



DIRECTORS' **REPORT** AND ANNEXURES



DIRECTORS' REPORT OF GODREJ AGROVET LIMITED

[Corporate Identity Number (CIN): L15410MH1991PLC135359]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

TO THE MEMBERS:

Your Directors have pleasure in presenting the Directors' Report along with the Audited Financial Statements for the Financial Year (F.Y.) 2018-19.

1. FINANCIAL SUMMARY:

Your Company's Standalone and Consolidated performance during the Financial Year (F.Y.) 2018-19 as compared with that of the previous Financial Year (F.Y.) 2017-18 is summarized below:-

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Income	4,344.60	3,719.35	5,923.85	5,237.72
Profit Before Taxation & Exceptional Items	307.49	281.32	389.00	359.70
Add: Exceptional Items	-	-	88.30	12.05
Profit Before Taxation (PBT)	307.49	281.32	477.30	371.75
Less : Provision for Taxation	99.61	90.46	127.97	120.71
Profit After Taxation (PAT)	207.88	190.86	349.33	251.04

2. REVIEW OF OPERATIONS / STATE OF AFFAIRS OF THE COMPANY, ITS SUBSIDIARIES & JOINT VENTURES:

Review of Operations / State of Affairs of the Company:

There has been no change in the nature of business of your Company during the Financial Year (F.Y.) 2018-19.

Businesses of the Company:

Animal Feed:

Volume growth at 14.2% remained strong for the Animal Feed business during the Financial Year 2018-19, mainly driven by robust growth in the layer feed segment. Broiler feed and fish feed segments also posted double digit volume growth. However, cattle feed volume growth remained low and volumes in the shrimp feed saw a decline as compared to previous year. Animal Feed segment sales grew by 18.3% year-on-year to ₹ 3,046.47 Crore in the current Financial Year supported by volume growth and price increase taken by the Company during the second half of the year. However, segment results were impacted by sharp increase in the raw material prices.

Crop Protection:

At a standalone level, Crop Protection segment sales and segment result grew by 7.5% and 12.4%, respectively, during the Financial Year 2018-19. The Company introduced multiple new products across categories to increase the product offering. Your Company continues to focus on introducing more innovative products which will help in increasing penetration both in the strategic crops and in the new geographies.

Vegetable Oil:

The sales of the Vegetable Oil segment increased to ₹ 679.30 Crore in the Financial Year 2018-19, a growth of 16.0% driven by increase in price of crude palm oil. Segment profit was ₹ 113.45 Crore in the current year compared to ₹ 112.26 Crore reported last year. New plant which was being set up in Seethanagaram, Andhra Pradesh became operational during the Financial Year 2018-19.

Review of Operations / State of Affairs of Subsidiaries, Joint Ventures & Other Associates:

Your Company has interests in several businesses including dairy products, poultry, value added vegetarian and non-vegetarian products, cattle breeding and dairy farming, through its Subsidiaries, Joint Ventures and other Associates.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of our Subsidiaries, Associates and Joint Ventures in the Form AOC-1 is annexed and form part of the Financial Statement. The statement provides the details of performance and financial position of each of the Subsidiaries, Associates and Joint Ventures. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the consolidated financial statements, audited accounts of all the Subsidiaries and other documents attached thereto are available on your Company's website: www.godrejagrovvet.com.

Your Directors present herewith a broad overview of the operations and financials of Subsidiaries, Joint Ventures and other Associates of your Company:

A. Review of Operations / State of Affairs of the Subsidiaries of the Company:

1. Godvet Agrochem Limited:

Godvet Agrochem Limited (“**Godvet**”) is a wholly owned subsidiary of your Company. During the Financial Year 2018-19, Godvet recorded Profit Before Tax of ₹ 0.632 Crore as compared to Profit before Tax of ₹ 0.627 Crore in the Financial Year 2017-18.

2. Astec LifeSciences Limited & Its Subsidiaries:

Astec LifeSciences Limited (“**Astec**”) manufactures agrochemical active ingredients (technical), bulk and formulations, intermediate products and sells its products in India as well as exports them to approximately 24 countries. During the Financial Year 2018-19, the Astec’s performance remained strong as it posted total income of ₹ 442.06 Crore, a growth of 16.7% over the previous Financial Year. Profit Before Exceptional Items and Tax also increased to ₹ 55.90 Crore during Financial Year 2018-19 as compared to ₹ 51.56 Crore during the Financial Year 2017-18.

Subsidiaries of Astec LifeSciences Limited:

Astec LifeSciences Limited had the following 3 (three) subsidiaries during the Financial Year (F.Y.) 2018-19:

(i) Behram Chemicals Private Limited:

During the Financial Year 2018-19, Behram Chemicals Private Limited reported Profit Before Tax of ₹ 0.10 Crore as compared to Profit Before Tax of ₹ 0.07 Crore during the last year.

(ii) Comercializadora Agricola Agroastrachem Cia Ltda (Bogota, Columbia):

For the year ended March 31, 2019, Comercializadora Agricola Agroastrachem Cia Ltda reported Loss Before Tax of (₹ 0.00) **Crore, as compared to Loss Before Tax of (₹ 0.01) Crore reported during the corresponding period last year.

** The amount reflected as “0.00” in financial results are value with less One Lakh.

(iii) Astec Europe Sprl (Belgium, Europe):

During the year ended March 31, 2019, Astec Europe Sprl reported Profit Before Tax of ₹ 0.01 Crore, as compared to Loss Before Tax of (₹ 0.02) Crore reported during the corresponding period last year.

3. Creamline Dairy Products Limited & Its Subsidiary:

Creamline Dairy Products Limited (“**CDPL**”) is one of the leading private sector dairy companies in Southern India and its products are sold under the brand name ‘Jersey’. During the Financial Year 2018-19, CDPL recorded total income of ₹ 1,163.94 Crore as compared to ₹ 1,160.25 Crore reported in the previous Financial Year. Profit Before Tax for the current year increased to ₹ 20.03 Crore from ₹ 14.17 Crore in the previous Financial Year.

Subsidiary of Creamline Dairy Products Limited:

(i) Nagavalli Milkline Private Limited: Nagavalli Milkline Private Limited (“**Nagavalli**”) has been a wholly-owned subsidiary of CDPL during the Financial Year 2018-19. The Company is principally engaged in milk procurement, processing of milk and manufacturing of milk products. As a part of a reorganization strategy, the Board of Directors of CDPL and Nagavalli have in their respective Board Meetings held on May 2, 2018, unanimously approved the proposal for the amalgamation of Nagavalli with CDPL, subject to the necessary statutory / regulatory approvals. Accordingly, a Scheme of Amalgamation has been filed with the Hon’ble National Company Law Tribunal (‘NCLT’), Hyderabad Bench under Sections 230 to 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with Appointed Date of April 1, 2018. Pending approval of NCLT, no effect of the scheme has been given in the Financial Statements. The Appointed Date has been changed to April 1, 2019 basis approval granted by the Board of Directors of CDPL on April 22, 2019 and Nagavalli on April 29, 2019.

4. Godrej Tyson Foods Limited:

Godrej Tyson Foods Limited (“**GTFL**”) has become a Subsidiary of your Company with effect from March 27, 2019. Your Company has acquired an additional 1.1 % of the Paid-up Equity Share Capital of its Joint Venture GTFL, increasing its total shareholding in GTFL from 49.9% to 51.0%. GTFL is engaged in the manufacturing of processed poultry and vegetarian products through its brands ‘Real Good Chicken’ and ‘Yummiez’ respectively. During Financial Year 2018-19, GTFL recorded total income of ₹.489.07 Crore representing year-on-year growth of 12.6%.

5. Godrej Maxximilk Private Limited:

With effect from March 27, 2019, Godrej Maxximilk Private Limited (“**GMPL**”) has become a Subsidiary of your Company. Your Company has acquired additional 2.16% of the Paid-up Equity Share Capital of GMPL, increasing its total shareholding in GMPL from 49.9% to 52.06%. GMPL is engaged in in-vitro production of high-quality cows that aid dairy farmers produce top-quality milk, thereby increasing their yield by a significant proportion.

B. Review of Operations / State of Affairs of Joint Ventures (JVs):

(i) ACI Godrej Agrovet Private Limited, Bangladesh:

ACI Godrej Agrovet Private Limited recorded revenues of ₹ 654.86 Crore during Financial Year 2018-19 as compared to revenues of ₹ 675.35 Crore during Financial Year 2017-18. The Joint Venture continues to remain among top players in all the feed categories it operates in Bangladesh.

(ii) Omnivore India Capital Trust:

The Company has investment in the units of Omnivore India Capital Trust, a venture capital organization that invests in Indian startups developing breakthrough technologies for food and agriculture. This investment is considered as a Joint Venture as the Company participates in the key activities jointly with the Investment Manager.

C. Review of Operations / State of Affairs of Other Associates of the Company:

(i) **Al Rahba International Trading Limited Liability Company, United Arab Emirates (UAE):**

Godrej Agrovet Limited currently has a 24.0% stake in the associate (with a 33.33% share in profits). The investment in this company appears as part of current investment in the current Financial Year.

3. **FINANCE:**

Your Company continues to manage its treasury operations efficiently and has been able to borrow funds for its operations at competitive rates. During the Financial Year under review, the credit rating granted by ICRA Limited to your Company has been re-affirmed at "[ICRA]AA" with respect to Long Term Fund Based Bank facilities and "[ICRA]A1+" with respect to Short Term Fund Based facilities (including for Commercial Paper).

4. **INFORMATION SYSTEMS:**

During the Financial Year under review, your Company has initiated the following digital automation measures for itself and its Subsidiaries, Associate & Joint Venture Company to automate and improve upon business functions and processes;

- Provided Mobile Apps to the distributors to provide timely service and bring in more transparency in business transactions.
- Implemented digital expense management system to simplify and improve employee reimbursement processes.
- Strengthened Core ERP infrastructure for its Subsidiary GTFL, for business continuity and implemented mobile and web based applications to capture data at source to improve decision making.
- Initiated sales force automation and digitizing filed level activities to enhance Sales team capability.
- Implemented IT Security process across businesses to secure & protect business data.

5. **MANUFACTURING FACILITIES:**

Your Company has several manufacturing facilities across the country, including but not limited to, the following:-

Animal Feed : Khanna (Punjab), Miraj (Maharashtra), Sachin (Gujarat), Kharagpur (West Bengal), Kondapalli (Andhra Pradesh), Tumkur (Karnataka), Hajipur (Bihar), Erode (Tamil Nadu), Chandauli (Uttar Pradesh), Khurda (Orissa), Unnao (Uttar Pradesh), Medchal (Andhra Pradesh)

Agri Inputs : Jammu (Jammu & Kashmir), Lote Parshuram (Maharashtra)

Oil Palm : Pothepally (Andhra Pradesh), Chintampally (Andhra Pradesh), Ariyalur (Tamil Nadu), Valpoi (Goa), Kolasib (Mizoram), Medchal, Andhra Pradesh, Seethanagaram (Andhra Pradesh)

Aqua Feed: Hanuman Junction (Andhra Pradesh)

6. **HUMAN RESOURCES:**

Your Company has amicable employee relations at all locations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees.

During Financial Year (F.Y.) 2018-19, the Company drove specific interventions to enhance the workforce productivity in the business. These included revisiting the current manning structures, optimizing

the manpower wherever required. The Company also rolled out a Voluntary Retirement Scheme (VRS) during the year under review at its Khanna factory. 29 workmen availed of the VRS.

There were various initiatives undertaken to improve the employee engagement and connect. The Company measures employee engagement through an independent external agency every two years. During the survey conducted in Financial Year 2018-19, most of the Company's businesses recorded improvement in the employee engagement level. The engagement levels in your Company are in the top quartile in the industry.

Your Company constantly makes concerted efforts towards creating learning and development opportunities on a non-discriminatory basis, that continually enhance the employee value in line with the organizational objectives. During the Financial Year 2018-19, specific learning interventions such as Sales Capability Building, Enterprise Leadership Program for P&L Leaders, and Management Development Program (MDP) for select assistant managers etc. were implemented. In most of our businesses, the attrition stayed at / below the industry level.

Your Company is committed to build and maintain a safe and healthy workplace. There are several policies formulated for the benefit of employees, which promote gender diversity, equal opportunity, prevention of sexual harassment, safety and health of employees. During the Financial Year 2018-19, there was improvement in the woman representation at all levels.

As on March 31, 2019, the total number of permanent employees were 2,687.

7. **MATERIAL CHANGES AND COMMITMENTS SINCE THE FINANCIAL YEAR END:**

There have been no material changes and commitments affecting the financial position of your Company which have occurred between March 31, 2019, and the date of this Directors' Report.

8. **DIVIDEND:**

The Board of Directors of your Company recommend a Final Dividend for the Financial Year 2018-19 at the rate of **45%** (Forty-Five per cent) i.e., ₹ **4.50** (Rupees Four and Paise Fifty Only) per Equity Share of Face Value of ₹ 10/- (Rupees Ten Only) each, subject to approval of the Members at the ensuing 28th (Twenty Eighth) Annual General Meeting.

The Dividend will be paid to the Shareholders whose names appear in the Register of Members of the Company as on July 26, 2019 and in respect of shares held in dematerialized form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as the beneficial owners as on that date.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy of the Company is appended as "**Annexure-'A'**" to this Report and the same is also made available on the website of the Company. The same can be accessed on <https://www.godrejagrovet.com/codes-and-policies.aspx>

The Dividend payout for the Financial Year under review is in accordance with the Company's Dividend Distribution Policy.

9. **TRANSFER TO RESERVE:**

Your Directors do not propose to transfer any amount to any reserve during the Financial Year ended March 31, 2019.

10. SHARE CAPITAL:

Your Company's Equity Share Capital position as at the beginning of the Financial Year 2018-19 (i.e., as on April 1, 2018) and as at the end of the said Financial Year (i.e., as on March 31, 2019) is as follows:-

Category of Share Capital	Authorized Share Capital			Issued, Subscribed & Paid-up Share Capital		
	No. of Shares	Face Value Per Share (₹)	Total Amount (₹)	No. of Shares	Face Value Per Share (₹)	Total Amount (₹)
As on April 1, 2018:						
Equity	22,49,94,000	10	2,24,99,40,000	19,20,28,739	10	1,92,02,87,390
Preference	6,000	10	60,000	-	-	-
TOTAL	22,50,00,000		2,25,00,00,000	19,20,28,739		1,92,02,87,390
As on March 31, 2019:						
Equity	22,49,94,000	10	2,24,99,40,000	19,20,28,739	10	1,92,02,87,390
Preference	6,000	10	60,000	-	-	-
TOTAL	22,50,00,000		2,25,00,00,000	19,20,28,739		1,92,02,87,390

11. EMPLOYEES STOCK GRANT SCHEME:

During the Financial Year 2018-19, your Company implemented the Employees Stock Grant Scheme, 2018 ("ESGS 2018"), pursuant to the approval granted by the Board of Directors (based on the recommendation made by the Nomination and Remuneration Committee) at its Meeting held on May 14, 2018 and by the Shareholders through Postal Ballot, the results of which were declared on June 20, 2018.

Eligible employees of the Company were given stock options under ESGS 2018, subject to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, at an exercise price of ₹ 10/- (Rupees Ten Only) per option.

Each stock option entitles the holder to apply for 1 (one) Equity Share of the Company of Face Value of ₹10/- (Rupees Ten Only) each.

The options shall vest over a period of 3 (three) years and are exercisable within 1 (one) month from the date of vesting or such other period as may be determined by the Nomination and Remuneration Committee of the Board of Directors of the Company. The options granted are governed as per ESGS 2018, which is submitted to the Stock Exchanges at the time of obtaining in-principle approval.

The Nomination and Remuneration Committee of the Board of Directors administers and monitors the ESGS 2018. Your Company has received a certificate from the Statutory Auditors of the Company that ESGS 2018 has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the Shareholders through Postal Ballot in this behalf. The said Certificate would be kept open for inspection by the Shareholders at the ensuing 28th (Twenty Eighth) Annual General Meeting.

The Shareholder(s) approval was sought by way of Special Resolution at the 27th (Twenty-Seventh) Annual General Meeting held on August 9, 2018 to make suitable changes in the ESGS 2018, as suggested by National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), subject to which the Company had received in-principle approvals from BSE dated June 28, 2018 and NSE dated July 2, 2018.

The ESGS 2018 is in compliance with the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and such other law(s) and regulation(s), as may be applicable for time being in force.

The details of all the Employee Stock Options Scheme(s) implemented during the Financial Year 2018-19 is as under:

Sr. No.	Particulars	Remark
(a)	Options granted	43,599 Options
(b)	Options vested	Nil
(c)	Options exercised	Nil
(d)	the total number of shares arising as a result of exercise of options	Not Applicable
(e)	Options lapsed;	894 Options
(f)	the exercise price;	₹ 10/- (Rupees Ten Only)
(g)	Variation in terms of options	Nil
(h)	Money realized by exercise of options	Not Applicable
(i)	Total number of options in force	42,705 Options
(j)	Employee wise details of options granted to:	
(i)	Key Managerial Personnel;	17,760 Options
(ii)	any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year;	Nil
(iii)	identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the company at the time of grant.	Nil

The Disclosures as per Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014, have been made available on the website of the Company, viz., www.godrejagrovet.com

12. DEPOSITS:

The details of deposits covered under Chapter V of the Companies Act, 2013, i.e., deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2018-19 are as follows:-

Sr. No.	Particulars	Remarks
(i)	Deposits accepted during the year:	Nil
(ii)	Deposits remained unpaid or unclaimed during the year:	Nil
(iii)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and total amount involved:	
	a. At the beginning of the year:	Nil
	b. Maximum during the year:	Nil
	c. At the end of the year:	Nil
(iv)	Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013:	Nil

13. HOLDING COMPANIES:

Your Company continues to be a subsidiary of Godrej Industries Limited (“GIL”) as defined under Section 2(87) of the Companies Act, 2013. As on March 31, 2019, the shareholding of Godrej Industries Limited in the Company was 11,16,66,300 Equity Shares of Face Value of ₹. 10/- (Rupees Ten Only) each] aggregating to 58.15% of the Paid-up Equity Share Capital of the Company.

GIL was a subsidiary of Vora Soaps Limited (“VSL”), the Ultimate Holding Company of your Company upto December 23, 2018.

The Hon'ble National Company Law Tribunal, Mumbai Bench had sanctioned the Scheme of Amalgamation of VSL with GIL vide its Order dated December 14, 2018. The said Scheme became effective on December 24, 2018. Pursuant to this, VSL stands amalgamated with GIL and ceased to be the Ultimate Holding Company of your Company.

14. SUBSIDIARY COMPANIES:

Your Company had the following subsidiaries [as defined under Section 2(87) of the Companies Act, 2013] during the Financial Year 2018-19:-

- Godvet Agrochem Limited:
(A Wholly-Owned Subsidiary of your Company throughout the Financial Year 2018-19)
- Astec LifeSciences Limited:
(A subsidiary of your Company throughout the Financial Year 2018-19, in which your Company holds 57.67% of the Equity Share Capital as on March 31, 2019)
- Behram Chemicals Private Limited:
(Subsidiary of Astec LifeSciences Limited throughout the Financial Year 2018-19, in which Astec LifeSciences Limited holds 65.63% as on March 31, 2019)
- Comercializadora Agricola Agrostrachem Cia Ltda (Bogota Columbia):
(A Wholly-Owned Subsidiary of Astec LifeSciences Limited throughout the Financial Year 2018-19)

- Astec Europe Sprl (Belgium, Europe):
(Subsidiary of Astec LifeSciences Limited throughout the Financial Year 2018-19, in which Astec LifeSciences Limited holds 50.10% as on March 31, 2019)
- Creamline Dairy Products Limited:
(Subsidiary of your Company throughout the Financial Year 2018-19, in which your Company holds 51.91% as on March 31, 2019).
Creamline Dairy Products Limited is a Material Subsidiary of your Company as on March 31, 2019.
- Nagavalli Milkline Private Limited:
(A Wholly-Owned Subsidiary of Creamline Dairy Products Limited throughout the Financial Year 2018-19.)
- Godrej Tyson Foods Limited:
(Subsidiary of your Company with effect from March 27, 2019, in which your Company holds 51.00% as on March 31, 2019).
- Godrej Maxximilk Private Limited:
(Subsidiary of your Company with effect from March 27, 2019, in which your Company holds 62.97% as on March 31, 2019).

On March 27, 2019, your Company acquired 2.16% of the Paid-up Equity Share Capital of Godrej Maxximilk Private Limited, increasing its Equity Stake from 49.9% to 52.06%.

Further on March 30, 2019, your Company further acquired 10.91% of Paid-up Equity Share Capital of Godrej Maxximilk Private Limited, increasing its Equity Stake in Godrej Maxximilk Private Limited from 52.06 % to 62.97%.

15. ASSOCIATE COMPANIES:

Your Company holds 50% Equity Stake in ACI Godrej Agrovet Private Limited (ACI GAVPL) (a body corporate incorporated in and under the laws of Bangladesh), while the remaining 50% of the Equity Stake in ACI GAVPL is held by Advanced Chemical Industries (ACI) Limited, Bangladesh, pursuant to a Joint Venture arrangement.

Your Company has 33.33% profit share and 24% shareholding in Al Rahba International Trading LLC, Abu Dhabi, United Arab Emirates (UAE).

16. SCHEME OF AMALGAMATION:

During the year under review, the Board of Directors of your Company at its Meeting held on September 14, 2018 had approved the Scheme of Amalgamation of Astec LifeSciences Limited, a listed subsidiary with your Company. The scheme was expected to ensure efficient utilization of resources, streamlined group structure, reduce multiple compliances, reduction of cost, combine synergies, eliminated duplicative communication and ensure administrative & operation convenience.

However, based on the interaction with the multiple stakeholders across Astec LifeSciences Limited and your Company, the Board of Directors of Astec LifeSciences Limited and your Company at their respective Meetings held on May 6, 2019, reviewed the proposal and decided not to pursue the scheme further.

17. DISCLOSURES AS PER THE COMPANIES (ACCOUNTS) RULES, 2014:

Sr. No.	Particulars	Remarks
1.	Change in Nature of Business, if any	None
2.	Details of Directors / Key Managerial Personnel (KMP)	who were appointed or have resigned during the Financial Year 2018-19
	Sr. No	Name of Director
	a)	Mr. A. B. Godrej
	b)	Mr. Pirojsha Godrej
	c)	Dr. S. L. Anaokar
	d)	Mr. Natarajan Srinivasan
		Date of Appointment / Resignation
	a)	Resigned as a Director of the Company with effect from November 5, 2018.
	b)	Appointed as a Director of the Company with effect from November 5, 2018.
	c)	Resigned as an Independent Director of the Company with effect from February 4, 2019.
	d)	Appointed as an Independent Director of the Company with effect from February 4, 2019.
3.	Names of Companies which have become or have ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Financial Year 2018-19	During the year under review, Godrej Maxximilk Private Limited and Godrej Tyson Foods Limited have become subsidiaries of your Company with effect from March 27, 2019.
4.	Details of Deposits covered under Chapter V of the Companies Act, 2013	(i) Accepted during the year: Nil (ii) Remained unpaid or unclaimed during the year: Nil (iii) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and total amount involved: a. At the beginning of the year : Nil b. Maximum during the year : Nil c. At the end of the year : Nil (iv) Details of Deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013: None
5.	Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and the Company's operations in future	No significant and material orders have been passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6.	Details in respect of Adequacy of Internal Financial Controls with reference to the Financial Statement	Adequate internal control checks are available in the opinion of the Board of Directors.

18. ANNUAL RETURN:

The Annual Return pursuant to Sections 92(3) and 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 forming part of the Directors' Report, have been made available on the website of the Company i.e., <http://www.godrejagrovet.com>

19. DIRECTORS:

The Board of Directors of your Company, as on the date of this Directors' Report comprises of the following Directors:

1. Mr. N. B. Godrej (Chairman)
2. Mr. J. N. Godrej (Director)
3. Mr. V. M. Crishna (Director)
4. Ms. Tanya A. Dubash (Director)
5. Ms. Nisaba Godrej (Director)
6. Mr. Pirojsha Godrej (Director)
7. Mr. B. S. Yadav (Managing Director)
8. Mr. K. N. Petigara (Independent Director)
9. Mr. A. B. Choudhury (Independent Director)
10. Dr. Raghunath A. Mashelkar (Independent Director)
11. Dr. Ritu Anand (Independent Director)
12. Ms. Aditi Kothari Desai (Independent Director)
13. Ms. Roopa Purushothaman (Independent Director)
14. Mr. Natarajan Srinivasan (Independent Director)

Mr. A. B. Godrej, resigned from the directorship of the Company w.e.f. November 5, 2018. Dr. S. L. Anaokar, Independent Director of the Company resigned from the directorship of the Company w.e.f. February 4, 2019, in terms of the provisions of Section 168 of the Companies Act, 2013.

Mr. Pirojsha Godrej has been appointed as a Director (Additional, Non-Executive – Non Independent) with effect from November 5, 2019.

Mr. Natarajan Srinivasan has been appointed as an “Additional Director” (Non-Executive, Independent Director) of the Company, for a period from February 4, 2019 upto July 17, 2022, subject to approval of the Shareholders.

Mr. J. N. Godrej (Director) and Ms. Nisaba Godrej (Director) shall retire by rotation at the ensuing 28th (Twenty-Eighth) Annual General Meeting (AGM) of the Company in accordance with the provisions of the Section 152 of Companies Act, 2013 and being eligible offer themselves for re-appointment.

20. KEY MANAGERIAL PERSONNEL:

The following are the Key Managerial Personnel (KMP) of your Company pursuant to the provisions of Section 203 of the Companies Act, 2013, throughout the Financial Year 2018-19:-

1. Mr. B. S. Yadav, Managing Director
2. Mr. S. Varadaraj, Head – Finance, Systems & Legal (Chief Financial Officer)
3. Mr. Vivek Raizada, Head – Legal & Company Secretary & Compliance Officer.

21. POLICY ON APPOINTMENT & REMUNERATION OF DIRECTORS:

In order to ensure compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company have formulated the Nomination and Remuneration Policy.

The Nomination and Remuneration Policy of your Company have been made available on the website of the Company i.e., <http://www.godrejagrovet.com>

The criteria for determining qualification, positive attributes and Independence of Directors is given in “ANNEXURE ‘B’” to this Directors’ Report.

22. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

As on March 31, 2019, the following Directors on your Board were Independent:

Mr. K. N. Petigara	(Independent Director)
Mr. Amit B. Choudhury	(Independent Director)
Dr. Raghunath A. Mashelkar	(Independent Director)
Dr. Ritu Anand	(Independent Director)
Ms. Aditi Kothari Desai	(Independent Director)
Ms. Roopa Purushothaman	(Independent Director)
Mr. Natarajan Srinivasan	(Independent Director)

Pursuant to the provisions of Section 134(3)(d) of the Companies Act, 2013, disclosure is hereby given that the Company has received declaration / confirmation of independence from all the 7 (seven) Independent Directors, of the Company pursuant to Section 149(6) of the Companies Act, 2013, as may amended from time to time, after undertaking due assessment of the veracity of the same and the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. The certificates of Independence received from all the Independent Directors have been duly noted by the Board.

Pursuant to Section 149(10) and Section 152 of the Companies, Act, 2013, Mr. Kavas N. Petigara, Independent Director was re-appointed for second term with effect from April 1, 2019 upto March 31, 2022.

23. MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board of Directors are pre-scheduled and intimated to all the Directors in advance in order help them plan their schedule. However, in case of special and urgent business needs, approval is taken either by convening meetings at a shorter notice with consent of all the Directors or by passing resolutions through circulation.

There were 5 (five) Meetings of the Board of Directors held during the Financial Year (F.Y.) 2018-19, (i.e., May 14, 2018, August 9, 2018, September 14, 2018, November 5, 2018 and February 4, 2019).

The maximum gap between two Board Meetings did not exceed 120 (One Hundred Twenty) days.

24. AUDIT COMMITTEE:

Pursuant to the provisions of Section 177(8) of the Companies Act, 2013, Rule 6 of the Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 18 read with Part C of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted an Audit Committee of the Board of Directors.

The Audit Committee comprises of the following Members:-

1. Mr. K. N. Petigara (Chairman - Non-Executive, Independent Director)
2. Mr. B. S. Yadav (Member - Executive, Non-Independent Director)
3. Dr. Ritu Anand (Member - Non-Executive, Independent Director)
4. Ms. Aditi Kothari Desai (Member - Non-Executive, Independent Director)

The Statutory Auditors, Internal Auditors and Chief Financial Officer attend the Audit Committee Meetings as Invitees. The Company Secretary and Compliance Officer acts as Secretary to the Audit Committee. The Audit Committee has made observations and recommendations to the Board of Directors, which have been noted and accepted by the Board.

During the Financial Year 2018-19, all recommendations made by the Audit Committee to the Board of Director were accepted by the Board and there were no instances where the recommendations were not accepted.

25. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013, Rule 6 of the Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Nomination and Remuneration Committee of the Board of Directors.

The Nomination and Remuneration Committee comprises of the following Members:-

- | | |
|----------------------------|---|
| 1. Dr. Ritu Anand | (Chairperson - Non-Executive, Independent Director) |
| 2. Ms. Roopa Purushothaman | (Member - Non-Executive, Independent Director) |
| 3. Ms. Nisaba Godrej | (Member - Non-Executive, Non- Independent Director) |

There were 3 (three) Meetings of the Nomination and Remuneration Committee held during the Financial Year 2018-19 (i.e., on May 14, 2018, November 5, 2018 and February 4, 2019).

26. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Stakeholders' Relationship Committee of the Board of Directors, comprising of the following Members as on March 31, 2019:-

- | | |
|------------------------|--|
| 1. Mr. N. B. Godrej | (Chairman - Non-Executive, Non-Independent Director) |
| 2. Mr. B. S. Yadav | (Member - Executive, Non-Independent Director) |
| 3. Mr. A. B. Choudhury | (Member - Non-Executive, Independent Director) |

During the Financial Year 2018-19, 1 (one) Meeting of the Stakeholders' Relationship Committee was held, i.e., on November 5, 2018.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE & CSR POLICY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors.

The CSR Committee comprises of the following Members:-

- | | |
|-------------------------------|--|
| 1. Dr. Raghunath A. Mashelkar | (Chairman - Non-Executive, Independent Director) |
| 2. Mr. N. B. Godrej | (Member - Non-Executive, Non-Independent Director) |
| 3. Mr. B. S. Yadav | (Member - Executive, Non-Independent Director) |
| 4. Ms. Roopa Purushothaman | (Member - Non-Executive, Independent Director) |

There were two Meetings of the CSR Committee during the Financial Year 2018-19 (i.e., on May 14, 2018 and November 5, 2018).

Areas of CSR Expenditure:

A brief outline of your Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy is as under:

Your Company is committed to the Godrej Group's 'Good & Green' vision of creating a more inclusive and greener India. Our strategic Corporate Social Responsibility (CSR) projects, undertaken as part of our overall sustainability framework, actively work towards the Godrej Group's Good & Green goals and have helped us carve out a reputation for being one of the most committed and responsible companies in the industry.

The CSR Policy of your Company is uploaded on the website, viz., www.godrejagrovet.com

Amount of CSR Spending:

During the Financial Year 2018-19, your Company was required to spend ₹4.70 Crore towards CSR Activities in terms of the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Annual Report on CSR Activities:

The Annual Report on CSR Activities of your Company for the Financial Year 2018-19, is annexed herewith as "**Annexure –C**".

28. RISK MANAGEMENT COMMITTEE:

Pursuant to the provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Risk Management Committee of the Board of Directors, comprising of the following Members:-

- | | |
|------------------------|--|
| 1. Mr. N. B. Godrej | (Chairman - Non-Executive, Non-Independent Director) |
| 2. Mr. B. S. Yadav | (Member - Executive, Non-Independent Director) |
| 3. Mr. A. B. Choudhury | (Member - Non-Executive, Independent Director) |

The details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Annual Report.

During the Financial Year 2018-19, 1 (one) Meeting of the Risk Management Committee was held, i.e., on May 14, 2018.

The Company has developed and implemented a risk management policy and in the opinion of the Board of Directors, no risks have been identified which may threaten the existence of the Company.

Your Company continuously monitors business and operational risks. All key functions and divisions are independently responsible to monitor risks associated within their respective areas of operations such as production, insurance, legal and other issues like health, safety and environment.

Your Company endeavors to become aware of different kinds of business risks and bring together elements of best practices for risk management in relation to existing and emerging risks. Rather

than eliminating these risks, the decision-making process at your Company considers it appropriate to take fair and reasonable risk which also enables the Company to effectively leverage market opportunities.

The Board determines the fair and reasonable extent of principal risks that your Company is willing to take to achieve its strategic objectives. With the support of the Audit Committee, it carries out a review of the effectiveness of your Company's risk management process covering all material risks.

Your Company has substantial operations spread all over the country and its competitive position is influenced by the economic, regulatory and political situations and actions of the competitors.

29. MANAGING COMMITTEE :

Your Company has constituted the Managing Committee of the Board of Directors consisting of the following Directors as on April 1, 2018, pursuant to Article 144 of the Articles of Association of the Company:-

- | | | |
|----|--------------------|--|
| 1. | Mr. N. B. Godrej | (Chairman - Non-Executive, Non-Independent Director) |
| 2. | Mr. A. B. Godrej* | (Member - Non-Executive, Non-Independent Director) |
| 3. | Mr. B. S. Yadav | (Member - Executive, Non-Independent Director) |
| 4. | Ms. Nisaba Godrej | (Member - Non-Executive, Non-Independent Director) |
| 5. | Dr. S. L. Anaokar# | (Member - Non-Executive, Independent Director) |

*Mr. A. B. Godrej has resigned from the Directorship of the Company with effect from November 5, 2018.

#Dr. S. L. Anaokar has resigned from the Directorship of the Company with effect from February 4, 2019.

The Managing Committee of the Board of Directors was re-constituted on November 5, 2018, constituting of the following Members:

- | | | |
|----|---------------------|--|
| 1. | Mr. N. B. Godrej | (Chairman - Non-Executive, Non-Independent Director) |
| 2. | Ms. Nisaba Godrej | (Member - Non-Executive, Non-Independent Director) |
| 3. | Mr. Pirojsha Godrej | (Member - Non-Executive, Non-Independent Director) |
| 4. | Mr. B. S. Yadav | (Member - Executive, Non-Independent Director) |

The Managing Committee met 11 (eleven) times during the Financial Year 2018-19.

30. INITIAL PUBLIC OFFER (IPO) COMMITTEE:

In order to facilitate compliance with the statutory and regulatory requirements in connection with the Initial Public Offer (IPO) made by the Company during the Financial Year 2017-18, the Board of Directors had constituted IPO Committee of the Board of Directors on July 18, 2017, which was dissolved on November 5, 2018.

31. STRATEGY COMMITTEE:

The Company has been looking forward for organic as well as inorganic growth for strengthening its footsteps in the businesses in which the Company and/or any of its subsidiaries or associates operate and hence intends to explore strategic options for its growth. Keeping this objective in mind and to streamline the process for evaluating any proposals for strategic acquisitions, collaborations or joint ventures, a Strategy Committee of the Board of Directors was constituted with effect from September 14, 2018, comprising of the following Members:

- | | | |
|----|--------------------|--|
| 1. | Mr. N. B. Godrej | (Chairman - Non-Executive, Non-Independent Director) |
| 2. | Mr. K. N. Petigara | Member (Non-Executive, Independent Director) |
| 3. | Mr. B. S. Yadav | (Member - Executive, Non-Independent Director) |

32. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors met once during the Financial Year 2018-19, i.e., on May 14, 2018.

The Meeting of the Independent Directors was conducted in an informal manner without the presence of the Chairman, Managing Director, Non-Executive Directors, Chief Financial Officer and the Company Secretary & Compliance Officer.

33. VIGIL MECHANISM:

Your Company has adopted a Whistle Blower Policy as a part of its vigil mechanism. The purpose of the Policy is to enable employees to raise concerns regarding unacceptable improper practices and/ or any unethical practices in the organisation without the knowledge of the Management. All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud, or violation of any law, rule, or regulation. This Policy is also applicable to the Directors and Employees of the Company. Mr. V Swaminathan, Head Corporate Audit & Assurance, has been appointed as the 'Whistle Blowing Officer', and his contact details have been mentioned in the Policy. Furthermore, employees are also free to communicate their complaints directly to the Chairman /Members of the Audit Committee, as stated in the Policy. The Policy is available on the internal employee portal and the website of the Company. On a quarterly basis, the Audit Committee reviews reports made under this policy and implements corrective actions, wherever necessary.

34. PERFORMANCE EVALUATION:

The Board has carried out an Annual Performance Evaluation of its own, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Board as a whole, Chairman and Non-Independent Directors was carried out by the Independent Directors.

A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The confidential online questionnaire was responded to by the Directors and vital feedback was received from them on how the Board currently operates and how it can enhance its effectiveness.

The Board of Directors has expressed its satisfaction with the evaluation process.

35. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE & INTERNAL COMPLAINTS COMMITTEE:

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation.

The Board of Directors of your Company has constituted Internal Complaints Committees (ICCs) at Head Office as well as regional levels pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and the Rules framed thereunder.

The ICC at the Head Office level consists of the following Members as on March 31, 2019:

1. Ms. Sanjivani Sadani (Chairperson)
2. Mr. S. Varadaraj (Member)
3. Mr. Salil Chinchore (Member)
4. Ms. Megha Goel (Member)
5. Ms. Sharmila Kher (External Member)

The Company has formulated and circulated to all the employees, a policy on prevention of sexual harassment at workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment.

There were 2 (two) complaints of sexual harassment received and resolved by the ICC during the Financial Year 2018-19.

36. SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2018-19, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

37. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees and investments by the Company under the aforesaid provisions during the Financial Year (F.Y.) 2018-19, have been provided in the Notes to the Standalone Financial Statement.

38. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013:

All Related Party Transactions entered into by your Company during the Financial Year 2018-19, were on arm's length basis and in the ordinary course of business. There were no material significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for Related Party Transactions. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Sections 134(3)(h) and 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. Attention of Shareholders is also drawn to the disclosure of transactions with related parties set out in Note No. 61 of the Standalone Financial Statements, forming part of the Annual Report. None of the Directors have any pecuniary relationships or transactions *vis-à-vis* the Company.

39. FRAUD REPORTING:

There have been no instances of frauds reported by the auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

40. INTERNAL FINANCIAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS:

Your Company is committed to constantly improve the effectiveness of internal financial controls and processes for efficient conduct of its business operations and ensuring security to its assets and timely preparation of reliable financial information. In the opinion of the Board, the internal financial control system of the Company commensurate with the size, scale and complexity of business operations of the Company.

Further, the internal financial controls with reference to the Financial Statements are adequate in the opinion of the Board of Directors and were operating effectively.

The Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The Company's Corporate Audit & Assurance Department which is ISO 9001: 2008 certified, issues well documented operating procedures and authorities, with adequate built-in controls at the beginning of any activity and during the continuation of the process, if there is a major change.

The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the Management. This system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

There were 5 (five) Meetings of the Audit Committee of the Board of Directors held during the Financial Year (F.Y.) 2018-19, (i.e., May 14, 2018, August 9, 2018, September 14, 2018, November 5, 2018 and February 4, 2019). The Statutory Auditors and the Internal Auditors were, *inter alia*, invited to attend the Audit Committee Meetings and present their observations on adequacy of Internal Financial Controls and the steps required to bridge gaps, if any. The Board of Directors noted the observations and accepted the recommendations of the Audit Committee.

41. CREDIT RATING:

During the Financial Year (F.Y.) 2018-19, the Credit Rating granted by ICRA Limited to your Company has been reaffirmed at "[ICRA] AA" with respect to Long Term Fund Based Bank facilities and "[ICRA]A1+" with respect to Short Term Fund Based facilities (including for Commercial Paper).

42. DISCLOSURES OF TRANSACTIONS OF THE COMPANY WITH ANY PERSON OR ENTITY BELONGING TO THE PROMOTER/PROMOTER GROUP:

Transactions with persons or entities belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company have been disclosed in the accompanying Financial Statements.

43. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions contained in sub-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, the Directors of your Company confirm that:-

- a) in the preparation of the Annual Accounts for the Financial Year (F.Y.) 2018-19, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year (i.e., March 31, 2019) and of the profit and loss of the Company for that period (i.e., the Financial Year 2018-19);
- c) the Directors have taken proper and sufficient care 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;
- d) the Directors have prepared the Annual Accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

44. CORPORATE GOVERNANCE:

As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a detailed report on Corporate Governance is included in the Annual Report.

BNP & Associates, Company Secretaries have certified the Company's compliance requirements of Corporate Governance in terms of Regulation 34 of the Listing Regulations and their Compliance Certificate is annexed to the Report on Corporate Governance.

45. STATUTORY AUDITORS:

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) have been appointed as the Statutory Auditors of the Company at the 26th (Twenty Sixth) Annual General Meeting (AGM) of the Shareholders held on August 4, 2017, pursuant to Sections 139 to 144 of the Companies Act, 2013 and Rules 3 to 6 of the Companies (Audit and Auditors) Rules, 2014, for a term of 5 (five) years, to hold office from the conclusion of the 26th (Twenty Sixth) AGM, till the conclusion of the 31st (Thirty First) AGM.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors was withdrawn from the statute. In view of the same, the Members of the Company at the 26th (Twenty Sixth) AGM held on August 4, 2017, had approved ratification of appointment of M/s. BSR & Co. LLP as the Statutory Auditors of the Company for the remaining period, i.e.

from the conclusion of the 26th (Twenty Sixth) AGM, till the conclusion of the 31st (Thirty First) AGM. Therefore, the approval of the Members for continuance of their appointment at this AGM is not being sought.

The Statutory Auditors' Report on the Financial Statements for the Financial Year ended on March 31, 2019, does not contain any qualification, reservation, adverse remark or disclaimer.

46. COST AUDITORS:

M/s. P. M. Nanabhoj & Co., Cost Accountants, Mumbai (Firm Registration No.: 00012) have been appointed by the Board of Directors as the Cost Auditors of the Company for all the applicable products pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year (F.Y.) 2019-20. The Shareholders are requested to ratify the remuneration payable to the Cost Auditors in terms of Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

The Company has made and maintained cost accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year (F.Y.) 2018-19.

47. SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT:

The Board of Directors of your Company appointed BNP & Associates, Company Secretaries (Firm Registration No.:P2014MH037400) as the Secretarial Auditors of the Company for the conduct of Secretarial Audit for the Financial Year 2019-20, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report submitted by the Secretarial Auditor is annexed as "**ANNEXURE -D**" to this Board's Report.

Further, pursuant to provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), Creamline Dairy Products Limited ("CDPL") is a Material subsidiary of your Company in terms of Regulation 16(1)(c) of the Listing Regulations. The Secretarial Audit Report submitted by the Secretarial Auditors of CDPL is also annexed herewith as "**ANNEXURE- E**" to this Board's Report.

48. RESPONSES TO QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS & DISCLAIMERS MADE BY THE STATUTORY AUDITORS AND THE SECRETARIAL AUDITORS:

There are no qualifications, reservations, adverse remarks and disclaimers of the Statutory Auditors in their report on Financial Statements for the Financial Year (F.Y.) 2018-19.

There are no qualifications, reservations, adverse remarks and disclaimers of the Secretarial Auditors in their Secretarial Audit Report for the Financial Year (F.Y.) 2018-19.

49. LISTING FEES:

Your Company has paid requisite Annual Listing Fees to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where its securities are listed.

50. DEPOSITORY SYSTEM:

Your Company's Equity Shares are available for dematerialization through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

51. RESEARCH AND DEVELOPMENT (R&D):

Your Company continues to focus on R&D and strongly believes that productive R&D is a key ingredient for success.

52. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information in respect of matters pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report is given in the "ANNEXURE- 'F' to this Directors' Report.

53. POLICIES OF THE COMPANY:

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") have mandated the formulation of certain policies for all listed companies. All the Policies are available on the Company's website, www.godrejagrovet.com.

The key policies that have been adopted by the Company pursuant to the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws are as follows:

Sr. No.	Name of the Policy	Brief Particulars of the Policy
1.	Risk Management Policy	The Company has in place, a Risk Management Policy which was framed by the Board of Directors of the Company. This Policy deals with identifying and assessing risks such as operational, strategic, financial, security, property, regulatory, reputational, cyber security and other risks and the Company has in place an adequate Risk Management infrastructure capable of addressing these risks. The Board of Directors of your Company is of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.
2.	Corporate Social Responsibility Policy	The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. This Policy outlines the Company's strategy to bring about a positive impact on society through activities and programmes relating to education, sanitation, environment, etc.

3.	Policy for determining Material Subsidiaries	This Policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company in order to comply with the requirements of Regulation 16(1) (c), Regulation 24 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. As on March 31, 2019, Creamline Dairy Products Limited is a material unlisted Subsidiary of your Company.
4.	Nomination and Remuneration Policy	This Policy formulates the criteria for determining qualifications, competencies, positive attributes and independence of a Director and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other Senior Management Employees.
5.	Policy to promote Board Diversity	This Policy endeavours to promote diversity at Board level, with a view to enhance its effectiveness
6.	Policy on Familiarization Programmes for Independent Directors	Your Company has a Policy on Familiarization Programmes for Independent Directors, which lays down the practices followed by the Company in this regard, on a continuous basis.
7.	Whistle Blower Policy / Vigil Mechanism	Your Company has a Vigil Mechanism / Whistle Blower Policy. The purpose of the Policy is to enable employees to raise concerns regarding unacceptable improper practices and/ or any unethical practices in the organization without the knowledge of the Management. The Policy provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to Mr. K. N. Petigara, Chairman of the Audit Committee, in appropriate or exceptional cases.
8.	Human Rights Policy	Your Company has in place, a Human Rights Policy which demonstrates the Company's commitment to respect human rights and treat people with dignity and respect in the course of conduct of its business.

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| 9. Policy on Prevention of Sexual Harassment at Workplace | Your Company has in place, a Policy on Prevention of Sexual Harassment at Workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment and thereby encourages employees to work together without fear of sexual harassment, exploitation or intimidation. | 16. Dividend Distribution Policy | This Policy is framed by the Board of Directors in terms of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The focus of the Company is to have a Policy on distribution of dividend so that the investor may know as to when and how much dividend they may expect. |
| 10. Policy on Related Party Transactions | This Policy regulates all transactions between the Company and its Related Parties. | 17. Policy for Inquiry in case of Leak of Unpublished Price Sensitive Information ("UPSI") | This Policy is framed by the Board of Directors in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The focus of the Company is to have a Policy in place to strengthen the Internal Control System and prevent Leak of Unpublished Price Sensitive Information ("UPSI"). This policy also aims to have a uniform code to curb unethical practices of sharing UPSI by insiders, employees and designated persons with any other person without a legitimate purpose. |
| 11. Code of Conduct for the Board of Directors and Senior Management Personnel | Your Company has in place, a Code of Conduct for the Board of Directors and Senior Management Personnel which reflects the legal and ethical values to which your Company is strongly committed. The Directors and Senior Management Personnel of your Company have complied with the Code as mentioned hereinabove. | 18. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") | The Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations. |
| 12. Code of Conduct for Insider Trading | This Policy sets up an appropriate mechanism to curb Insider Trading in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. | | |
| 13. Policy on Criteria for determining Materiality of Events | This Policy applies to disclosures of material events affecting the Company. This Policy warrants disclosure to investors and has been framed in compliance with the requirements of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time. | | |
| 14. Policy for Maintenance and Preservation of Documents | The purpose of this Policy is to specify the type of documents and time period for preservation thereof based on the classification mentioned under Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy covers all business records of the Company, including written, printed and recorded matter and electronic forms of records. | | |
| 15. Archival Policy | This Policy is framed pursuant to the provisions of the Listing Regulations. As per this Policy, all such events or information which have been disclosed to the Stock Exchanges are required to be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter in terms of the Policy. | | |
- 54. SECRETARIAL STANDARDS:**
- Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- 55. BUSINESS RESPONSIBILITY REPORT:**
- The Company has prepared its Business Responsibility Report for the Financial Year (F.Y.) 2018-19, in accordance with sub-regulation (2) of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015 issued by the Securities and Exchange Board of India (SEBI), to describe the initiatives taken by the Company from an environmental, social and governance perspective. The said Report is prepared in accordance with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs) notified by the Ministry of Corporate Affairs (MCA), Government of India, in July 2011 and forms part of the Annual Report.
- 56. MANAGERIAL REMUNERATION:**
- The remuneration paid to Directors and Key Managerial Personnel of the Company during the Financial Year 2018-19 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been appended as “**ANNEXURE-G**” to this Report.

57. PARTICULARS OF EMPLOYEES:

The disclosure as per Section 197 of the Companies Act, 2013 read with Rule 5 (2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of your Company, is available for inspection by the Shareholders at the Registered Office of your Company during business hours on working days of the Company upto the date of the ensuing 28th (Twenty Eighth) Annual General Meeting. If any Shareholder is interested in obtaining a copy thereof, such Shareholder may write to the Company Secretary, whereupon a copy would be sent.

However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to the Shareholders, excluding the disclosure as mentioned above.

58. ADDITIONAL INFORMATION:

The additional information required to be given under the Companies Act, 2013 and the Rules made thereunder, has been laid out in the Notes attached to and forming part of the Annual Accounts. The Notes to the Accounts referred to the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

The Consolidated Financial Statements of your Company form part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the Financial Statements of its Subsidiaries. The Audited Annual Accounts and related information of the Company's subsidiaries will be made available upon request. These documents will also be available for inspection during all days except Saturdays, Sundays and public holidays from 10.00 a.m. (IST) to 4.00 p.m. (IST) at the Company's Registered Office. The subsidiary companies' Audited Accounts are also available on the Company's website www.godrejagrovet.com

59. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the Section 125 and other applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), all the unpaid or unclaimed dividends are required to be transferred to the IEPF established by the Central Government, upon completion of 7 (seven) years. Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for 7 (seven) consecutive years or more are also required to be transferred to the demat account created by the IEPF Authority.

Your Company does not have any unpaid or unclaimed dividend or shares relating thereto which is required to be transferred to the IEPF till the date of this Report.

60. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.

61. CAUTIONARY STATEMENT:

Statements in the Directors' Report and the Management Discussion and Analysis Report describing the Company's objectives, projections, expectations, estimates or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied therein due to risks and uncertainties. Important factors that could influence the Company's operations, inter alia, include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic, political developments within the country and other factors such as litigations and industrial relations.

62. APPRECIATION:

Your Directors wish to place on record sincere appreciation for the support and co-operation received from various Central and State Government Departments, organizations and agencies. The Directors also gratefully acknowledge all stakeholders of your Company, viz., Shareholders, customers, dealers, vendors, banks and other business partners for excellent support received from them during the Financial Year under review. Your Directors also express their warm appreciation to all the employees of the Company for their unstinted commitment and continued contribution to the growth of the Company.

**For and on behalf of the Board of Directors
of Godrej Agrovet Limited**

N. B. Godrej
Chairman
(DIN: 00066195)

Date: May 6, 2019
Place: Mumbai

ANNEXURE 'A' TO THE DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY

(In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. OBJECTIVE

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") read with Notification dated July 8, 2016 issued by the Securities and Exchange Board of India, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy and to disclose the same in their Annual Report and on the Corporate Website.

The Board of Directors of Godrej Agrovet Limited ("the Company" / "GAVL") being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding Financial Year, frames this policy to comply with the requirements of the Regulations.

The Company proposes to adopt a Dividend Distribution Policy that balances the dual objectives:

- Appropriate reward to Shareholders through dividends and
- Ploughing back earnings to support sustained growth.

2. BACKGROUND

Dividend is the payment made by a Company to its Shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business for acquisitions, expansion or diversification or it can be distributed to the Shareholders. The Company may choose to retain a part of its profits and distribute the balance among its Shareholders as dividend. This Policy aims to reconcile between all these needs.

The Company recognizes the need to lay down a broad framework for considering decisions by the Board of Directors, with regard to distribution of dividend to its Shareholders and/or retaining or ploughing back of its profits. Declaration of dividend is one of the key financial decisions of the Company, forming part of the overall strategy for efficient allocation of capital as well as increasing shareholder's wealth. The Company shall post this policy on the website of the Company (www.godrejagrov.com).

3. DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its Stakeholders and aims to maximize the Shareholders' wealth in the Company through various means. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board of Directors would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

4. LEGAL PROVISIONS REGARDING PAYMENT OF DIVIDEND

The recommendation, declaration and payment of dividend by the Company is subject to the provisions of Sections 123 and 134(3) of the Companies Act, 2013 ("the Act") read with the Companies (Declaration and Payment of Dividend) Rules, 2014 ("the Rules")

and Regulations 12, 29, 42, and 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY OR MAY NOT EXPECT DIVIDEND

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any Financial Year.

The Dividend for any Financial Year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board of Directors may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Act and Regulations, as applicable.

Notwithstanding the above, the Shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital
- In the event of inadequacy of profit or whenever the Company has incurred losses;
- Whenever it proposes to utilize surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

6. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

➤ FINANCIAL PARAMETERS / INTERNAL FACTORS :

- Distributable surplus available as per the Act and Regulations;
- Consolidated Net Operating Profit After Tax
- The Company's liquidity position and future cash flow needs;
- Track record of Dividends distributed by the Company;
- Payout ratios of comparable companies;
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Resources required to fund acquisitions and / or new businesses;

- Stipulations/ Covenants of loan agreements;
- Cash flow required to meet contingencies;
- Macroeconomic and business conditions in general;
- Any other relevant factors that the Board of Directors may deem fit to consider before declaring Dividend.

In the event of inadequacy of profits, the Board may decide not to declare dividends for that Financial Year or declare dividend out of Free Reserves, subject to the compliance of the Act, Rules and Listing Regulations.

➤ **EXTERNAL FACTORS:**

The Board of Directors of the Company would consider the prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws, if any, before declaring or recommending dividend to the Shareholders.

7. UTILISATION OF RETAINED EARNINGS

The Company firmly believes that consistent growth will maximize Shareholders value. Thus, the Company will endeavor to utilize retained earnings, for the following purposes, subject to applicable regulations:

- Funding inorganic and organic growth needs including Working Capital, Capital expenditure, repayment of debt, etc;
- Buyback of Shares subject to applicable laws and limits;
- Payment of Dividend in future years;
- Issue of Bonus shares;
- Any other permissible purpose.

8. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company presently has only 1 (one) class of shares, i.e. Equity Shares. Hence, the parameters which are required to be adopted for various classes of shares do not apply to the Company. This Policy is subject to review if and when the Company issues different classes of Shares.

9. MANNER OF DIVIDEND PAYOUT

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the Shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the Stock Exchanges, as required by Listing Regulations.

A. In case of Final dividend, the following procedure shall be followed:

- i. The Board shall recommend dividend to the Shareholders, which shall be paid subject to approval of the Shareholders at Annual General Meetings of the Company.
- ii. Dividends shall be paid only out of Current Profits or past profits after providing for depreciation and setting off losses, if any.

- iii. The amount of the dividend shall be deposited in a scheduled bank in separate account within 5 (five) days from the declaration of dividend.

- iv. The payment of dividend shall be made within 30 (thirty) days from the date of declaration to the Shareholders entitled to receive the dividend on the record date as per the applicable law.

B. In case of Interim dividend the following procedure shall be followed:

- i. Interim dividend, if any, shall be declared by the Board.

- ii. Before declaring Interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

- iii. In case no Final dividend is declared at the Annual General Meeting, Interim dividend will be considered as the Final dividend of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to any Dividend, if any, declared by the Company.

C. Payment mode

Dividend shall be paid by cheque or warrant or in any electronic mode to the Shareholders entitled to the payment of the dividend. The Dividend shall be delivered to the Shareholders through Ordinary Post / Registered Post / Speed Post / Courier.

10. CONCLUSION

The Company shall endeavor to maintain a consistency in dividend payout, every year. The focus of the Company is to declare a policy on distribution of dividend so that the investor may know as to when and how much dividend they may expect.

11. REVIEW AND AMENDMENT OF POLICY

This policy will be reviewed by the Board of Directors of the Company as they deem necessary. Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors or its Committee (as may be authorized by the Board of Directors in this regard) shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board of Directors in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

12. DISCLAIMER

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's Equity Shares.

13. ADOPTION OF POLICY BY THE BOARD OF DIRECTORS :

This Policy has been adopted by the Board of Directors of the Company at its Meeting held on August 9, 2018.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

of GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2019

1. Qualifications of Independent Director:

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Technical Operations or other disciplines related to the Company's business.

2. Positive Attributes of Independent Directors:

An Independent Director shall be a person who shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;
- vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

vii. refrain from any action that would lead to loss of his independence;

viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;

ix. assist the Company in implementing the best corporate governance practices.

3. Independence of Independent Directors:

An Independent Director should meet the criteria for independence prescribed under Section 149(6) of the Companies Act, 2013 (as may be amended from time to time) and Regulation 16 (1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements).

**For and on behalf of the Board of Directors
of Godrej Agrovet Limited**

**N. B. Godrej
Chairman
(DIN: 00066195)**

Date: May 6, 2019
Place: Mumbai

ANNEXURE 'C' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

of GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2019

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and projects or programs

The Corporate Social Responsibility (CSR) Policy of Godrej Agrovet Limited (GAVL) aligns itself with the Godrej Group's (Group) 'Good & Green' vision of creating a more inclusive and greener India. Each of GAVL's CSR projects are aligned with the Good & Green goals of the Group and correspond to different items listed in Schedule VII of Companies Act 2013.

GAVL aspires to be a sustainable Company through leadership commitment, multiple stakeholder engagement and disciplined value chain mechanisms. GAVL's holistic approach towards sustainability not only manages its externalities but also integrates the prevalent social and environmental issues into business strategies to provide tangible solutions, which benefit the underserved communities and deliver competitive advantage to the business.

For instance, GAVL's employability projects are committed to the Good & Green goal that aims to "Train 1 million rural and urban youth in skills that enhance their earning potential." These projects fall under the second item listed in Schedule VII "Promoting employment and enhancing vocational skills." Similarly, Greener India projects contributes to goals that aim to "Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption and increase utilization of renewable energy sources". Activities under these projects fall under "Ensuring Environmental Sustainability, Ecological Balance, Protection of Flora and Fauna" of Schedule VII to the Companies Act, 2013. The Company's goals are well in line with the Sustainable Development Goals and the National Action Plan on Climate Change; this enables the Company to gather a holistic view and understanding for the objectives of our CSR activities/programs.

The web-link to the CSR Policy and projects or programs is www.godrejagrovet.com/codes-and-policies.aspx

2. Composition of the CSR Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors.

The Composition of the CSR Committee during the F.Y. 2018-19 was as follows:-

Name	Designation
Dr. R. A. Mashelkar	(Chairman - Non-Executive, Independent Director)
Mr. N. B. Godrej	(Member - Non-Executive, Non-Independent Director)
Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
Ms. Roopa Purushothaman	(Member - Non-Executive, Independent Director)

3. Average Net Profit of the Company for last three financial years:

Financial Year (as per Section 198)	2015-16	2016-17	2017-18
Net profit for the year (₹ in Crore)	₹ 183.34	₹ 234.59	₹ 286.67

Average Net Profit of the Company for last three Financials Years: ₹ **234.87 Crore**

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)

- ₹ **4.70 Crore** (2% of Average Net Profit for last three preceding financial years)

5. Details of CSR Spend during the Financial Year

- Total amount spent during the financial year: ₹ **4.80 Crore**
- Amount unspent, if any: ₹ **NIL**

- Manner in which the amount spent during the financial year is detailed below (all numbers are in ₹):

Sr. No	CSR Project or Activity identified	Sector in which the Project is covered	Project/ Programme: 1.Local area or other 2.Specify the State and district where the projects or programs were undertaken	Amount outlay (budget) project or programs wise (in ₹ Crores)	Amount spent on projects 1. Direct expenditure 2. Overheads (in ₹ Crores)	Cumulative expenditure up to the reporting period (in ₹ Crores)	Amount spent direct or through the implementing agency (Implementing agency name; Legal structure of the agency; Year of establishment of implementing agency)
1.	Integrated rural livelihoods program aimed at increasing household incomes for smallholder farmers by strengthening agriculture, animal husbandry and allied activities through training and capacity building. The program aims to empower women farmers and tribal households.	Schedule (VII) (x) Rural development (ii) Livelihoods enhancement (iv) Agriculture & animal husbandry	1. (a)Local 2.Locations a. Nashik, Maharashtra b. Lote Parshuram, Maharashtra c. Tilda, Chattisgarh d. Hajipur, Bihar e. Seethanagaram, Andhra Pradesh 1. (b) Other 2. Locations f. Coochbehar West Bengal g. Dewas, Madhya Pradesh h. Mhaswad, Maharashtra	2.05	Direct expenditure – 2.18 Overheads – NIL	2.18 a. 0.38 b. 0.28 c. 0.28 d. 0.18 e. 0.22 f. 0.25 g. 0.33 h. 0.15 i. 0.10 j. *0.00 *(less than One Lakh)	Implementing Agency: a. Sampada Trust, Registered Trust 1950 Year of establishment: 2002 b. Parivartan Trust, Registered Trust, 1950 Year of establishment:1995 c. Ambuja Cement Foundation, Registered Section 25 Company, 1993 Year of establishment: 1993 d. Aga Khan Rural Support Programme India, Registered Section 8 Company, 2013 Year of establishment: 1983 e. Evangelical Social Action Forum, Registered Society 1955 Year of establishment: 1992 f. Satmile Satish Club, Registered Society 2001 Year of establishment: 1974 g. JK Trust; Registered Trust; 1950 Year of establishment: 1945 h. Mann Deshi Foundation Mhaswad Registered Trust Year of establishment: 1997 i. Crystal Hues Private Limited Ltd. j. Access Livelihoods Consulting India
2.	Community development initiatives focusing on infrastructure needs for holistic education, sanitation and clean drinking water needs in schools and anganwadis. Along with building health awareness and environmental sustainability with stakeholders across manufacturing sites and societal well being	Schedule (VII) (ii) Promoting Education (i) Sanitation, health and hygiene (vii) Promotion of sports and games	1. Local Area 2. Factory locations a. Samba, Jammu b. Tumkur, Chitradurga, Karnataka c. Chandauli, Uttar Pradesh Erode, d. Chintampalley, e. Potheppalli, f. Hanuman Junction, g. Erode, h. Vijaymanaglam i. Kondapali Andhra Pradesh j. Baramati, Miraj, Maharashtra k. Sachin, Gujrat	0.55	1. Direct expenditure – 0.52 a. 0.39 b. 0.03 c. 0.10 2. Overheads – NIL	2.70	a. Direct Implementation b Junior Red Cross c. Phill & Mary Clubwala Jhadav Trust

Sr. No	CSR Project or Activity identified	Sector in which the Project is covered	Project/ Programme: 1.Local area or other 2.Specify the State and district where the projects or programs were undertaken	Amount outlay (budget) project or programs wise (in ₹ Crores)	Amount spent on projects 1. Direct expenditure 2. Overheads (in ₹ Crores)	Cumulative expenditure up to the reporting period (in ₹ Crores)	Amount spent direct or through the implementing agency (Implementing agency name; Legal structure of the agency; Year of establishment of implementing agency)
3.	Integrated watershed management	Schedule (VII) (x) Rural development (ii) Livelihoods enhancement (iv) Water Conservation	1. Other 2. Locations a. Magadi (Karnataka) b. Bhirwani (Madhya Pradesh)	1.00	1. Direct expenditure – 1.00 a. 0.81 b. 0.20 2. Overheads – NIL	3.71	Implementing Agency: a. IRIDS (Indian Rural Integrated Development Society); Registered Society; Karnataka; Year of establishment: 1960 b. Aga Khan Rural Support Programme India, Registered Section 8 Company, 2013 Year of establishment: 1983
4.	Promotion of Agriculture and animal husbandry trainings for vocational skills of students	Schedule (VII) (ii) promoting education (x) Rural development	1. Other 2. Locations a. Pune, Maharashtra	0.51	1. Direct expenditure – 0.50 2. Overheads - NIL	4.21	Implementing Agency: a. Gandhi Research Foundation; Section 25 Company; Year of establishment:2006
5.	Donation for promotion of renewable energy: solar electrification for Sophia's College	Schedule (VII) (i) Promotion of education (iv) Environmental sustainability	1.Other 2. Mumbai (Maharashtra)	0.35	1. Direct expenditure – 0.35 2. Overheads - NIL	4.56	Direct Implementation
6.	Overheads			0.24		0.24	Direct Expenses
	TOTAL			4.70		4.80	

6. In case the Company has failed to spend the two percent of the Average Net Profit of last three Financial Years or any part thereof, the Company shall provide reasons for not spending the amount in its Board Report.

During the Financial Year 2018 –19, the Company has spent ₹ 4.80 Crore of the required prescribed expenditure for CSR. During this year, the Company has collaborated with implementing agencies of repute and has committed to incur expenditure for CSR initiatives in the coming years through structured programs and projects. These projects and programs are ongoing and have a longer socio economic development agenda aimed at both qualitative and qualitative long-term development for the beneficiaries. GAVL has met the required expenditure for Financial Year 2018-19 and stays committed to its social responsibilities towards society. GAVL intends to continuously create a holistic impact through its CSR initiatives undertaken.

The Company makes concerted efforts to spend the prescribed CSR amount in each year. The excess CSR spending during the current year, will help to adjust the short spent made by the Company during the Financial Year 2015-16.

7. Responsibility Statement of the CSR Committee:

Through this Report, the Company seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of our CSR Policy complies with the CSR objectives and policies as laid down in this Report. The Board of Directors of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. the Company has undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, the Company has also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

For and on behalf of the Board of Directors of

Godrej Agrovet Limited

B. S. Yadav
Managing Director &
Member of CSR Committee
(DIN: 00294803)

Roopa Purushothaman
Independent Director &
Member of CSR Committee
(DIN: 02846868)

Mumbai, May 6, 2019

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

**[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
Godrej Agrovet Limited,
Godrej One, 3rd Floor,
Pirojshanagar Eastern Express Highway,
Vikhroli (East),
Mumbai- 400079
Maharashtra

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Agrovet Limited (hereinafter called the 'Company') for the audit period from April 1, 2018 to March 31, 2019 ("the Audit Period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and Authorized Representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of equity shares of the Company kept in demat/fungible form;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

- d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- v. Other laws as specifically applicable to the Company:
 - a) The Insecticides Act, 1968; and Rules framed thereunder and
 - b) The Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act, 1993.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute Company Secretaries of India.

During the Audit Period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

During the Audit Period under review, provisions of the following Act/Regulations were not applicable to the Company: -

- a) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
- b) The following Regulations and Guidelines prescribed under the SEBI Act: -
 - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009 and / or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2018, as may be applicable.

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was change in the composition of the Board of Directors that took place during the Audit Period.

Adequate notice is given to all the directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent at least 7

(seven) days in advance, and in case where the Meetings were held at a shorter notice (i.e., notice was given less than 7 (Seven) days), proper consent thereof were obtained. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and there was no instance of any of the Directors expressing dissent on any of the items placed before it.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period the Company has following specific events:

1. On May 14, 2018, the Board of Directors approved increase in investment in Astec LifeSciences Limited upto 74%.
2. On May 14, 2018, the Board of Directors approved acquisition of additional 1.1% of Equity Shares in Godrej Tyson Foods Limited, further on March 27, 2019, the Company increased its holding in the said Company by 1.1% increasing its total Shareholding in Godrej Tyson Foods Limited 51%

3. On September 14,2018, the Board of Directors approved Scheme of Amalgamation of Astec LifeSciences Limited with the company.
4. On March 27, 2019, the Company acquired additional 2.16% of equity shares of Godrej Maxximik Private Limited increasing its total shareholding in the company to 52.06% and on March 30, 2019, the Company acquired 10.91% of the equity shares of this Company further increasing in total shareholding in the Company to 62.97%.

**For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]**

**B Narasimhan
Partner
FCS No.: 1303
C P No.: 10440**

Date: May 6, 2019
Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To,

The Members,
Godrej Agrovet Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Godrej Agrovet Limited (the 'Company') is the responsibility of the Management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the Management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and major events during the Audit Period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]**

**B Narasimhan
Partner
FCS No.: 1303
C P No.: 10440**

Date: May 6, 2019
Place: Mumbai

ANNEXURE 'E' TO THE DIRECTORS' REPORT

The Securities and Exchange Board of India ("SEBI") vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 inserted Regulation 24A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires every listed entity to annex in its Annual Report, a Secretarial Audit Report of its Unlisted Material Subsidiary incorporate in India.

Creamline Dairy Products Limited ("CDPL") is an Unlisted Material Subsidiary of your Company in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with the abovementioned requirement of law, the Secretarial Audit Report of CDPL for the Financial Year ended March 31, 2019 is reproduced below.

SECRETARIAL AUDIT REPORT OF CREAMLINE DAIRY PRODUCTS LIMITED

For the Financial Year ended March 31, 2019

(Pursuant to Regulation 24A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
CREAMLINE DAIRY PRODUCTS LIMITED
H.No.6-3-1238/B/21 Asif Avenue, Rajbhavan Road,
Hyderabad - 510 082

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CREAMLINE DAIRY PRODUCTS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **CREAMLINE DAIRY PRODUCTS LIMITED** ("the Company") for the financial year ended on 31st March, 2019, as made available to us, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under – **Not Applicable**
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings – **(Not applicable to the Company during the Audit Period)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not Applicable**)
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (h) The Securities and Exchange Board of India (Buyback of Securities), Regulations 1998 and

vi. Other specifically applicable laws to the company:

- Food Safety and Standards Act, 2006
- The Legal Metrology Act, 2009
- Boilers Act, 1923
- The Water (Prevention and Control of Pollution Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981

We have also examined the compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Company, being an unlisted Public Limited company, has not entered into any Listing Agreement and hence the same is not commented upon.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- There were few typographical errors in Form AOC-2 and MGT- 9 forming part of Director's Report for the F.Y. 2017-18.
- An application for obtaining certificate for use of Boiler in one of the Company's plants was filed with some delay.
- The inspecting officer under Water Act, 1974 and Air Act, 1981, had made certain observations at one of the Company's plants, to which the Company has replied as required under Section 134 of the Companies Act, 2013

We further report that examination / audit of financial laws such as direct and indirect tax laws has not been carried out by us as a part of this Secretarial Audit.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings. We have been informed that agenda and detailed notes on agenda were sent sufficiently in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board or Committees of the Board, as the case may be.

We further report that:

As per the information provided by the management, and based on the review of compliance reports by the respective department / functional heads, duly taken on record by the Board of Directors of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the Audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs except that :

The Company has undertaken the process of merger of Nagavalli Milkline Private Limited, its wholly owned subsidiary, with itself. The Scheme of Amalgamation, Subsequent upon approvals of the Board of Directors, Shareholders and creditors has been filed with the Hon'ble National Company Law Tribunal, Hyderabad Bench and is pending for its approval.

For P S Rao & Associates
Company Secretaries

Vikas Sirohiya
M. No. 15116
CPNo. 5246

Place: Hyderabad
Date : April 28, 2019

[This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.]

To,
The Members,
CREAMLINE DAIRY PRODUCTS LIMITED
H.No.6-3-1238/B/21 Asif Avenue, Rajbhavan Road,
Hyderabad - 500082

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practises we followed provide a reasonable basis for our opinion.
3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates
Company Secretaries

Vikas Sirohiya
M. No. 15116
CPNo. 5246

Place: Hyderabad
Date: April 28, 2019

ANNEXURE 'F' TO THE DIRECTORS' REPORT

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO OF GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2019

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy:

Your Company has a relentless focus on productivity and environmental sustainability at its manufacturing plants and continues to adopt various energy conservation measures. Some of the measures adopted by your Company for conservation of energy are as follows:

1. Investment in robust technology solutions that have revolutionized the speed and accuracy of data monitoring.
2. Identification of high-energy consumption equipment and replacing it with cost effective energy efficient equipment.
3. Monitoring operations and build capacity optimization of pumps, compressors, motors and other utilities.
4. Diversion from fossil based fuel to renewable biomass
5. Reduction of dependency on grid by switching to renewable electricity via solar rooftop and open access

The adoption of above energy conservation measures has resulted in the following benefits to the Company:-

- a) Direct decrease in the levels of energy consumption
- b) Reduction in water consumption level
- c) Reduction in process losses and storage losses
- d) Reduction in idle time running of machines
- e) Increase in the useful life of plant and machinery

The capital investment on energy conservation equipments made during the Financial Year 2018-19 is approximately ₹ 6.76 Crore.

B. Technology Absorption, Adaptation and Innovation:

Your Company endeavors to implement various technological upgradations in order to obtain improved quality output at a reduced cost.

During the Financial Year under review, your Company has taken following initiatives to demonstrate its commitment towards sustainable growth through Technology Absorption, Adaptation & Innovation;

1) Methods/ Measures adopted / Efforts made:

- a) Implementation of Continuous Sterilization technology for the first time in India
- b) Co-generation technology
- c) Multiple Effect Evaporation (MEE) and Paddle Dryer Technology:

2) Benefits derived as a result of such measures / methods / efforts (e.g., product improvement / development, cost reduction, import substitution, etc.):

l) Implementation of Continuous Sterilization technology for the first time in India.

a) Continuous Sterilizer:

- Steam venting losses have reduced by approximately by 1.5 to 2 ton per hour because of continuous operation whereas in batch type operation steam venting is inevitable during the operations i.e. loading / removing the sterilized new batch.
- Effluent generation have been minimized as compared to other conventional batch type or vertical type sterilizers. This has resulted in load reduction on ETP and also reduces green belt requirement which ultimately saved the excessive cost on green belt.
- OPEX like Manpower deployment is less compared to conventional technology.

b) Environmental Friendly:

- Steam and power demand by the Continuous Sterilization process is constant.
- No surges in steam and power demand from the boiler and turbines respectively.
- Boiler operating under constant load and black smoke emission is rarely seen except during furnace cleaning.
- It avoids steam vent in atmosphere
- Continuous Sterilization produces less condensate with lower oil loss
- Fuel saving - 36 Mt steam per day.

c) Small foot print:

- Reduces manpower, machinery replacement and maintenance:
- Elimination of horizontal sterilizers, cages, skid-steer loaders, railway tracks, cage transfer carriages, cage tippers
- The Continuous Sterilizer is not a pressure

vessel and is easy to automate the whole process from the fresh fruit bunches reception station to the pressing station

- Not necessary for annual shutdown for inspection and certification by the Department of Boiler .
- Better Safety Working Environment
- No fruit spillages, no oil drippings on the floor.
- No unpleasant and noisy steam exhausts.

II) Co-generation technology

a) Pusher Grate Technology:

- Boiler pusher grate technology is designed for maximum utilization of shredded Empty bunch fibre (55% consumption in overall fuel requirement) where as in existing both boilers maximum utilization is 30% only. By using this shredded fiber in boiler resulted saving of high calorific value fuels like nut shell and palm fiber.

b) Condensate Cum Extraction Turbine:

- Specific steam consumption is less as compared to other technology like back pressure turbine (Specific steam consumption in CCE is 11.5Kgs/KWH where as in Back pressure turbine steam consumption 13.7 Kgs/KWH). Total saving 2.2 Kgs per 1 KWH generation.

c) RO Reject Recycling System:

- RO reject recycling system -recycling the RO reject water and produce permeate water same water reusing in RO plant inlet in place of ground water, which saves 25% of ground water in overall raw water consumption and also reduces the waste water generation.

III) Multiple Effect Evaporation (MEE) and Paddle Dryer Technology

- Multiple effect evaporation system evaporates raw effluent water and produces clear condensate water.
- MEE outlet concentrate and decanter outlet sludge directly feed to paddle dryer for drying the powder. Outlet powder have commercial value.

a. Benefits derived

Out let dry powder have good protein value, same material we may use as Aqua feed/ organic manure – trials under progress

b. Future plan of action

Establishment of market for MEE dry powder

3) Research & Development (R&D) activities –

Your Company's In-house Research & Development (R&D) Centre at Vikhroli, Mumbai (Maharashtra) conducts research related to agriculture and development of environmentally benign agrochemical products and technologies that increase agricultural productivity and farm efficiency in a sustainable manner.

Your Company also has a R&D Centre for Animal Feed at Nashik (Maharashtra) which conducts research related to cattle feed and poultry feed to enhance the productivity of livestock, reduce cost of production and increase the profitability of farmers.

In case of imported technology (imported during the last three years, i.e., during Financial Year 2016-17, 2017-18 & 2018-19), the required details are as under:-

- Details of Technology imported: Continuous Sterilization
- Year of import : 2017-18
- Whether the technology has been fully absorbed? : Yes
- If not fully absorbed, areas where absorption has not taken place, reasons therefor and future plans of action : Not Applicable

Note: Your Company is the only Company in India which has imported the aforementioned technology.

The Company's expenditure on R&D is given below:-

	Current Year (2018- 19) ₹ in Crore	Previous Year (2017- 18) ₹ in Crore
a) Capital	0.26	0.48
b) Recurring	13.08	11.75
c) Total	13.34	12.23
d) Total R&D expenditure as a Percentage of total turnover	0.31%	0.33%

C. Foreign Exchange Earnings and Outgo:

The details of Foreign Exchange earnings and outgo of the Company during the Year under review are as follows:-

	Current Year (2018-19) ₹ in Crore	Previous Year (2017-18) ₹ in Crore
A. Foreign Exchange Earned	5.61	11.55
B. Foreign Exchange Used	117.05	71.48

For and on behalf of the Board of Directors of Godrej Agrovet Limited

N. B. Godrej
Chairman
(DIN: 00066195)

Date: May 6, 2019
Place: Mumbai

ANNEXURE 'G' TO THE DIRECTORS' REPORT

PARTICULARS IN RESPECT OF REMUNERATION OF GODREJ AGROVET LIMITED

As at the Financial Year ended on March 31, 2019

Disclosure as per provisions of Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year (F.Y.) 2018-19 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year (F.Y.) 2018-19 is as under:

Sr. No.	Name of Director / Key Managerial Personnel (KMP)	Designation of Director / KMP	Remuneration of Director / KMP for the Financial Year 2018-19 (in ₹)	% Increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. N. B. Godrej (*)	Chairman – Promoter, Non-Executive, Non-Independent Director	7,50,000	N.A.	1.83:1
2	Mr. A. B. Godrej (*) (Upto November 5, 2018)	Promoter, Non-Executive, Non-Independent Director	7,50,000	N.A.	1.83:1
3	Mr. J. N. Godrej (*)	Non-Executive, Non-Independent Director	7,50,000	N.A.	1.83:1
4	Mr. V. M. Crishna (*)	Non-Executive, Non-Independent Director	7,50,000	N.A.	1.83:1
5	Ms. Tanya A. Dubash (*)	Non-Executive, Non-Independent Director	7,50,000	N.A.	1.83:1
6	Ms. Nisaba Godrej (*)	Non-Executive, Non-Independent, Director	7,50,000	N.A.	1.83:1
7.	Mr. Pirojsha Godrej (with effect from November 5, 2018)	Non-Executive, Non-Independent, Director	N.A.	N.A.	N.A.
8	Mr. B. S. Yadav	Managing Director - Executive, Non-Independent Director	4,67,23,986	(19.95)	114.20:1
9	Mr. K. N. Petigara (*)	Non-Executive, Independent Director	7,50,000	N.A.	1.83:1
10	Mr. A. B. Choudhury	Non- Executive, Independent Director	7,50,000	N.A.	1.83:1
11	Dr. S. L. Anaokar (*) (Upto February 4, 2019)	Non-Executive, Independent Director	7,50,000	N.A.	1.83:1
11	Dr. Raghunath A. Mashelkar (*)	Non-Executive, Independent Director	7,50,000	N.A.	1.83:1
12	Dr. Ritu Anand (*)	Non-Executive, Independent Director	7,50,000	N.A.	1.83:1

Sr. No.	Name of Director / Key Managerial Personnel (KMP)	Designation of Director / KMP	Remuneration of Director / KMP for the Financial Year 2018-19 (in ₹)	% Increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to Median Remuneration of Employees
13	Ms. Aditi Kothari Desai (*)	Non-Executive, Independent Director	7,50,000	N.A.	1.83:1
14	Ms. Roopa Purushothaman (*)	Non-Executive, Independent Director	7,50,000	N.A.	1.83:1
15	Mr. Natarajan Srinivasan (with effect from February 4, 2019)	Non-Executive, Non-Independent Director	N.A.	N.A.	N.A.
16	Mr. S. Varadaraj	Chief Financial Officer	1,41,44,185	(2.67)	N.A.
17	Mr. Vivek Raizada	Company Secretary	70,34,285	6.50	N.A.

(*) - All Non-Executive Directors have been paid commission (for the Financial Year 2017-18) during the Financial Year 2018-19 and sitting fees have been paid to eligible Directors during the Financial Year (F.Y.) 2018-19.

- (ii) The percentage increase in the median remuneration of employees in the Financial Year 14.57%
- (iii) The number of permanent employees on the rolls of Company 2,687 as on March 31, 2019
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration Average percentile increase in remuneration of employees during the Financial Year (F.Y.) 2018-19 was 11.68% as compared to average percentile increase in remuneration of managerial personnel which was (14.60%).

The Remuneration paid is in terms of the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors of
Godrej Agrovet Limited

N. B. Godrej
Chairman
(DIN: 00066195)

Date: May 6, 2019
Place: Mumbai