

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Bayer has always placed great importance on responsible corporate governance. Our actions are governed by our values which play a central role in our daily work and are intended to guide us in fulfilling our group mission. These values are represented by the word LIFE: Leadership, Integrity, Flexibility, Efficiency.

Our mission statement "Bayer: Science for a better life" endeavors and focuses on developing and successfully commercializing innovative products and solutions based on scientific knowledge. We at Bayer are committed to operating sustainably and addressing our social and ethical responsibilities as a Corporate Citizen.

Our goal is to create value for our customers, shareholders and employees. At Bayer we strive to achieve excellence through sustainable and responsible business practices. For us at Bayer, Corporate Governance basically means to uphold our core values with ethical business conduct as well as a commitment to maximize the value for all the stakeholders through innovation driven projects which forms the basis of sustainable business activity. We are continuously striving towards improving people's quality of life by helping to provide an adequate supply of high quality food and feed.

To maximize transparency, we provide regular and timely information on the Company's position and significant changes in the business activities to shareholders, financial analyst, the media and general public. We believe in the importance of building shareholder trust. We adhere to the highest levels of ethical business practices, as embodied by the Bayer Code of Conduct and Corporate Compliance Policy which provides guidelines for ethical conduct by our directors, officers and employees.

Corporate Compliance Program:

Our corporate activity is governed by national and local laws and statutes that place a range of obligations on the Bayer Group and its employees throughout the world. Bayer manages its business responsibly and is compliant with the statutory and regulatory requirements of the countries in which it operates.

The Corporate Compliance Policy ("the Policy") as revised states that Bayer is unreservedly committed to corporate compliance and will forgo any business transactions that would violate compliance principles. The Policy also details the organisational framework for corporate compliance and specifies areas in which violations of applicable law can have particularly serious adverse consequences, both for the Group as a whole as also for individual employees. The principles set forth in the revised Policy also reflects additionally the topics of Data Privacy, Social Media and Money Laundering and the "Compliance Management System" are designed to guide employees in their business-related actions and protect them from potential misconduct.

With the Compliance Charta, Bayer is taking its compliance initiatives into a new era. Compliance functions are concentrating on a proactive, risk based and collaborative approach striving at early prevention. In this context, the Compliance Organization has redefined its priorities and now introduces a COMPLIANCE MANAGEMENT SYSTEM based on Business Partnership, Dialogue and Transparency as well as on Continuous Improvement and Innovation. Under the umbrella of "Integrated Compliance Management (ICM)", compliance specialists and those responsible for day-to-day operations work together even more systematically from the very beginning to prevent possible violations of rules and regulations. The site management works closely with local compliance specialists and legal experts in all the countries and regions to analyze the current situation in each relevant area of risk, thereby, adapting the business processes within the stipulated time to ensure that employees and the business are reliably protected against breaches of compliance. This initiative will further contribute to the integrity of our Company around the globe in accordance with the LIFE values. ICM for the Company focuses on the risk areas such as Antitrust, Anti-Corruption, Conflict of Interest, Data Privacy, Foreign Trade Limitation, Insider Trading and Fair & Respectful Work Conditions. Employees affected by the risk areas are being guided and trained to follow the processes to prevent any potential compliance risk. The ICM program has a lifecycle management which is an ongoing assessment which revisits the business scenarios, compliance risks and processes which need to be adhered to.

Bayer expects legally and ethically impeccable conduct from all its employees in day to day business operations, as the way they carry out their duties affects the Company's reputation. By ensuring regular dialogue between employees and their supervisors, monitoring the processes and providing training courses involving the Compliance Officer, the Company endeavours to acquaint its employees with internal codes of behaviour and with the numerous statutory and regulatory requirements of the countries where they work that are of relevance to them. This lays the foundation for managing the business responsibly and in compliance with respective applicable laws. Employees may contact their respective supervisors or Compliance Officers for support and advice on ensuring legally compliant conduct in specific business situations.

2. BOARD OF DIRECTORS

We believe that an effective and well-informed Board is necessary to ensure high standards of Corporate Governance. The Board of Directors, along with its Committees play a fundamental role in upholding and nurturing the principles of good governance. The Board lays down the overall corporate objectives and provides necessary guidance and independence to the management to achieve the objectives within a set framework. 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.

Composition:

We believe that a Board needs to have an appropriate mix of executive and independent directors to maintain its independence and separate its functions of governance and management. Our Board composition is in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"). As on the date of the Report, the Board consists of total seven Directors out of which two are Executive Directors, three are Non-Executive Independent



CORPORATE GOVERNANCE REPORT (contd.)

Directors and two are Non-Executive Non-Independent Directors. None of the Directors of your Company are related to each other. The number of Directorships, Committee Membership/Chairmanship of all Directors is within respective limits prescribed under the Companies Act, 2013 ("the Act") and SEBI Listing Regulations. The necessary disclosures regarding Committee positions have been made by all the Directors. The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s) are provided herein.

Directorship in other companies / committee position as on March 31, 2018

Sr. No.	Name of Director	Category	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Memberships
1.	Mr. Pankaj Patel, Chairman	Non-Executive Independent Director	4	1	1
2.	Mr. Richard van der Merwe, Vice Chairman	Managing Director & CEO	-	-	-
3.	Mr. Sharad M. Kulkarni	Non-Executive Independent Director	4	3	2
4.	Mr. A. K. R. Nedungadi*	Non-Executive Independent Director	1	-	1
5.	Mr. Vimal Bhandari	Non-Executive Independent Director	6	1	2
6.	Mr. Peter Mueller	Non-Executive Non-Independent Director	-	-	-
7.	Mr. Ulrich Stefer	Executive Director & CFO	-	-	-
8.	Dr. (Ms.) Miriam Colling-Hendelkens	Non-Executive Non-Independent Director	-	-	-

Notes:

1. Directorships mentioned above includes alternate directorships, but exclude directorships in private companies, foreign companies and companies incorporated under Section 8 of the Act.
2. The details mentioned above are for companies other than Bayer CropScience Limited.
3. Committee details consist only of Audit and Stakeholders Relationship Committees.
4. * Resigned with effect from April 30, 2018.

Board Independence:

We believe that Independent Directors play a vital role in bringing objectivity and transparency in the overall functioning of the Company as well as enhance the decision making process through valuable contribution. Our 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.

All our Non-Executive Independent Directors 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. As on the date of the Report, none of the Directors hold any shares in the Company.

3. BOARD PROCEDURE

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 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 backed up by comprehensive background information to enable the Board to take informed decisions. The agenda papers, containing detailed notes on various agenda items and other information, which 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 5 Board meetings during the financial year 2017-18 and the gap between two meetings did not exceed 120 days. The dates on which the Board meetings were held are May 24, 2017, June 06, 2017, August 09, 2017, November 07, 2017 and February 02, 2018.

CORPORATE GOVERNANCE REPORT (contd.)**Information given to the Board:**

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.
- The 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.
- Sale of material nature of investments, subsidiaries, assets, which 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.

Board Support:

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

With an aim to bring in more flexibility as well as ease of operation, the Company has in place an e-board meeting application which is also aimed at reducing the paper consumption. This application of e-board meeting enables the Board to access all the agenda papers through their I-pad's using their unique log-in IDs and passwords. The application meets high standards of security and integrity that is required for storage and transmission of the Board/Committee Agenda.

Attendance Record of the Directors at Meetings of the Board and the Annual General Meeting (AGM):

The 59th AGM of the Company was held on Wednesday, August 23, 2017 at 11.00 a.m. The attendance of the Directors at the Board Meetings and AGM held during the financial year ended March 31, 2018 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
1.	Mr. Pankaj Patel	5	5	Yes
2.	Mr. Richard van der Merwe	5	5	Yes
3.	Mr. Sharad M. Kulkarni	5	5	Yes
4.	Mr. A.K.R. Nedungadi	5	4	Yes
5.	Mr. Vimal Bhandari	5	5	Yes
6.	Mr. Peter Mueller	5	3	Yes
7.	Mr. Ulrich Stefer	5	5	Yes
8.	Dr. (Ms.) Miriam Colling-Hendelkens	4	3	Yes

Separate Meeting of Independent Directors:

During the year under review, the Non-Executive Independent Directors of the Company met on February 02, 2018 without the attendance of Executive and Non-Independent Directors and the members of management. During the said meeting the following points were discussed:

- The performance of Non-Independent Directors and the Board as a whole.
- The performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors.
- The 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 were present throughout the meeting. They expressed satisfaction at the governance process followed by the Company as well as the information provided to them on a timely basis.



CORPORATE GOVERNANCE REPORT (contd.)

Board Evaluation:

The Company has adopted a Performance Evaluation Policy (“the Policy”) which provides for evaluation of the Board, the Committee of the Board and the Individual Directors, including 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, accountability and judgment of the Directors, to bring in objectivity in the Board proceedings. The Policy also sets independence standards for the Independent Directors to follow and adhere to. It also provides for the procedure for evaluation of the Independent Directors and the Board as a whole.

During the year, in terms of the requirements of the Act and the SEBI Listing Regulations, a Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The evaluation process focused on the various aspects of the functioning of the Board and Committees such as composition, experience and competencies, performance of the specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of the individual directors based on criteria such as attendance, contribution and independent judgement.

Familiarization Programme for Non-Executive Independent Director:

As per the provisions of the SEBI Listing Regulations, the Company has put in place a familiarization programme for its Non-Executive Independent Directors. This programme aims to provide insights into the Company to enable the Independent Directors in understanding the Company’s business in detail and which also facilitates their active participation in the Board matters. 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 and the Board expectations.

On February 01, 2018, the Board members of the Company visited Kesanand, a small village near Pune wherein the Board members had an opportunity to interact with the local farmers as well as Bayer Mythrivan Retailers & Distributors. The Board members interacted with the retailers and distributors and took their feedback as well as inquired about their concerns. The retailers and distributors got an opportunity to pose their queries to the Board members. The Board members also visited the field wherein various crops like tomato, onion and sugarcane were showcased and they got an opportunity to interact with the farmers and understand their concerns.

The field visit and the interaction with the farmers gave a good perspective to the Independent Directors about the core activities of the Company as well as the efforts taken by the Company towards customer satisfaction i.e. “Farmers”.

As an ongoing process, the Non-Executive Independent Directors from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and explanation either at the meeting of the Board or otherwise. The Familiarization programme for Independent Directors is uploaded on the Company’s website under the Corporate Governance section.

4. COMMITTEES OF THE BOARD

The Committees of the Board play a very important role in the governance structure of the Company and helps the Board of Directors in discharging its duties and responsibilities. The Committees have been constituted to deal with specific areas/activities which concern the Company. The Board Committees are set up with clearly defined roles and goals which are crucial for the smooth functioning of the Company. The Board is responsible for the action of the Committees. The Chairman of the respective Committees inform the Board about the summary of the discussions held in the Committee Meetings. The minutes of meetings of all the Committees are placed before the Board for review.

The Board has constituted the following Committees which are mandatory.

Audit Committee:

The Company’s Audit Committee as on March 31, 2018 comprised of four Non-Executive Directors, of which three are Non-Executive Independent Directors and one is a Non-Executive Non-Independent Director. Mr. Sharad M. Kulkarni is the Chairman of the Audit Committee and Mr. A. K. R. Nedungadi, Mr. Vimal Bhandari, Mr. Peter Mueller are its members. The members of the Audit Committee have relevant experience in financial matters.

The Audit Committee met 4 times during the financial year ended March 31, 2018. The meetings were held on May 24, 2017, August 09, 2017, November 07, 2017 and February 02, 2018. Necessary quorum was present at all the meetings. The attendance of the Committee members at the meetings was as under.

Name of Member	Category	No. of Meetings attended during 2017-18
Mr. Sharad M. Kulkarni	Non-Executive Independent Director	4
Mr. A.K.R. Nedungadi*	Non-Executive Independent Director	4
Mr. Vimal Bhandari	Non-Executive Independent Director	4
Mr. Peter Mueller	Non-Executive Non-Independent Director	2

*Mr. A.K.R. Nedungadi resigned from the Board w.e.f. April 30, 2018.

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

CORPORATE GOVERNANCE REPORT (contd.)**Role of the Audit Committee:**

The terms of reference of Audit Committee, inter alia are 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. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgement by 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 monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of 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 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. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into 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. Discussion 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. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of 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 is mentioned in the terms of reference of the Audit Committee.

The Chairman of the Audit Committee, Mr. Sharad M. Kulkarni, was present at the 59th Annual General Meeting of the Company held on Wednesday, August 23, 2017.

Stakeholders Relationship Committee:

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

- To consider and effectively redress the shareholders and investor complaints including complaints related to transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends.

The Stakeholders Relationship Committee as on March 31, 2018 comprised of Mr. A. K. R. Nedungadi, a Non-Executive Independent Director as the Chairman and Mr. Sharad M. Kulkarni, Non-Executive Independent Director, Mr. Richard van der Merwe and Mr. Ulrich Stefer as the members of the Committee.



CORPORATE GOVERNANCE REPORT (contd.)

The Committee held 4 meetings during the financial year ended March 31, 2018. The meetings were held on May 24, 2017, August 09, 2017, November 07, 2017 and February 02, 2018. The attendance 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 2017-18
1.	Mr. A.K.R. Nedungadi*	4	4
2.	Mr. Richard van der Merwe	4	4
3.	Mr. Sharad M. Kulkarni	4	4
4.	Mr. Ulrich Stefer	4	4

*Mr. A.K.R. Nedungadi resigned from the Board w.e.f. April 30, 2018.

Complaints received and resolved by the Company during the financial year ended March 31, 2018 are given below:

Source of complaints	April 01, 2017 to March 31, 2018	
	Received	Resolved
Referred by SEBI SCORES	4	4
Referred by NSDL/Stock Exchange	-	-
Referred by Ministry of Corporate Affairs	2	2

Share Transfer Committee:

In compliance with the Regulation 40 of the SEBI Listing Regulations and in order to expedite the process of share transfer, power to approve share transfers has been delegated to officials of the Company.

Further, a sub-committee has been constituted for attending to matters relating to issue of duplicate share certificates, transmission of shares, split and consolidation, etc. The composition of the aforementioned Committee as on March 31, 2018 was as under:

Sr. No.	Name of Member	Designation
1.	Mr. Richard van der Merwe Vice Chairman & Managing Director and CEO	Chairman
2.	Mr. Ulrich Stefer Executive Director & CFO	Member
3.	Mr. Rajiv Wani Head - Law, Patents & Compliance & Company Secretary	Member

Nomination and Remuneration Committee:

In compliance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has constituted a Nomination and Remuneration Committee. The Committee comprised of four Non-Executive Directors as on March 31, 2018, of which three are Non-Executive Independent Directors. The Nomination and Remuneration Committee comprises of Mr. Vimal Bhandari, a Non-Executive Independent Director as the Chairman and Mr. A. K. R. Nedungadi, Non-Executive Independent Director, Mr. Sharad M. Kulkarni, Non-Executive Independent Director and Mr. Peter Mueller, Non-Executive Non-Independent Director as members of the Committee.

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 4 times during the financial year ended March 31, 2018. The meetings were held on May 24, 2017, June 06, 2017, August 09, 2017 and February 02, 2018. The attendance at the meeting was as under:

CORPORATE GOVERNANCE REPORT (contd.)

Sr. No.	Name of Member	Nomination and Remuneration Committee Meetings held in Member's tenure	No. of meetings attended during 2017-18
1.	Mr. Vimal Bhandari	4	4
2.	Mr. A.K.R. Nedungadi*	4	4
3.	Mr. Sharad M. Kulkarni	4	4
4.	Mr. Peter Mueller	4	3

* Mr. A.K.R. Nedungadi resigned from the Board w.e.f. April 30, 2018.

Corporate Social Responsibility Committee:

As required under Section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The composition of the Committee as on March 31, 2018 comprised of Mr. Richard van der Merwe as the Chairman and Mr. Vimal Bhandari, Non-Executive Independent Director and Mr. Ulrich Stefer as members of the Committee.

The terms of reference of the CSR Committee are as follows:

- formulating and recommending to the Board, Corporate Social Responsibility Policy and the activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on the activities undertaken;
- reviewing the performance of the Company in the area of Corporate Social Responsibility;
- monitoring Corporate Social Responsibility Policy of the Company;
- formulate policies and procedures based on the requirement of SEBI for Business Responsibility Reporting;
- ensure implementation of all the policies pertaining to Business Responsibility;
- ensure effective communication of all the policies to all relevant stakeholders;
- review and assess the Business Responsibility performance annually;
- review the Business Responsibility initiatives and encourage participation;
- review the Business Responsibility Report and recommend to the Board for approval.

During the financial year ended March 31, 2018, the Committee met once on February 02, 2018. All the members were present at the meeting.

5. REMUNERATION OF DIRECTORS

Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors during the financial year ended March 31, 2018

a) Non-Executive Independent Directors:

The details of the sitting fees and commission paid during the financial year ended March 31, 2018 are given in the table below:
(₹ in Millions)

Sr. No.	Name of Director	Sitting Fees	Commission	Total
1.	Mr. Pankaj Patel*	0.30	0.94	1.24
2.	Mr. Sharad M. Kulkarni	0.70	1.25	1.95
3.	Mr. A.K.R. Nedungadi	0.64	1.25	1.89
4.	Mr. Vimal Bhandari	0.70	1.25	1.95
5.	Dr. Vijay Mallya#	--	0.31	0.31

*Mr. Pankaj Patel was appointed as director with effect from July 05, 2016

#Dr. Vijay Mallya resigned as director with effect from June 30, 2016.

Note: Commission paid for the period 2016-17 in the month of September, 2017.

b) Executive Directors:

Mr. Richard van der Merwe, the Vice Chairman & Managing Director and Chief Executive Officer and Mr. Ulrich Stefer, Executive Director & Chief Financial Officer were paid remuneration during the financial year ended March 31, 2018 as per their respective agreements with the Company, which had been approved by the Board as well as the members of the Company.



CORPORATE GOVERNANCE REPORT (contd.)

The details of the remuneration paid to the Executive Directors during the financial year ended March 31, 2018 is as under:

(₹ In Millions)

Sr. No.	Name of Director	Position	Salary & Allowances	Perquisites	Total Salary	Contract Period
1.	Mr. Richard van der Merwe	Vice Chairman & Managing Director and CEO	65.88	19.32	85.20	February 01, 2014- January 31, 2019
2.	Mr. Ulrich Stefer	Executive Director & CFO	32.21	12.64	44.85	April 01, 2016- March 31, 2021

c) Service contract, notice period and severance fees

Mr. Richard van der Merwe was appointed as the Vice Chairman & Managing Director of the Company with effect from February 01, 2014 by the Board of Directors. The employment contract with Mr. van der Merwe is for a period of 5 years, terminable by 6 months' notice on either side.

Mr. Ulrich Stefer was appointed as Wholetime Director of the Company with effect from April 01, 2016 by the Board of Directors. The employment contract with Mr. Stefer is for a period of 5 years, terminable by 6 months' notice on either side.

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

6. POLICIES

Whistle Blower Policy:

Our Company is committed to high standards of Corporate Governance and stakeholder responsibility. Our commitment is towards reaching the goals with utmost respect for 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 a 'Whistle Blower Policy' with an 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 possible breaches of Company's policies and standards, values or any laws within the country or elsewhere. The said vigil mechanism also provides for adequate safeguards against victimization of persons who use such mechanism. It basically enables the employees to raise their concerns which would be looked into and would be fully investigated and acted upon.

Policy for Prevention of Sexual Harassment:

Bayer's quest for competitive excellence consists of its commitment to lawful and ethical conduct and adherence to Bayer values. Integrity, honesty and respect for people remain some of its core values. The Company is committed to provide a safe & conducive work environment to its employees. The Company has formulated 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 Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Code of Conduct for Directors:

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 from Mr. Richard van der Merwe, Vice Chairman & Managing Director and CEO and Mr. Ulrich Stefer, Executive Director & CFO to this effect is attached to this Report. The policies as well as codes are posted on the website of the Company at www.bayer.in.

Risk Management:

Risk management is an integral part of the overall governance process and comprises all of the organisational rules and actions for early identification of risks in the course of doing business and management of such risks. It includes implementing systems to identify risks at an early stage, take measures to mitigate them and report them to the appropriate authority.

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

The Country Group Head - 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 Audit Committee.

Code of Conduct & Code of Fair Disclosures - For Prevention of Insider Trading:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a Code of Conduct and Code of Fair Disclosures - For Prevention of Insider Trading ("Code"). It is an important governance Code to prevent any insider trading activities by dealing in shares of the Company. The Code restricts the Directors, designated persons

CORPORATE GOVERNANCE REPORT (contd.)

and any other insider to deal 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. During the year, the Company has put in place a mechanism for monitoring of the trading done by the Designated Employees as well as generation of system based disclosures in line with the Code.

The Objective of the Code is to protect the interest of the shareholders and to prevent the misuse of any price sensitive information and to prevent any insider trading activity. The Code is available on the website of the Company at www.bayer.in.

Dividend Distribution Policy:

As per Regulation 43A of the SEBI Listing Regulations, the top 500 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. The Company has formulated the Dividend Distribution Policy based on the parameters laid down by SEBI Listing Regulations and the details of which are available on the Company's website at www.bayer.in.

7. COMPLIANCE OFFICER

Mr. Rajiv Wani, Head - Law, Patents & Compliance & Company Secretary, is the Compliance Officer of the Company.

8. GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date of AGM : Tuesday, August 21, 2018
Venue and time : Yashwantrao Chavan Pratishthan Auditorium,
 Y. B. Chavan Centre, Near Mantralaya,
 Gen. J. Bhonsale Marg,
 Mumbai - 400 021
 at 11.00 a.m.

Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 08, 2018 to Tuesday, August 21, 2018 (both days inclusive).

Proposed Date of Dividend Payment

The final dividend of ₹ 18.00 per Equity Share, as recommended by the Board of Directors, if declared at the ensuing 60th Annual General Meeting to be held on Tuesday, August 21, 2018 will be paid at par within 30 days of the said date:

- (i) to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares as on Tuesday, August 07, 2018.
- (ii) in respect of shares held in dematerialised form, to the beneficial owners of the shares as at the close of business hours on Tuesday, August 07, 2018 as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Financial Calendar

The financial calendar of the Company is from April 01 to March 31.

Board Meetings for Quarterly Results

(Tentative and subject to change)

First Quarter Results	On or before August 14, 2018
Second Quarter and Half yearly results	On or before November 14, 2018
Third Quarter Results	On or before February 14, 2019
Fourth Quarter and Annual Results	On or before May 30, 2019

Corporate Identity Number (CIN): L24210MH1958PLC011173

Registered Office:

Bayer House, Central Avenue,
 Hiranandani Estate,
 Thane (West) - 400 607,
 Maharashtra



CORPORATE GOVERNANCE REPORT (contd.)

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)

The Company has paid the annual listing fees.

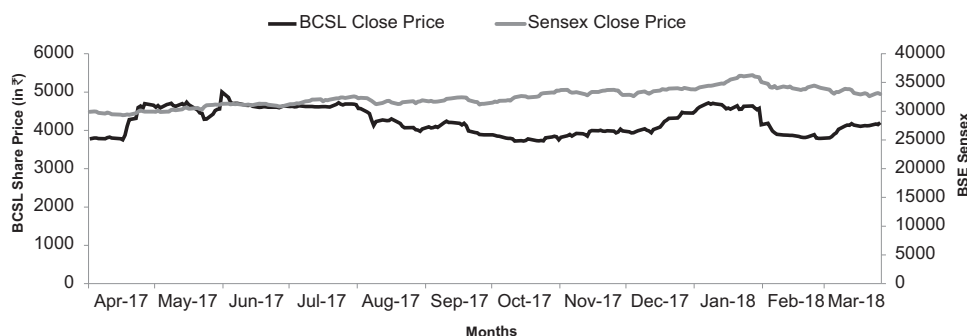
Stock Price Data

The monthly high and low price of the Company's shares on BSE Limited from April 01, 2017 to March 31, 2018 was as under:

Month	Share Price (In ₹)	
	High Price	Low Price
April, 2017	4737.50	3739.05
May, 2017	4960.00	4100.00
June, 2017	5050.00	4507.00
July, 2017	4744.75	4601.00
August, 2017	4722.95	3920.10
September, 2017	4300.00	3850.00
October, 2017	3985.00	3685.00
November, 2017	4074.95	3745.00
December, 2017	4480.00	3910.00
January, 2018	4879.90	4420.00
February, 2018	4593.00	3760.05
March, 2018	4250.00	3751.20

Stock Performance

Bayer CropScience Limited ("BCSL") Share Price vis-à-vis BSE Sensex April 01, 2017 to March 31, 2018:



Registrar & Share Transfer Agent

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

TSR DARASHAW LIMITED (Unit - Bayer CropScience Limited)
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011.
Tel No.: 022-6656 8484
Fax No.: 022-6656 8494
e-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com
Contact Person: Ms. Mary George

CORPORATE GOVERNANCE REPORT (contd.)**a) Branch Offices of TSRDL**

- | | |
|--|--|
| <p>1. TSR DARASHAW LIMITED
503, Barton Centre (5th Floor)
84, Mahatma Gandhi Road,
Bangalore – 560 001
Tel No.: 080 – 2532 0321
Fax No.: 080 – 2558 0019
e-mail: tsrdlbg@tsrdarashaw.com</p> <p>3. TSR DARASHAW LIMITED
Tata Centre, 1st Floor,
43, J. L. Nehru Road,
Kolkata – 700 071
Tel No.: 033 – 2288 3087
Fax No.: 033 – 2288 3062
e-mail: tsrdlcal@tsrdarashaw.com</p> | <p>2. TSR DARASHAW LIMITED
“E” Road, Northern Town, Bistupur,
Jamshedpur – 831 001
Tel No.: 0657-242 6616
Fax No.: 0657 - 242 6937
e-mail: tsrdljsr@tsrdarashaw.com</p> <p>4. TSR DARASHAW LIMITED
2/42, Sant Vihar,
1st floor, Ansari Road, Daryaganj,
New Delhi – 110 002
Tel No.: 011 – 2327 1805
Fax No.: 011 – 2327 1802
e-mail: tsrdldel@tsrdarashaw.com</p> |
|--|--|

b) Agent of TSRDL

Shah Consultancy Services Limited
3, Sumatinath Complex,
2nd Dhal, Pritam Nagar, Ellisbridge,
Ahmedabad – 380 006
Telefax: 079-2657 6038
e-mail: shahconsultancy8154@gmail.com

Share Transfer System

The shares of the Company being in compulsory dematerialised form, are transferable through the depository system. Shares in physical form should be lodged for transfer with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited, Mumbai or at their branch offices or at the Registered Office of the Company. The transfers are processed if technically found to be in order and complete in all respects. The transfers processed are approved by the Company on weekly basis.

Distribution of shareholding as on March 31, 2018:

Range of Shares	Number of Shareholders	Number of Shares	Percentage to Total Shareholders
1 - 500	44,788	1,707,098	97.91
501 - 1,000	517	372,675	1.13
1,001 - 2,000	221	308,603	0.49
2,001 - 3,000	55	137,479	0.12
3,001 - 4,000	33	116,696	0.07
4,001 - 5,000	18	81,851	0.04
5,001 - 10,000	41	293,812	0.09
10,001 - 20,000	19	283,469	0.04
20,001 - 99,999,999,999	52	31,031,910	0.11
Total	45,744	34,333,593	100.00

Shareholding Pattern as on March 31, 2018:

Category of Shareholder	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(A) Promoter and Promoter Group			
(1) Indian Body Corporate	8,039,736	8,039,736	23.42
(2) Foreign Body Corporate	15,544,712	15,544,712	45.28
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	23,584,448	23,584,448	68.69



CORPORATE GOVERNANCE REPORT (contd.)

Category of Shareholder	Number of Shares	Number of shares held in dematerialised form	Shareholding as a percentage of total number of shares
(B) Public Shareholding			
(1) Institutions			
(a) Mutual Funds / UTI	3,467,764	3,467,624	10.10
(b) Financial Institutions / Banks	20,112	16,766	0.06
(c) Insurance Companies	1,412,592	1,412,492	4.11
(d) Foreign Institutional Investors/ Foreign Portfolio Investors – Corp	1,520,815	1,520,065	4.43
Sub-total (B)(1)	6,421,283	6,416,947	18.70
(2) Non-Institutions			
(a) Bodies Corporate	1,084,477	1,081,950	3.16
(b) Individuals –			
i Individual shareholders holding nominal share capital upto ₹2 lakh	2,469,743	2,182,746	7.19
ii Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	88,160	61,000	0.26
(c) Any Other			
i HUF	56,372	56,372	0.16
ii Non-Resident Indian (NRI)	411,392	409,987	1.20
iii LLP	7,055	7,055	0.02
iv Trust	52,168	52,168	0.15
v Clearing Members	20,931	20,931	0.06
vi Alternate Investment Funds	50,283	50,283	0.15
vii NBFC's registered with RBI	619	619	0.00
viii Foreign Nationals	1,440	1,440	0.00
ix IEPF A/c	85,222	85,222	0.25
Sub-total (B)(2)	4,327,862	4,009,773	12.61
Total Public Shareholding (B) = (B)(1)+(B)(2)	10,749,145	10,426,720	31.31
Total (A)+(B)	34,333,593	34,011,168	100.00

List of Top 10 shareholders as on March 31, 2018:

Sr. No.	Name of Shareholders	Number of shares	Percentage to Total Share Capital
1.	Bayer Vapi Private Limited	8,039,736	23.42
2.	Bayer SAS	6,618,105	19.28
3.	Bayer CropScience AG	5,354,030	15.59
4.	Bayer AG	3,572,577	10.41
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Advantage Fund	1,952,344	5.69
6.	HDFC Standard Life Insurance Company Limited	627,964	1.83
7.	Pinebridge Investments GF Mauritius Limited	575,327	1.68
8.	Life Insurance Corporation of India	501,170	1.46
9.	Franklin Templeton Mutual Fund A/C	471,626	1.37
10.	Indian Syntans Investments (P) Limited	469,185	1.37

CORPORATE GOVERNANCE REPORT (contd.)**Pledge of Equity Shares**

None of the Equity Shares held by the Promoters and / or Promoter Group as on March 31, 2018 have been pledged or otherwise encumbered.

Dematerialisation of Shares and Liquidity

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

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

As of March 31, 2018 – 34,011,168 shares constituting 99.06% of the total shares issued by the Company are in dematerialised form.

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

Not Applicable

Plant Location

66/1 to 75/2, G.I.D.C. Industrial Estate, Himatnagar - 383 001, Gujarat.

Address for correspondence

Investors can correspond with

- | | |
|---|---|
| <p>1. The Company at the following address:
 Bayer CropScience Limited
 Law, Patents & Compliance Department
 Bayer House, Central Avenue,
 Hiranandani Estate,
 Thane (West) - 400 607.
 Tel. No.: 022 - 2531 1234
 Fax No.: 022 - 2545 5063
 e-mail: ir_bcs@bayer.com
 Website: www.bayer.in</p> | <p>2. TSRDL at their following address:
 TSR Darashaw Limited
 (Unit – Bayer CropScience Limited)
 6-10, Haji Moosa Patrawala Industrial Estate,
 20, Dr. E. Moses Road, Near Famous Studio,
 Mahalaxmi, Mumbai - 400 011.
 Tel No.: 022 - 6656 8484
 Fax No.: 022 - 6656 8494
 e-mail: csg-unit@tsrdarashaw.com
 Website: www.tsrdarashaw.com</p> |
|---|---|

All information / requests for share transfers, dematerialisation, transmissions, change of address, non-receipt of dividend warrants, duplicate/missing share certificates and other matters connected therewith be addressed to TSRDL at the address mentioned above.

The Company has a specific investor grievance e-mail ID as under:

ir_bcs@bayer.com

9. OTHER DISCLOSURES**Details of Annual General Meetings held in the past 3 years:**

Year	Venue	Date	Time
2016-2017	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	August 23, 2017	11.00 a.m.
2015-2016	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	September 12, 2016	11.00 a.m.
2014-2015	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, Gen. J. Bhonsale Marg, Mumbai - 400 021	September 15, 2015	11.30 a.m.

Special resolution passed in the previous 3 Annual General Meetings

Adoption of new set of Articles of Association: Passed unanimously at the AGM held on September 12, 2016.

Postal Ballot:

During the year under review, a Special Resolution under Section 68 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, including any amendments thereof, to buyback not exceeding 10,20,408 fully paid-up equity shares of ₹ 10 each equity shares at a price of ₹ 4,900 per equity share was passed by a postal ballot. The Postal Ballot was conducted pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as set out in the



CORPORATE GOVERNANCE REPORT (contd.)

Notice dated June 06, 2017. The Board had appointed Mr. B. Narasimhan, Practicing Company Secretary, as the scrutinizer to conduct the Postal Ballot process.

The said resolution was passed by the requisite majority.

Voting Result

Voting	Number of Votes	% of Total Votes
Votes For	30,220,059	99.99
Votes Against	3,966	0.01
Total	30,224,025	100.00

Related Party Disclosures

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 subjected to independent review by a reputed consultant to establish compliance with the requirements of Related Party Transactions under the Act and SEBI Listing Regulations.

The Company has not entered into any materially significant related party transactions with its Promoters, Directors, or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. All material transactions entered into with the related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and at arm's length. Transactions with related parties as per the requirements of Accounting Standards 18 are disclosed in the Notes to Financial Statements.

The Board has approved the policy for Related Party Transactions which has been uploaded on the website of the Company. All transactions with the related parties are as per the Board approved policy and are in the ordinary course of business and are at arm's length.

Details of non-compliance

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

Means of communication

Financial Results: The quarterly, half-yearly and annual results of the Company are sent to BSE Limited immediately after these are approved by the Board. The results are also published in widely circulated newspapers, viz. The Financial Express and the Loksatta.

Website: The results are also regularly posted on the Company's website: www.bayer.in. The Annual Report is also available on the website in a user-friendly and downloadable manner along with all the official news releases and Board approved policies.

Since the half-yearly financial results are published in leading newspapers as well as displayed on the website, the same are not sent to the members of the Company.

For and on behalf of the Board of Directors

Pankaj Patel
Chairman
(DIN: 00131852)

Mumbai, May 23, 2018

RECOMMENDATIONS TO THE INVESTORS / SHAREHOLDERS

- Open a demat account and dematerialise your shares since it helps in immediate transfer of shares without payment of stamp duty.
- Provide NECS mandate to the Company in case of shares in physical form and ensure that correct and updated particulars of bank account are available with DP in case of shares held in demat form.
- Fill and submit nomination forms (to the Company / TSRDL – for Physical shares; to DP – for dematerialised shares).
- Obtain valid documents relating to purchase/sale of shares.
- Transfer shares prior to book closure / record date to be eligible for corporate benefits.
- Deal only through SEBI registered intermediaries.
- Give clear and unambiguous instructions to your broker / sub-broker / DP.
- Keep copies of all your investment documentation.
- Send share certificates, warrants, cheques, demand drafts, etc. through registered post or courier.