

**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present the 60<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2018.

**Financial Performance:**

(₹ in Millions)

Particulars	2017-18	2016-17
Revenue from Operations	27,490	29,484
Other Income	388	701
<b>Total Income</b>	<b>27,878</b>	<b>30,185</b>
<b>Profit before Finance Costs, Depreciation and Taxation</b>	<b>4,482</b>	<b>4,837</b>
(Less) : Finance Costs	(113)	(69)
(Less) : Depreciation and Amortisation Expense	(331)	(289)
<b>Profit Before Tax</b>	<b>4,038</b>	<b>4,479</b>
(Less) : Tax Expense	(1,037)	(1,569)
<b>Profit for the year</b>	<b>3,001</b>	<b>2,910</b>
(Less) : Other Comprehensive Income	(13)	(14)
<b>Total Comprehensive Income for the year</b>	<b>2,988</b>	<b>2,896</b>
Add : Retained Earnings at the beginning of the year	16,594	14,722
<b>Amount available for Appropriation</b>	<b>19,582</b>	<b>17,618</b>
Appropriations:		
Dividend Declared	601	601
Dividend Distribution Tax on Dividend	122	122
Transfer to General Reserve	290	301
Premium paid on Buyback of Equity shares	4,989	-
Transfer to Capital Redemption Reserve	11	-
Transaction Cost for Buyback of Equity shares	49	-

**Operations:**

Your Company's Revenue from Operation for the financial year 2017-18 is ₹ 27,490 Millions vis-à-vis ₹ 29,484 Millions in 2016-17.

Profit before Taxation is ₹ 4,038 Millions for the financial year 2017-18.

**Dividend:**

In line with the Dividend Distribution Policy, the Board of Directors have recommended a final dividend of ₹ 18.00 per Equity Share of ₹ 10 each amounting to ₹ 618 Millions for the financial year ended March 31, 2018, subject to the approval of the members.

The Register of Members will remain closed from Wednesday, August 08, 2018 to Tuesday, August 21, 2018 (both days inclusive).

**Transfer to Reserves:**

The Company proposes to transfer an amount of ₹ 290 Millions to the General Reserve.

**Exports:**

The export sale for the financial year ended March 31, 2018 was ₹ 2,496 Millions as compared to ₹ 4,257 Millions during the previous year.

**Insurance:**

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

**Foreign Exchange Management:**

The Company's exposure to foreign exchange risk comprises the risk of fluctuations of a foreign currency versus the local currency. The goal is to reduce the negative impact on the earnings arising from fluctuations in exchange rates in the earnings. In this drive, majority of the forex transactions with group companies are now invoiced in rupee terms effective from January, 2018, thereby insulating the Company books from forex volatility. To mitigate the currency fluctuations for the balance non group US dollar denominated transactions, the net exposure of the Company is hedged after taking advantage of the natural hedge on fortnightly basis.



## DIRECTORS' REPORT (contd.)

### 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, 2018 and of the profit of the Company for the financial year ended March 31, 2018;
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.

### Responsible Care and Quality:

Your Company observed National Safety Week and Fire Prevention Week during the year and conducted various activities throughout the week to spread awareness on safety amongst employees. September 20, 2017, was observed as the Bayer Safety Day. Various activities were conducted at sites and offices to promote safety. Your Company observed World Environment Day at the Himatnagar Site during the year. A "Road Safety Campaign" was conducted in 2017 to increase awareness on road safety amongst Bayer employees in India.

Your Company, covering the manufacturing site at Himatnagar was audited for ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management Systems by TUV India Pvt. Ltd. (TUV) and the Company continued certification for 2017-18.

Your Company accords high priority to health, safety and environment.

### Corporate Sustainability and Social Responsibility:

As a Life Science company, Bayer with its more than 150 years history and core competencies in the areas of health care and agriculture is contributing to finding solutions to some of the major challenges of our time.

For Bayer, sustainability means shaping the future successfully and, as part of our corporate strategy, is an integral part of our day-to-day work routines. Bayer's social commitment is based on innovation and pioneering spirit. We at Bayer are committed to improving the healthcare and better social living conditions. For this purpose, we cooperate with partners in international programs and support local initiatives.

Our mission as a Company is to act sustainably through our commitment to the U.N. Global Compact, and through our active global involvement in leading initiatives such as the World Business Council for Sustainable Development (WBCSD).

Environment is another key focus area. We are continuously working to reduce the environmental impact of our business activities and develop product solutions that benefit the environment. We use many means to make our production processes more resource-friendly and lower the emissions they generate. We are also committed to minimizing wastewater pollution. Systematic waste management and recycling activities reduce the amount of materials to be disposed of.

In India, Bayer is active in a variety of ways in the core fields of education and science, health and social needs. With its initiatives, Bayer is supporting local communities with innovative educational and social projects. We are focusing on long term projects according to the principle 'helping people to help themselves'.

### Corporate Societal Engagement:

In India, the Company has rolled out a holistic, well-planned implementation approach for executing its Corporate Societal Engagement (CSE) projects. Since the introduction of the Section 135 of the Companies Act, 2013, the Company has conceptualised a portfolio of projects that focuses on four essential pillars: Fostering education, Fostering rural development, Empowering women and Preventive health & sanitation.

Under the Fostering Education pillar, educational and science projects are being undertaken. As education is a vital factor in achieving sustainable prosperity, Bayer places tremendous emphasis on supporting education and research within its social environment. The second pillar - Fostering Rural Development, focuses on many Community Development programs being implemented in various parts of India that aim to enhance awareness about health, hygiene and skill development. Empowering Women is the third pillar under which, using proven expertise and knowhow from years of experience, Bayer and its partnering institutions are developing strategies through the Program for Primary Prevention of Sexual Violence (PPPSV) to implement primary prevention measures, which protect women and children from sexual violence and its after effects. Another project, Discovering Hands aims to make a positive difference to the area of breast cancer as well as lend a helping hand for the visually challenged blind women. The fourth pillar - Preventive Health

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& Sanitation aims to provide targeted assistance in the areas of health and hygiene.

On all the four fronts, the Company has achieved significant milestones.

**Business Responsibility Reporting:**

Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015, inter alia, provides that the annual report of the top 500 listed entities based on market capitalization, shall include a Business Responsibility Report (BRR). A separate section on Business Responsibility forms part of this Annual Report.

**Human Resources:**

Bayer's business success is based to a large extent on the knowledge, skills, commitment and satisfaction of our employees. As an employer we offer our employees attractive conditions and wide-ranging individual development opportunities. Alongside professional training, we focus on conveying our corporate values (LIFE - Leadership, Integrity, Flexibility, Efficiency) and establishing a dialogue-oriented corporate culture based on trust, respect for diversity and equality of opportunity. Our responsible approach to structuring working conditions includes fair treatment at work, a transparent and equitable compensation system, the ability to combine working with family commitments, flexible worktime arrangements and a working environment that fosters health.

These are the cornerstones of our global human resources strategy, which is designed to safeguard and expand our business activities. They strengthen our competitiveness, and also reflect our social responsibility to provide secure employment and stable incomes, and to foster social cohesion.

In this way, we want to recruit and retain the best employees for Bayer.

We measure employees' satisfaction with Bayer as an employer with the help of institutionalized feedback discussions and the Group-wide Employee Survey, which is usually conducted about every two years. This enables us to monitor the effectiveness of our activities and make any necessary improvements. In the 2017 Employee Survey – Results, we had an Employee Engagement Index of 81%.

**Attracting, Developing and Retaining the best managers and employees:**

Employer branding targets both current and prospective employees.

Your Company continues to leverage its Employer Value proposition – its Employer Brand - 'Passion to Innovate | Power to Change', which shows what the Bayer Group expects of its employees and what it can offer them. It translates Bayer's mission statement "Science for a better life" into the world of work. It is a reflection of what makes Bayer and what is expected of every employee who joins Bayer. The Employer Brand demonstrates a strong value proposition for future talents and strengthens Bayer as an employer of choice.

Your Company's career Facebook page, its LinkedIn page continues to present Bayer in an engaging manner through proof points which make Bayer an Employer of Choice. You would be happy to note that your Company has been ranked by Working Mother & AVTAR in the '100 Best Companies for Women in India'.

Internships and the Bayer Scholarships keep our connect with the student community high.

**Feedback on employee performance:**

Specific and differentiated feedback forms the basis for positive personal development. Bayer encourages a culture of candid feedback to help employees achieve their individual goals. This is supported by a Group-wide performance management system. In feedback discussions, employees have the opportunity to receive feedback from their supervisors on fulfilment of their professional and behavioural objectives. This assessment also determines a significant portion of their variable compensation.

**Wide-ranging career opportunities:**

Thanks to our wide-ranging business activities, we offer employees throughout the Group good opportunities for development. Regular Development Dialogues between employees and supervisors provide an opportunity to discuss the employees' further career development perspectives.

Around 1,302 Development Dialogues were held and documented in 2017. Vacancies throughout the Bayer Group, from non-managerial right up to management level, are advertised via a globally accessible platform. International assignments are also an important element in employee development. 29 employees from India had participated in the international assignments (short term and long term) in 2017.

In line with Bayer's talent management philosophy, a number of employees went through various Development Centres this year as well. These exercises not only built capabilities, but also provided opportunities for employees to move into different roles and positions. Our strong work on XCEDO, the CropScience Divisions' Training Academy continued to be recognized at all levels. We continued with SKILL CAMP which is a global marketing and sales initiative. In continuation of last year's efforts towards providing opportunities for Learning and Development to the employees, initiatives like NIEV - Certificate in Management Studies in collaboration with WE School and My Growth My Life – An accelerated Development Program were progressed.

Since the roll out of the Bayer Competency Model, the Bayer Competencies – Core and Leader, remain linked to all People Processes, Performance Management, Talent Development initiatives across the employee life cycle.

In line with the strategy, the Company has decided on emphasizing and amplifying four focus behaviours - Customer Focus, Experimentation, Collaboration and Trust in our organization, so that we can ensure that our culture supports our strategy and purpose.



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### Corporate culture: dialogue, diversity, innovation:

Fairness and respect are central elements of our corporate culture. That includes observing Group-wide standards of conduct and protecting employees from discrimination, harassment and retaliation. These standards are set forth in our Corporate Policy "Fairness and Respect at Work." With the help of training, videos and our internal websites, Bayer employees around the world are provided with guidance on how to comply with this corporate policy. Child and forced labour are strictly prohibited at Bayer in accordance with the core labor criteria of the International Labour Organization (ILO). This prohibition is set out in our binding Human Rights Policy and applies Group-wide.

### Communication at all levels:

Employees can use the internal crowdsourcing platform WeSolve to pose questions relating to internal matters at Bayer. These are then answered together with other employees with whom the person asking the question does not normally have any contact. We involve our employees in business processes through active dialogue, informing staff promptly and extensively about upcoming changes.

### Creating attractive working conditions:

- **Competitive compensation and variable pay**

Our compensation system combines a salary reflecting performance and responsibility with elements based on the Company's success, plus additional benefits. Adjustments based on continuous benchmarking make our compensation locally competitive. This includes, among other things, the uniform evaluation of all managerial positions throughout the Group.

Bayer voluntarily pays employees on permanent employment contracts in excess of the statutory minimum wage.

Binding and transparent compensation structures - At Bayer, individual salaries are based on each employee's personal and professional abilities and the level of responsibility assigned to them. At the managerial level, this is based on uniform evaluation of all positions throughout the Group using the internationally recognized Hay method.

Our compensation concept also includes variable one-time payments.

- **Work-life balance**

We offer our employees flexible working hours and support in child care beyond the statutory requirements.

- **Initiatives to promote health and ensure safe working conditions**

In 2017, Bayer adopted a new global framework concept to promote employee health and quality of life (BeWell@Bayer). It expands the core aspect of health into a comprehensive approach, targets further improvements in the daily work environment and is intended particularly to help balance employees' professional and private lives. We aim to provide employees with access to affordable and targeted health offerings such as regular medical check-ups, sports programs, and on-site medical care.

The Company offers employees the support of free Employee Assistance Program which is a fully confidential support system for requirements in the areas of psychological, marital, financial and legal advice in personal matters.

### Awards & Recognition:

The Company has been recognized as one of the '100 Best Companies for Women in India 2017'. The study conducted by AVTAR Group & Working Mother aims to recognize and bring into foray the sustained initiatives undertaken by companies to increase women's workforce participation.

During the year, the Company was awarded the 'Mercer NDTV Employer Excellence Awards 2017' in Excellence in Career Development category and was also declared as 'Aon Best Employer in India 2018' award for the second consecutive year.

At Bayer, we have always been committed to creating a culture where everyone can continuously innovate, perform and develop. The above awards are a testament of our commitment to career development of our employees through state of art talent management practices and tools.

### Directors:

Mr. A.K.R. Nedungadi, Non-Executive Independent Director ceased to be a Director of the Company with effect from April 30, 2018. The Board of Directors placed on record its warm appreciation for the valuable contribution made by Mr. Nedungadi during his tenure as Director of the Company.

At the forthcoming 60<sup>th</sup> Annual General Meeting (AGM) of the Company and in accordance with the provision of the Act, Dr. (Ms.) Miriam Colling- Hendlkens retires by rotation and being eligible offers her candidature for re-appointment. The resolution for the said re-appointment along with the brief profile forms a part of the Notice of the AGM and the resolution for her re-appointment is recommended for your approval.

The Independent Directors hold office for a fixed term of 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, Mr. Sharad M. Kulkarni, Mr. A.K.R. Nedungadi and Mr. Vimal Bhandari, the Independent Directors of the Company as on March 31, 2018 have given declaration 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").

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**DIRECTORS' REPORT** (contd.)**Meetings of the Board:**

During the financial year ended March 31, 2018, five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report.

**Audit Committee:**

During the financial year ended March 31, 2018, four Audit Committee Meetings were convened and held. The composition of the Audit Committee is given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

**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 collectively evaluated the Board's as well as Committee's performance based on various parameters. The individual directors were also evaluated by their peers based on the parameters provided by the SEBI Listing Regulations. The results of the evaluation were discussed at the Nomination & Remuneration Committee and were also 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, the composition of the Board and Committees, governance aspects etc. The criteria applied in the evaluation process is explained in the Corporate Governance Report.

**Nomination and Remuneration Policy:**

The Company has in place a Nomination and Remuneration Policy which is framed in accordance with Section 178 of the Act and SEBI Listing Regulations. The Policy provides for appointment and removal of Directors, Key Managerial Personnel and Senior Management employees and their remuneration. The detailed policy is available on the website of the Company at [www.bayer.in](http://www.bayer.in).

**Whistle Blower Policy (Vigil Mechanism):**

The Company has adopted a Whistle Blower Policy, as a part of vigil mechanism to provide appropriate avenues to the employees as well as any third parties to bring to the attention of the management any issue which 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 established vigil mechanism helps employees to report concerns about any unethical conduct, financial malpractices or any unhealthy practice prevalent in the Company. The employees are encouraged to voice their concerns or issues by way of whistle blowing and all the employees have been given the access to the Audit Committee. The Company has also provided dedicated email address [bayercompliance@expolink.co.uk](mailto:bayercompliance@expolink.co.uk) for reporting such concerns. The Corporate Compliance Team looks into the whistle blower complaints and places the status of such complaints at the Audit Committee Meeting on a quarterly basis.

The details of this Policy is explained in the Corporate Governance Report and also posted on the website of the Company at [www.bayer.in](http://www.bayer.in).

**Code of Conduct:**

The Company has in place a Code of Business Conduct ("Code") which is applicable to the members of the Board and all employees of the Company. The Code lays down the standard of conduct which is expected to be followed by the Directors and employees in their business dealings and in particular on matters relating to integrity in the work place, dealing with stakeholders and in business practices. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**Risk Management Policy:**

The Company has adopted a Risk Management Policy which outlines the risk management framework of the Company. The policy contains the following aspects:

- overview of risk management;
- roles and responsibilities of the Board of Directors, Audit Committee and other key personnel of the Company with regards to risk management;
- structure for identification, escalation and minimization of risks and
- procedure for risk identification, escalation and minimization of risks.

The details on risk management are given in the Corporate Governance Report.

**Corporate Social Responsibility Policy:**

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is set out in Annexure "A" of this report. The CSR policy is uploaded on the website of the Company and is available at [www.bayer.in](http://www.bayer.in).

**Internal Control Systems:**

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



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### **Internal Financial Controls:**

The Companies Act, 2013, introduced regulations with focus on control and compliance requirements; in light of which the Company has laid down Internal Financial Controls across various processes prevalent in the organisation. These controls have been established at the entity as well as process level and are designed to ensure compliance to internal control requirements, regulatory compliance and enable appropriate recording of financial and operational information. The Company has reviewed effectiveness of internal financial controls by adopting a systematic approach to assess design and its operating effectiveness.

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

The information as prescribed under 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 an Annexure "E" to the Directors' Report. However, as per the proviso to Rule 5 the Directors' Report and Financial Statements are being sent to the Members excluding the statement giving particulars of employees under Section 197(12). Any Member interested in obtaining a copy of such statement may write to the Company Secretary at the Registered Office of the Company.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to these matters forms part of this Report and is enclosed as Annexure "B" hereto.

### **Particular of Loans, guarantees or investments under Section 186 of the Companies Act, 2013:**

During the financial year ended March 31, 2018, the Company did not give any loan, guarantee or provide security in connection with any loan to any group company or acquired any securities on or behalf of 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, your Company has in place a Related Party Transaction Policy. All the transactions entered with related parties are as per the Related Party Transaction Policy and are in the Ordinary Course of Business and at arm's length.

Information on transactions 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 are given under Annexure "C".

### **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 Company policy on prevention of sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during last calendar year.

- No. of complaints received : Nil
- No. of complaints disposed off: Nil

### **Extract of Annual Return:**

The details forming part of the extract of the Annual Return in Form MGT 9 is enclosed as Annexure "D" hereto.

### **Corporate Governance:**

Your Company is committed to maintaining highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities and Exchange Board of India (SEBI). As required by Regulation 24 of the SEBI Listing Regulations, a detailed Corporate Governance Report is given as an Annexure to this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate from a Company Secretary in whole-time practice confirming compliance of the Corporate Governance requirements by the Company is attached to the Corporate Governance Report. Also a Certificate of the CEO and CFO of the Company in terms of the SEBI Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of internal control measures forms a part of the Corporate Governance Report.

### **Management Discussion & Analysis Report:**

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

### **Buyback of shares:**

During the year under review, the Company completed Buyback of 1,020,408 equity shares (representing 2.89% of total equity capital) of ₹ 10/- each at a price of ₹ 4,900/- per equity share aggregating to ₹ 499,99,99,200. The Buyback of shares from the shareholders of the Company was on a proportionate basis through the tender offer route as prescribed under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended.

**Cost Audit:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of 'Insecticides' is required to be audited. Your 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, 2019. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their 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 Section 139 of the Companies Act, 2013 as per their appointment made at the 59<sup>th</sup> Annual General Meeting of the Company held on August 23, 2017 for a period of five years.

**Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company 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, 2019. The Secretarial Audit Report for the financial year ended March 31, 2018 is enclosed as Annexure "F" hereto.

**Acknowledgements:**

The Board of Directors wishes to thank the employees of the Company for their exemplary dedication and valued contribution made by them. Your Directors would like to express their grateful appreciation for the co-operation, assistance and support extended by all the valuable stakeholders of the Company viz: customers, government authorities, financial institutions, banks, shareholders, suppliers and other business associates. We also acknowledge the consistent support and guidance from Bayer AG, Bayer CropScience AG, Bayer SAS and Bayer Vapi Private Limited.

For and on behalf of the Board of Directors

**Pankaj Patel**  
Chairman  
(DIN: 00131852)

Mumbai, May 23, 2018