	2,131
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Agriculture Income	(239)	(162)
Corporate social responsibility expenditure	37	34
Adjustment of taxes of prior periods	(1)	(10)
Profit from slump sale of business	(24)	(12)
Other Items	54	34
Tax Expense	2,319	2,015
e) Income tax recognised in Other Comprehensive Income		
Deferred tax on remeasurement of Defined Benefit Obligation	30	(10)
	30	(10)

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

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)

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
a) Gross amount required to be spent by the company during the year	146	126
b) Amount spent during the year on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Donations	140	120
- Employee Benefits Expense	*	5
- Other Expenses	7	1
	147	126

34 Research and Development Expenses

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Research and Development Revenue Expenses (Net of recoveries)	831	749

35 Contingent Liabilities

A) Claims against the Company not acknowledged as debts towards:

	As At 31.03.2023	As At 31.03.2022
- Direct Tax Matters [Refer Note (a) below]	1,872	2,026
- Indirect Tax Matters [Refer Note (b) below]	1,640	1,391
- Litigation/ claims filed by customer/ third party [Refer Note (c) below]	65	61
- 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 1,517 (Previous year 1,450) for 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).
- b) The disputed demands for indirect tax matters are mainly due to non-issuance of statutory forms, product classification, incorrect turnover, disallowance of input credit and sales return credit notes.
- 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 companies manufacturing Endosulfan, making them jointly and severally liable, for an amount of 1,617 in respect of recovery of amount paid as compensation by the State of Kerala to victims of Endosulfan. 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 repay the damages/ compensation. The matter is at the stage of filing written statement by some of the defendants. The next hearing is scheduled on June 5, 2023.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

36 Commitments

	As At 31.03.2023	As At 31.03.2022
a) Capital Commitments		
Property, Plant and Equipment	92	140
Intangible Assets	29	19
	121	159
b) Other Commitments		
Contractual obligation for future repairs and maintenance on Investment properties	4	4
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 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 31.03.2023			As At 31.03.2022		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investment	12	411	-	-	385	-	-
Trade Receivables	13	-	-	9,756	-	-	10,047
Cash and Cash Equivalents	14						
Short-term highly liquid investments		2,066	-	-	1,899	-	-
Balances with Banks		-	-	6,542	-	-	5,910
Bank Balances other than cash and cash equivalents	15	-	-	72	-	-	65
Other Financial Assets	7	-	-	152	-	-	170
Total Financial Assets		2,477	-	16,522	2,284	-	16,192
Financial liabilities							
Lease Liabilities	18	-	-	735	-	-	864
Trade Payables	20	-	-	8,732	-	-	8,198
Other Financial Liabilities	21	-	-	444	-	-	444
Total Financial liabilities		-	-	9,911	-	-	9,506

Notes to the Financial Statements for the year ended March 31, 2023 (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:

- recognised and measured at fair value and
- 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

	Notes	As At 31.03.2023			As At 31.03.2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Investment	12	411	-	-	385	-	-
Cash and Cash Equivalents							
- Short-term highly liquid investments	14	2,066	-	-	1,899	-	-
Total		2,477	-	-	2,284	-	-

Level 1: It represents mutual funds measured using the closing Net Asset Value (NAV) as on Balance sheet date.

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 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 and liabilities which are valued at amortised cost for which fair value are disclosed

	Notes	Carrying Amount	Fair Value (Level 3)
Financial assets			
Security Deposits	7		
As at March 31, 2023		117	114
As at March 31, 2022		124	121
Financial liabilities			
Lease Liabilities	18		
As at March 31, 2023		735	735
As at March 31, 2022		864	864

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

38 Fair value measurement (Contd.)

The carrying amounts of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Accrued Interest Receivables, Advance recoverable in cash, 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.

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 Treasury 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 funds.

(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.

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***39 Financial Risk Management (Contd.)****Trade Receivables**

The Company provides ECL based on following provision matrix:

	Description of Category	As At 31.03.2023		As At 31.03.2022	
		Gross Trade Receivable	ECL	Gross Trade Receivable	ECL
No Risk	There is no risk of defaults	486	-	1,154	-
Negligible Risk	The risk of defaults is negligible	7,055	6	6,420	6
Low Risk	The probability of defaults is low	1,718	9	1,521	7
Moderate Risk	The probability of defaults is moderate	531	19	998	33
Doubtful Assets	There is no reasonable expectation of recovery	352	352	380	380
Total		10,142	386	10,473	426

Following is the movement in Provision for ECL on Trade Receivables:

	As At 31.03.2023	As At 31.03.2022
Balance as at the beginning of the year	426	370
Add: Additional provision/ (reversal) (net)	50	109
Less: Provision utilised	(90)	(53)
Balance as at the end of the year	386	426

Deposits

The Company provides ECL based on following provision matrix:

	Description of Category	As At 31.03.2023		As At 31.03.2022	
		Gross Deposits	ECL	Gross Deposits	ECL
No Risk	There is no risk of defaults	117	-	124	-
Doubtful Assets	There is no reasonable expectation of recovery	2	2	2	2
Total		119	2	126	2

Following is the movement in Provision for Expected Credit Loss on Deposits:

	As At 31.03.2023	As At 31.03.2022
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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

39 Financial Risk Management (Contd.)

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 Treasury 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 has set up credit lines with the banks as additional source of funds, if required, totalling 3,864 as on March 31, 2023.

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 31.03.2023			As At 31.03.2022		
	Less than 3 Months	3 to 12 Months	Total	Less than 3 Months	3 to 12 Months	Total
Trade Payables	8,594	138	8,732	8,072	126	8,198
Other Financial Liabilities (excluding lease liabilities)	444	-	444	444	-	444
	9,038	138	9,176	8,516	126	8,642

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, 2023 on an undiscounted basis:

	As At 31.03.2023	As At 31.03.2022
Less than one year	611	346
One to five years	353	567
More than five years	7	17
	971	930

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 hedged 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.

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

39 Financial Risk Management (Contd.)

(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.

40 Capital Management

a) Risk management

In the context of Capital Management of the Company, Capital includes issued capital, all other equity reserves attributable to the equity shareholders of the company and debts. 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 benefit for other stakeholders. Further its objective is to maintain an optimal capital structure to reduce the cost of capital. There has not been any change in this from the previous period.

b) Dividends

(i) Equity Shares

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Final Dividend		
Dividend approved for the year ended March 31, 2022 of ₹ 25.00 (March 31, 2021 ₹ 25.00) per fully paid equity share	1,124	1,124
Interim Dividend		
Interim Dividend declared during the year ended March 31, 2023 of ₹ 100.00 (March 31, 2022 ₹ 125.00)	4,494	5,618

(ii) Dividends not recognised at the end of the reporting period

	As At 31.03.2023	As At 31.03.2022
Since year end, the Directors of the Company have recommended a payment of final dividend of ₹ 30.00 per fully paid equity share (March 31, 2022 ₹ 25.00)	1,348	1,124

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

41 Segment Reporting

The Vice Chairman & Managing Director & CEO, and Executive Director & CFO are identified as Chief Operating Decision Maker 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 all as reflected in the Financial Statement as at and for the year ended March 31, 2023.

Geographical Information

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
a) Revenue from external customers		
(i) attributed to the Company's country of domicile, India	48,521	44,929
(ii) attributed to all foreign countries		
- Germany	1,483	1,068
- Bangladesh	873	920
- Others	520	427
	51,397	47,344

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 31.03.2023	As At 31.03.2022
(i) located in the Company's country of domicile, India	6,000	5,917
(ii) located in all foreign countries	-	-
	6,000	5,917

42 Related Party Transactions

Sr. No.	Name of the related party	Country of incorporation	% Equity interest	
			As at 31-Mar-2023	As at 31-Mar-2022
i)	Ultimate Holding Company:			
	Bayer AG	Germany	8%	8%

ii) **Entities under Common Group Control **:**

Bayer BioScience Private Limited, India
 Bayer CropScience AG, Germany
 Bayer CropScience KK, Tokyo
 Bayer CropScience Limited, Bangladesh
 Bayer CropScience LP, U.S.A.
 Bayer CropScience Schweiz AG, Switzerland

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***42 Related Party Transactions (Contd.)**

Bayer Direct Services GmbH, Germany
 Bayer Pharmaceuticals Private Limited, India
 Bayer Public Limited Company, U.K.
 Bayer S.A., Chile
 Bayer S.A.S., France
 Bayer (South East Asia) Pte. Ltd., Singapore
 Bayer Thai Company Limited, Thailand
 Bayer U.S LLC, U.S.A.
 Bayer Vapi Private Limited, India
 Bayer Zydus Pharma Private Limited, India
 Bayer Research and Development, U.S.A.
 Bayer Business and Technology Services LLC, U.S.A.
 Bayer Vietnam Ltd., Vietnam
 Monsanto Company, U.S.A
 Monsanto Holdings Private Limited, India
 Monsanto Investments India Private Limited, India
 Monsanto Technology LLC, U.S.A
 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.

iii) Joint Ventures of fellow Subsidiary:

Mahyco Monsanto Biotech (I) Private Limited, India

A. The transactions with related parties:

	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above	
	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Sale of goods						
Bayer AG	736	643	-	-	-	-
Bayer BioScience Private Limited	-	-	18	18	-	-
Others	-	-	997	1,016	-	-
Recoveries made						
Bayer AG	754	428	-	-	-	-
Bayer BioScience Private Limited	-	-	112	120	-	-
Bayer Vapi Private Limited	-	-	330	301	-	-
Bayer CropScience LP	-	-	1	38	-	-
Others	-	-	637	536	30	50
Rental Income						
Bayer Vapi Private Limited	-	-	1	2	-	-
Others	-	-	76	79	-	-

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

42 Related Party Transactions (Contd.)

	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above	
	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Purchase of Goods						
Bayer AG	16,520	14,576	-	-	-	-
Bayer BioScience Private Limited#	-	-	2,664	3,972	-	-
Bayer Vapi Private Limited	-	-	541	657	-	-
Bayer CropScience LP	-	-	1,759	1,797	-	-
Monsanto Company	-	-	1	-	-	-
Professional/ Support Charges incurred						
Bayer AG	741	482	-	-	-	-
Bayer BioScience Private Limited	-	-	13	-	-	-
Bayer Vapi Private Limited	-	-	2	7	-	-
Bayer CropScience LP	-	-	75	37	-	-
Others	-	-	55	103	-	-
Rent Expense						
Bayer BioScience Private Limited	-	-	-*	2	-	-
Others	-	-	15	14	-	-
Payment of Lease Liabilities						
Bayer Vapi Private Limited	-	-	2	2	-	-
Royalty Expense						
Bayer CropScience AG	-	-	11	12	-	-
Monsanto Technology LLC	-	-	134	120	-	-
Dividend paid						
Bayer AG	474	568	-	-	-	-
Bayer CropScience AG	-	-	669	803	-	-
Bayer Vapi Private Limited	-	-	1,005	1,206	-	-
Monsanto Company	-	-	193	232	-	-
Others	-	-	1,672	2,006	-	-
Sale of Fixed Assets						
Others	-	-	-	-*	-	-

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, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***42 Related Party Transactions (Contd.)**

	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above	
	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Purchase of License of Duty Credit Scrips						
Bayer BioScience Private Limited	-	-	26	-		
Bayer Vapi Private Limited	-	-	50	76	-	-
Others			19	6	-	-
Purchase of Fixed Assets (including Capital work-in- progress)						
Bayer Vapi Private Limited	-	-	-	3	-	-
Others	-	-	5	-*	-	-
Recoupment of losses towards overdue trade receivables [Refer Note 13(a)]						
Bayer BioScience Private Limited	-	-	51	20	-	-
Repayment against recoupment of losses towards overdue trade receivables [Refer Note 13(a)]						
Bayer BioScience Private Limited	-	-	3	70	-	-
Employee related liability paid/ payable on transfer of employees						
Bayer BioScience Private Limited	-	-	4	9	-	-
Bayer Vapi Private Limited			5	6	-	-
Others	-	-	21	15	-	-
Employee related liability taken over on transfer of employees						
Bayer BioScience Private Limited	-	-	15	3	-	-
Bayer Vapi Private Limited	-	-	1	4	-	-
Others	-	-	13	55	-	-

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

42 Related Party Transactions (Contd.)

B. Outstanding balances of related parties:

	As at 31.03.2023	As at 31.03.2022
Party referred to in (i) above		
Outstanding Receivables	90	366
Outstanding Payables	4,184	3,801
Parties referred to in (ii) above		
Outstanding Receivables		
Bayer BioScience Private Limited	13	51
Bayer Vapi Private Limited	-*	104
Bayer CropScience LP	-*	34
Others	158	313
Outstanding Payables		
Bayer BioScience Private Limited	365	334
Bayer Vapi Private Limited	69	94
Bayer CropScience LP	881	531
Monsanto Technology LLC	120	242
Others	18	31
Parties referred to in (iii) above		
Outstanding Receivables		
Mahyco Monsanto Biotech (I) Private Limited	5	4

iv) Employee Benefits Plans where significant influence exists

Bayer CropScience Limited Employees Group Gratuity-cum-Life Assurance Scheme

Bayer CropScience Limited Managerial Employees Superannuation Scheme

The transactions with entities where significant influence exists of (iv) above and outstanding balances:

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Contributions during the year		
Bayer CropScience Limited Employees Group Gratuity-cum-Life Assurance Scheme	55	80
Bayer CropScience Limited Managerial Employees Superannuation Scheme	18	21

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***42 Related Party Transactions (Contd.)****v) Key management personnel:**

Name	Designation
Mr. Pankaj Patel	Chairman & Non-executive independent Director
Mr. Duraiswami Narain	Vice Chairman & Managing Director and CEO
Mr. Simon Thorsten Wiebusch	Whole-time Director (from December 17, 2021)
Mr. Rolf Hoffmann	Executive Director & CFO (upto August 31, 2021)
Mr. Simon Johannes Britsch	Executive Director & CFO (from September 1, 2021)
Dr. Thomas Hoffmann	Non-executive non-independent Director
Mr. Brian Naber	Non-executive non-independent Director (from January 01, 2022)
Ms. Ketaki Bhagwati	Non-executive independent Director
Mr. Sekhar Natarajan	Non-executive independent Director
Dr. Harsh Kumar Bhanwala	Non-executive independent Director (from February 12, 2021)

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Remuneration to key management personnel		
Short term employee benefits	362	276
Other long-term employee benefits	33	67
	395	343
Directors' Sitting Fees (included in Note 31 Other Expenses - Miscellaneous expenses)	3	3
Commission to Non-Executive Directors (included in Note 31 Other Expenses - Miscellaneous expenses)	6	6

vi) 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, 2023 and March 31, 2022.

Notes to the Financial Statements for the year ended March 31, 2023 (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

	01.04.2022 to 31.03.2023	01.04.2021 to 31.03.2022
Profit For the year	7,582	6,453
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) (₹)	168.71	143.58

44 Lease:

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, vehicles 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 amortisation 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 409 (Previous Year 263).

The Company has recognised 395 (Previous Year 242) towards amortisation, 45 (Previous Year 24) towards Interest expense for the unwinding of discount on lease liabilities and 120 (Previous Year 114) towards expenses for short-term leases in the Statement of Profit and Loss.

Movement in lease liabilities

	As At 31.03.2023	As At 31.03.2022
Lease Liabilities at the beginning of the year	864	263
Add: Interest on Lease Liabilities	45	24
Add: Additions in Lease Liabilities during the year (net)	235	840
Less: Repayment of Lease Liabilities	409	263
Lease Liabilities at the end of the year	735	864

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)***45 Ratio Analysis**

Particulars	Numerator	Denominator	As At 31.03.2023	As At 31.03.2022	% Variation	Remarks
Current ratio (times)	Current Asset	Current Liability	2.2	2.2	-	
Debt equity ratio (times)	Debt	Shareholders' equity	N.A.	N.A.	-	
Debt service coverage ratio (times)	Earning available for debt service ⁽ⁱ⁾	Total Debt service ⁽ⁱⁱ⁾	18.9	24.1	(22)%	
Return on equity ratio (%)	Profit after tax	Average Shareholders' equity	29.0%	25.4%	14%	
Inventory turnover ratio (times)	Cost of Goods Sold	Average Inventories	1.7	1.9	(11)%	
Trade receivables turnover ratio (times)	Revenue from Operations	Average Trade receivables	5.2	5.4	(4)%	
Trade payables turnover ratio (times)	Total purchases	Average Trade payables	3.7	3.5	6%	
Net Capital turnover ratio (times)	Revenue from operations	Working Capital	2.5	2.5	-	
Net profit ratio (%)	Profit after tax	Revenue from Operations	14.8%	13.6%	9%	
Return on Capital employed (%)	Earnings Before Interest and Tax	Capital employed	32.6%	31.7%	3%	
Return on Investment (Mutual Fund - Overnight Fund) (%)	Returns	Average Investment	5.3%	3.3%	61%	Increase in interest rates leading to better returns
Return on Investment (Fixed deposit) (%)	Returns	Average Investment	5.0%	3.0%	67%	Increase in interest rates leading to better returns
Return on investment (Mutual Fund - Arbitrage Fund)%	Returns	Average Investment	5.7%	4.5%	27%	Increase in interest rates leading to better returns

(i) Earning available for debt service: Profit After Tax - Exceptional items (net of tax) + Depreciation and Amortisation + Finance Cost + Profit/ Loss on Tangible/ Intangible assets + Expected Credit Loss provision for Trade Receivables and Security Deposits + Unrealised gain on Investments + Unrealised foreign exchange (gain)/ loss + Profit on sale of investments

(ii) Total debt service: Repayment of Lease Liabilities + Repayment of Short term borrowings

Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ Millions, unless otherwise stated)

46 Exceptional items:

- (i) Exceptional items for the current year amounting to 1,038 represents profit on sale of its Environmental Science Business (Divested Products) which offers solutions to control pests, diseases, and weeds in non-agricultural areas to '2022 ES Discovery India Private Limited' ('ESDIPL') on a slump sale basis effective October 1, 2022 pursuant to the approval accorded by the Board at its meeting held on September 28, 2022.

Pending transfer of product and import registrations in its favour, 'ESDIPL' has entered into an interim arrangement to procure the Divested Products from the Company for further sale/ distribution.

Details of Purchase Consideration and carrying amount of assets and liabilities related to the sold Business as per Business Purchase Agreement (BPA) as on effective date:

Purchase Consideration		1,111
Less: Incidental expenses		4
Net purchase consideration		1,107
Less: Carrying amount of assets and liabilities		
Inventories	113	
Fixed Assets	38	
Other Assets	-*	
Discount / Return Liabilities	(63)	
Provision for Employee Benefits	(19)	69
Profit on Sale of Business		1,038

- (ii) Exceptional items for the previous year amounting to 585 represents profit on sale of part of Company's seeds distribution business, viz. cotton, millet, mustard and sorghum crops along with investment property at Patancheru, Telangana to Crystal Crop Protection Limited on a slump sale basis on December 1, 2021, pursuant to approval accorded by the Board of Directors of the Company at its meeting held on October 13, 2021.

- 47** (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)***(All amounts in ₹ Millions, unless otherwise stated)*

- 48** In terms of the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022, the Company is in the process of complying with the requirement of maintenance of back-up of its books of account maintained in electronic mode on server(s) physically located in India on a daily basis. The books of account of the Company are maintained in electronic mode and these are readily accessible in India at all times. Currently, the Company is maintaining back-up of books of account on server physically located in India on a periodic basis.
- 49** By its order published in the Official Gazette on October 25, 2022, the Ministry of Agriculture and Farmers' Welfare, Government of India has notified that Glyphosate will be used only through pest control operators. Further to writ petitions filed by industry associations challenging the said notification before the Hon'ble Delhi High Court, and the hearings held on various dates thereafter, the Government of India submitted that it will not implement the said notification and committed to revisit the matter and take a conscious decision which will be communicated to the court before the next hearing date. The Management continues to work with all stakeholders to best serve the critical weed management needs of the farmers.
- 50** The financial statements are approved for issue by the Company's Board of Directors on May 24, 2023.

Signature to notes 1 to 50**For and on behalf of the Board****Sekhar Natarajan**

Non-Executive
Independent Director
DIN 01031445

Place: Thane
Date: May 24, 2023

Duraiswami Narain

Vice Chairman &
Managing Director and CEO
DIN 03310642

Place: Thane
Date: May 24, 2023

Simon Johannes Britsch

Executive Director
& CFO
DIN 09194547

Place: Germany
Date: May 24, 2023

Nikunj Kumar Savaliya

Company Secretary &
Compliance Officer

Place: Thane
Date: May 24, 2023

FACTS

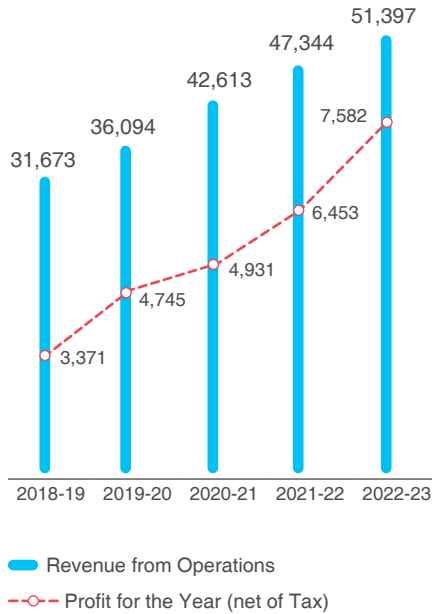
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
₹ in Millions										
Revenue from Operations (Net)	32,452	37,233	28,894	29,484	27,490	31,673	36,094	42,613	47,344	51,397
Profit Before Tax	4,408	5,735	4,816	4,479	4,038	4,800	5,831	7,945	8,468	9,901
Net Cash from Operating Activities	2,815	2,004	2,065	1,573	1,214	4,328	6,659	6,867	2,155	6,093
Dividend (including interim dividend) for the year	201	769	601	601	618	618	1,124	5,169	6,742	5,842
Dividend %	55%	210%	170%	170%	180%	180%	250%	1150%	1500%	1300%
Share Capital	366	366	354	354	343	449	449	449	449	449
Reserves and Surplus	17,057	19,963	18,040	20,213	17,440	21,945	25,276	25,054	24,794	26,672
Borrowings	-	-	-	-	-	-	15	-	-	-
Gross Block	6,958	4,346	3,628	4,166	4,517	6,280	7,237	7,584	8,412	9,031
Net Block	4,446	3,224	3,384	3,661	3,705	4,874	5,244	5,010	5,658	5,716
Net Current Assets	12,583	16,917	14,995	16,911	14,142	15,876	18,750	19,733	19,162	21,189
Employee Benefits Expense	2,040	2,269	2,207	2,451	2,639	3,642	3,616	3,622	4,631	5,343
Number of Employees	1,217	1,043	1,057	1,126	1,148	1,389	1,230	1,254	1,318	1,314
₹										
Earnings Per Share (on the basis of profits after tax)	75.14	104.59	87.34	82.31	86.16	78.46	105.58	109.72	143.58	168.71
Book Value per Share	475.79	555.15	520.28	581.74	517.95	521.21	572.40	567.46	561.70	603.47
Share Price at Stock Exchange										
- High	1,829.20	3,819.90	4,234.00	4,627.00	5,050.00	4,747.45	4,505.65	6,368.75	6,090.90	5,476.45
- Low	1,065.05	1,384.55	3,115.00	3,620.00	3,739.05	3,755.55	2,991.30	3,195.05	4,290.30	3,962.80
Number of Shareholders	19,138	20,647	20,412	22,176	45,744	45,369	58,971	67,591	62,093	59,218

Notes:

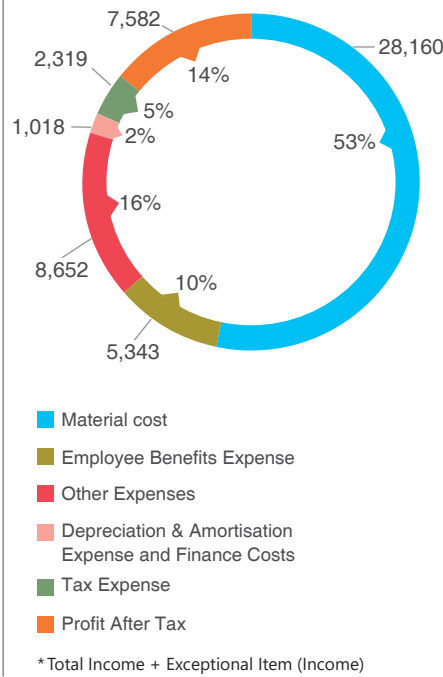
- Figures from the year 2015-16 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).
- Pursuant to scheme of amalgamation of Monsanto India Limited (MIL) with Bayer CropScience Limited, the figures for FY 2018-19 include figures of erstwhile MIL from June 7, 2018. Share capital as on March 31, 2019 include shares pending issuance of ₹ 106 Million.
- Figures have been regrouped wherever necessary.

Performance Highlights

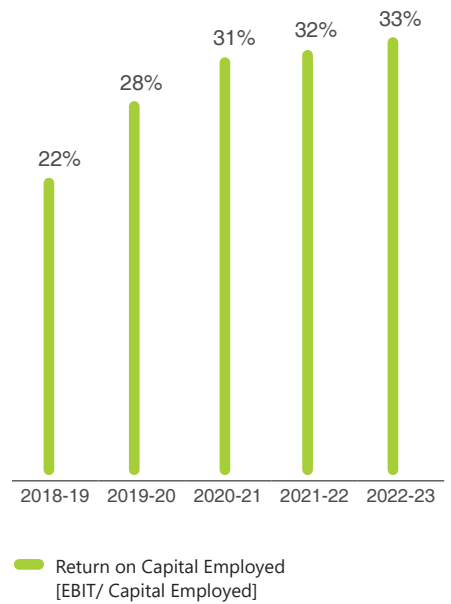
Revenue from Operations & Profitability (₹ in Million)



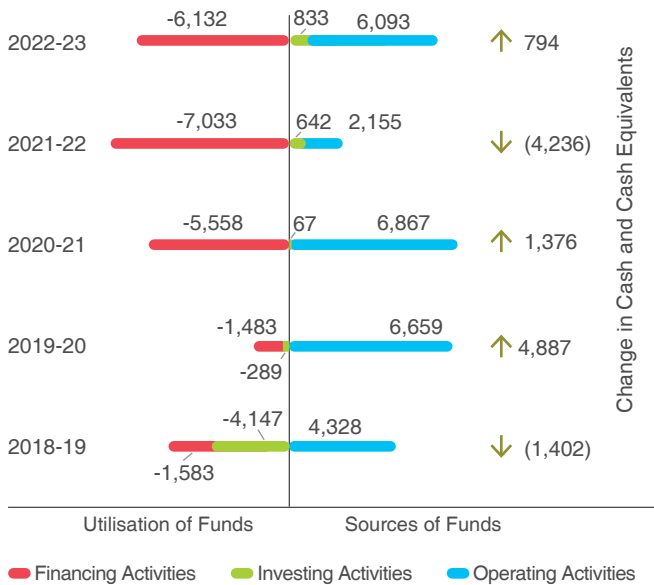
Distribution of Income* 2022-23 [₹ in Million (%)]



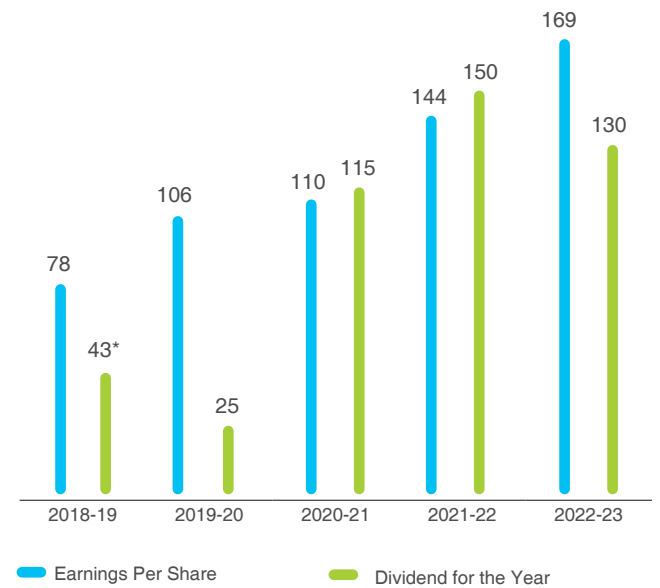
Return on Capital Employed (%)



Cash Flow (₹ in Million)



Earnings and Dividend Per Share (₹)



*it includes ₹ 25 paid to shareholders of erstwhile MIL

Note: 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.



REGISTERED OFFICE

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