



**BAYER CROPSCIENCE LIMITED  
DIVIDEND DISTRIBUTION POLICY**

## A. BACKGROUND AND APPLICABILITY

The Securities and Exchange Board of India (“SEBI”) vide its Gazette Notification dated July 08, 2016, has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy (“Policy”) in place by the top five hundred listed Companies based on their market capitalization calculated as on the 31st day of March of every year. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), as amended, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

As Bayer CropScience Limited (“the Company”) is one of the top five hundred companies as on 31st March 2016, the Board has laid down a broad framework for distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

This Policy covers the factors influencing the declaration or retention of dividends. Any deviation from this policy must be disclosed in the Annual Report of the Company supported by a rationale, if arising due to extraordinary circumstances.

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.

## B. OBJECTIVE

This Policy aims to strike an optimal balance between distributing profits as dividends and retaining earnings to support business growth. It emphasizes sustainable returns through a well-defined capital allocation strategy that fosters value creation over the medium and long term.

The Board adopts a flexible and dynamic approach to dividend declaration, taking into account both immediate financial requirements and long-term business objectives. To facilitate this, the Policy outlines key parameters to guide the Board of Directors in making informed decisions regarding dividend distribution from time to time.

## C. DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

“**Applicable Laws**” shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

“**Chairman**” shall mean the Chairman of the Board of Directors of the Company.

“**Compliance Officer**” shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Board**” or “**Board of Directors**” shall mean Board of Directors of the Company.

“**Dividend**” shall mean Dividend as defined under Companies Act, 2013.

“**MD & CEO**” shall mean Managing Director and Chief Executive Officer of the Company.

“**Policy or this Policy**” shall mean the Dividend Distribution Policy.

“**SEBI Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Any other term(s) not defined herein shall have the same meaning as defined in the Act and SEBI Listing Regulations or any other applicable law or regulation.

#### **D. CONSIDERATIONS**

While declaring or recommending dividends, the Company shall evaluate a range of financial parameters and internal and external factors, including but not limited to:

1. **Financial Performance and Profitability:** Net profits for the current financial year, in compliance with applicable laws, after making necessary transfers to reserves as prescribed or deemed appropriate by the Board.
2. **Dividend History and Industry Trends:**
  - a. Track record of dividends distributed by the Company.
  - b. Dividend payout ratios of peer companies within the same industry.
3. **Liquidity and Cash Flow Requirements:**
  - a. Current liquidity position and anticipated cash flow needs.
  - b. Funds required to meet the working capital needs of the business.
4. **Growth and Investment Opportunities:**
  - a. Potential investments for future growth, including capital expenditures and strategic initiatives.
  - b. Funding requirements for organic and inorganic growth opportunities.
5. **Alternative Uses of Capital:** Opportunities for acquisitions, investments, or capital expenditures that may yield higher returns for shareholders.
6. **Risk Management and Contingencies:** Provisioning for unforeseen events, contingencies, or other financial uncertainties.
7. **Macroeconomic and Business Environment:** General economic conditions, industry outlook, and market trends.
8. **Regulatory and Legal Compliance:** Prevailing legal requirements, regulatory conditions, and tax implications under applicable laws.

#### **E. DIVIDEND DECLARATION PROCESS**

The Board may declare interim dividend(s) as and when they consider it fit, by passing a Resolution

at its meeting and recommend Final Dividend to the Shareholders for their approval in the Annual General Meeting of the Company. This Policy applies to declaration of Interim Dividend and recommendation of Final Dividend by the Board.

## F. SOURCE OF DIVIDEND PAYMENT

The Dividend for any Financial Year shall normally be paid:

- out of the profits for the year (arrived at after providing for depreciation in accordance with law and transferring such amount to reserves as may be considered appropriate by the Board of Directors of the Company); and/or
- out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

## G. INSTANCES WHERE DIVIDENDS MAY NOT BE DECLARED

The Board may decide not to declare or recommend dividends for a particular period under the following circumstances:

1. **Capital Conservation Needs:** When it is deemed prudent to retain earnings to support ongoing or planned business expansions, strategic initiatives, or capital-intensive projects.
2. **Business Requirements:** To meet future funding requirements for organic or inorganic growth opportunities, working capital, or unforeseen contingencies.
3. **External Factors and Economic Conditions:** Adverse macroeconomic conditions, regulatory changes, or legal restrictions impacting profitability or cash flows.
4. **Unforeseen Material Events:** Situations such as natural disasters, economic downturns, pandemics, or any other unforeseen circumstances that may restrict the Company's ability to pay dividends.

In such cases, the rationale for retaining profits and the intended utilization of undistributed earnings will be transparently disclosed in the Annual Report to keep shareholders informed.

## H. RETAINED EARNINGS

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 may be used for corporate actions in accordance with applicable law and for investments towards growth of the business.

## I. DISCLOSURE

Appropriate disclosures as specified under the Act and the SEBI Listing Regulations, shall be made by the Company in the Annual Report, Board Report and to the Stock Exchanges and shall be published on the website of the Company.

This Policy shall be uploaded on the website of the Company: [www.bayer.in](http://www.bayer.in) and the web link there to shall be provided in the Annual Report of the Company.

## **J. AMENDMENT TO LAW**

Any subsequent amendment / modification in the SEBI Listing Regulations, Act and all other applicable laws in this regard shall automatically apply to this Policy and be binding on the Company and shall prevail over this Policy, even if not incorporated in the Policy. In any circumstance where the terms of the Policy differ from any applicable law for the time being in force, the provisions of such applicable law shall take precedence over the Policy.

## **K. 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 and was reviewed & amended with effect from February 11, 2025.