



**DIRECTORS'**  
**REPORT**  
AND ANNEXURES

## DIRECTORS' REPORT OF GODREJ AGROVET LIMITED

Corporate Identity Number (CIN): L15410MH1991PLC135359

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

### TO THE MEMBERS:

Your Directors have pleasure in presenting the Directors' Report along with the Audited Financial Statements for the Financial Year 2019-20.

#### 1. FINANCIAL SUMMARY:

Your Company's Standalone and Consolidated performance during the Financial Year 2019-20 as compared with that of the previous Financial Year 2018-19 is summarized below:-

(₹ in Crore)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total Income	5,159.69	4,349.90	7,010.86	5,970.84
Profit Before Taxation & Exceptional Items	359.22	307.49	358.55	389.00
Add: Exceptional Items	-	-	(9.92)	88.30
Profit Before Taxation (PBT)	359.22	307.49	348.63	477.30
Less: Provision for Taxation	65.91	99.61	48.05	127.97
Profit After Taxation (PAT)	293.31	207.88	300.58	349.33

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

##### 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 2019-20.

##### Businesses of the Company:

##### Animal Feed:

In the Financial Year 2019-20, volume growth was modest at 2.87%, as the fourth quarter volumes were impacted by the disruption caused by COVID-19 outbreak. Poultry segment volumes significantly declined in the fourth quarter due to the rumour of contacting coronavirus infection by consumption of poultry and poultry products. Further, volumes in the other segments (Fish, Cattle and Shrimp) were also impacted from mid-March 2020, after lockdown started in few states. However, despite modest growth, your Company posted segment revenue and segment result growth of 20.05% and 19.56%, respectively, for the Financial Year 2019-20 driven by price hikes taken across products categories. This was despite the high raw material prices.

##### Crop Protection:

At a standalone level, Crop Protection segment sales and segment results were ₹567.72 Crore and ₹153.84 Crore respectively, during the Financial Year 2019-20 (₹549.41 Crore and ₹160.07 Crore, respectively reported in the previous Financial Year 2018-19). During the Financial Year 2019-20, your Company launched an in-house cotton herbicide 'Hitweed Maxx' and an in-licensing product 'Hanabi' which is used for managing mites in tea plantation. In addition, multiple other products were also launched which will

help your Company not only in enhancing its product portfolio, but also in entering new crops and new segments.

##### Vegetable Oil:

The sales of the vegetable oil segment were at ₹673.50 Crore in the Financial Year 2019-20 AS compared with sales of ₹679.30 Crore in the previous Financial Year. Segment result was ₹89.34 Crore in the current Financial Year compared with ₹113.45 Crore reported during previous Financial Year. The performance has been impacted by lower prices of crude palm oil and palm kernel oil during the first half of the Financial Year 2019-20 which was the peak season for the business. Further, oil content in the fruit was also lower than last year.

##### 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 your Company's Subsidiaries, Associates and Joint Ventures in the Form AOC-1 is annexed and forms 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](http://www.godrejagrovvet.com).

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

**A. Review of Operations / State of Affairs of the Subsidiaries and other Associates of the Company:**

**1. Godvet Agrochem Limited:**

Godvet Agrochem Limited ("Godvet") is a wholly owned subsidiary of your Company. During the Financial Year 2019-20, Godvet recorded Profit Before Tax of ₹0.82 Crore as compared with Profit Before Tax of ₹0.63 Crore in the previous Financial Year 2018-19.

**2. Astec LifeSciences Limited (Astec) & Its Subsidiaries:**

Astec LifeSciences Limited, your Company's subsidiary manufactures agrochemical active ingredients (Technical Formulations), intermediate products and sells its products in India as well as exports them to approximately 24 countries. During in the Financial Year 2019-20, the Company recorded total income of ₹534.54 Crore, which is at a growth of 20.92% over the previous Financial Year. Profit Before Exceptional Items and Tax also increased to ₹61.35 Crore during the Financial Year 2019-20 as compared to ₹55.90 Crore during the previous Financial Year 2018-19.

Your Company has increased its stake in Astec from 57.67% in the previous Financial Year, to 62.37% in the current Financial Year. The Shareholding of the Company as on March 31, 2020 as per Register of Members was 119,72,830, i.e., 61.18%. Further, the Company acquired additional 93,740 Equity Shares on March 27, 2020, 82,135 Equity Shares on March 30, 2020 and 55,311 Equity Shares on March 31, 2020 aggregating to total shareholding of 1,22,04,016 Equity Shares, i.e., 62.37%, which was subsequently reflected in the Register of Members, after March 31, 2020.

**Subsidiaries of Astec LifeSciences Limited:**

Astec LifeSciences Limited had the following 3 (three) subsidiaries during the Financial Year 2019-20:

**(i) Behram Chemicals Private Limited:**

During the Financial Year 2019-20, Behram Chemicals Private Limited reported a Profit Before Tax of ₹0.08 Crore as compared to Profit Before Tax of ₹0.10 Crore during the previous Financial Year 2018-19.

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

During the Financial Year 2019-20, Comercializadora Agricola Agroastrachem Cia Ltda, reported Nil Profit Before Tax compared with (Loss) Before Tax of (₹0.0005) Crore during the last year.

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

During the period ended March 31, 2020, Astec Europe Sprl reported (Loss) Before Tax of (₹0.0109)

Crore, as compared with Profit Before Tax of ₹0.01 Crore reported during the last year.

**3. Creamline Dairy Products Limited & Its Subsidiary:**

Creamline Dairy Products Limited ("CDPL"), your Subsidiary is a leading private dairy Company based out of Southern India is one of the leading private dairy companies and its products are sold under the brand name 'Jersey'. During the Financial Year 2019-20, CDPL recorded a total income of ₹1,199.61 Crore as compared to ₹1,161.04 Crore reported in the previous Financial Year. Profit Before Tax for the current Financial Year stood at ₹3.14 Crore as compared with ₹20.04 Crore in the previous Financial Year.

**Subsidiary of Creamline Dairy Products Limited:**

**Nagavalli Milkline Private Limited ("Nagavalli"):** Nagavalli had been a wholly-owned subsidiary of CDPL upto October 31, 2019.

As a part of a re-organization strategy, a Scheme of Amalgamation of CDPL with Nagavalli under pursuant to Sections 230 to 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 was filed with the Hon'ble National Company Law Tribunal ('NCLT'), Hyderabad Bench during in the Financial Year 2018-19.

The Hon'ble NCLT, Hyderabad Bench approved/sanctioned the said Scheme on October 17, 2019 with Appointed Date as April 1, 2019.

The Scheme of Amalgamation became effective on October 31, 2019 with the filing of aforementioned Order of the NCLT with the Registrar of Companies, Hyderabad by both the companies (i.e. CDPL & Nagavalli).

**4. Godrej Tyson Foods Limited:**

Godrej Tyson Foods Limited ("GTFL") became a the subsidiary of your Company during in the previous Financial Year when latter increased its shareholding in it 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'. GTFL is also engaged in the sale of live birds in the market. During the Financial Year 2019-20, GTFL recorded a total income of ₹515.91 Crore representing year-on-year growth of 5.49%. However, GTFL reported a Loss Before Tax of (₹77.18) Crore as compared with Profit Before Tax of ₹6.68 Crore reported in the previous Financial Year.

**5. Godrej Maxximilk Private Limited:**

Godrej Maxximilk Private Limited ("GMPL") also became a subsidiary of your Company in the previous Financial Year. During in the current year, your Company has further increased its shareholding in GMPL to 74.0%. The subsidiary is engaged in in-vitro production of high-quality cows that aid dairy farmers to produce top-quality milk, thereby increasing their yield by a significant proportion. For the Financial Year 2019-20, GMPL has reported a Loss Before Tax of (₹7.80) Crore as compared with Loss Before Tax of (₹6.43) Crore in the previous Financial Year.

**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 ₹1,027.17 Crore during the Financial Year 2019-20 as compared with revenues of ₹654.86 Crore during the previous Financial Year 2018-19. The Joint Venture continues to remain amongst top players in all the feed categories it operates in Bangladesh.

**(ii) Omnivore India Capital Trust:**

Your Company has investment in the units of Omnivore India Capital Trust, a venture capital organization that invests in Indian start-ups developing breakthrough technologies for food and agriculture. This investment is considered as a Joint Venture as your 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):**

Your Company currently has a 24.0% stake in the associate (with a 33.33% share in profits). The investment in this associate appears as a part of current investment in the current Financial Year 2019-20.

**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, in continuation of its Digital journey, your Company has implemented the following technology solutions for itself and its Subsidiaries and Joint Ventures to in order automate and improve upon business functions and processes:

- a) QR Code based Inventory Management System in Crop Protection Business of your Company to improve inventory tracking across the entire supply chain, automation of billing process and improved visibility of near expiry material.
- b) Automated Promotion Schemes given to Distributors of Crop Protection Business of your Company to provide real time visibility of provisions towards credit notes simplified internal process.
- c) Software Solution (Project Pragati) implemented to track all R&D initiatives in Crop Protection Business and Astec LifeSciences Limited.
- d) Implemented a comprehensive planning solution in Godrej Tyson Foods Limited, a subsidiary, to automate demand forecast and bring efficiency in S&OP (Sales and Operation Planning) and FP&A (Financial Planning and Analysis).

- e) Sales Force Automation along with integrated Distributor Management System to improve sales force productivity and visibility on secondary liquidation in Godrej Tyson Foods Limited and Creamline Dairy Products Limited.
- f) Provided digital payments option through mobile apps to customers and automated collection process for Creamline Dairy Products Limited.
- g) Implemented Disaster Recovery Solution for Subsidiaries and Joint Ventures to ensure Business Continuity.
- h) Supplier Relationship Management (SRM) portal (Project Suvidha) implemented to bring transparency in business transactions and improve efficiency in inbound logistics.
- i) Analytics Solution deployed for Animal Feed Sales & Finance function in your Company to provide meaningful insights and help carry out ad hoc analysis.
- j) Further strengthened IT security within your Company, its Subsidiaries and Joint Ventures.

**5. MANUFACTURING FACILITIES:**

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

**Animal Feed:**

Sachin (Surat, Gujarat), Miraj (Sangli, Maharashtra), Dhule (Maharashtra), Khanna (Ludhiana, Punjab), Ikolaha (Ludhiana, Punjab), Chandauli (Uttar Pradesh), Kharagpur (West Bengal), Erode (Tamil Nadu), Hajipur (Bihar), Tumkur (Karnataka), Medchal (Telangana) and Unnao (Uttar Pradesh).

**Crop Protection Business:**

Samba (Jammu & Kashmir) and Lote Parshuram (Ratnagiri, Maharashtra).

**Vegetable Oils:**

Ch. Pothehalli (West Godavari Dist., Andhra Pradesh), Chintampalli (West Godavari Dist., Andhra Pradesh), Seethanagaram (West Godavari Dist., Andhra Pradesh), Varanavasi (Ariyalur, Tamil Nadu), Valpoi (Sattari, Goa) and Kolasib (Mizoram).

**Aqua Feed:**

Hanuman Junction (Krishna Dist., Andhra Pradesh) and Kondapalli (Vijayawada, 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 the Financial Year 2019-20, your Company drove specific interventions to enhance its employee capabilities, engagement levels and women representation in the business. There were various initiatives undertaken to improve the employee engagement and connect. Your Company measures employee engagement through an independent external agency. During the survey conducted in Financial Year 2019-20, 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 2019-20, specific learning interventions such as Sales Capability, Leadership Development Program for women, Management Development Program (MDP) for selected Assistant Managers etc. were implemented. In most of your Company's 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 and prevention of sexual harassment, safety and health of employees.

During the Financial Year 2019-20, there was improvement in the woman representation at all levels. As on March 31, 2020, the total number of permanent employees were 2708.

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

The management of your Company has considered internal and certain external sources of information including economic forecasts and industry reports upto the date of approval of the Financial Statements in determining the impact on various elements of its Financial Statements. The management has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

#### 10. SHARE CAPITAL:

Your Company's Equity Share Capital position as at the beginning of the Financial Year 2019-20 (i.e., as on April 1, 2019) and as at the end of the said Financial Year (i.e., as on March 31, 2020) 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 (₹)
<b>As on April 1, 2019:</b>						
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	-	-	-
<b>TOTAL</b>	<b>22,50,00,000</b>		<b>2,25,00,00,000</b>	<b>19,20,28,739</b>		<b>1,92,02,87,390</b>
<b>As on March 31, 2020:</b>						
Equity	22,49,94,000	10	2,24,99,40,000	19,20,41,898	10	192,04,18,980
Preference	6,000	10	60,000	-	-	-
<b>TOTAL</b>	<b>22,50,00,000</b>		<b>2,25,00,00,000</b>	<b>19,20,41,898</b>		<b>192,04,18,980</b>

During the Financial Year under review, your Company has allotted 13,159 (Thirteen Thousand One Hundred and Fifty-Nine) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each, pursuant to the exercise of options by the eligible employees of the Company under Godrej Agrovet Limited - Employees Stock Grant Scheme, 2018 (GAVL ESGS 2018).

#### 8. DIVIDEND:

The Board of Directors of your Company recommend a Final Dividend for the Financial Year 2019-20 @ 55% (Fifty-Five per cent) i.e., ₹5.50/- (Rupees Five 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 29<sup>th</sup> (Twenty-Ninth) Annual General Meeting (AGM).

The Dividend will be paid to the Shareholders whose names appear in the Register of Members of the Company as on July 24, 2020 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 Securities and Exchange Board of India (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 at on <https://www.godrejagrovet.com/codes-and-policies.aspx>.

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

#### 9. TRANSFER TO RESERVE:

Your Directors do not propose to transfer any amount to reserves during the Financial Year ended March 31, 2020.

The aforementioned 13,159 (Thirteen Thousand One Hundred and Fifty-Nine) Equity Shares have been listed for trading on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

#### 11. EMPLOYEES STOCK GRANT SCHEME:

The details of the grants allotted under Godrej Agrovet Limited - Employee Stock Grant Scheme, 2018 (ESGS 2018), as also the disclosures in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, have been uploaded on the website of the Company at [www.gorejagrovvet.com](http://www.gorejagrovvet.com).

The Nomination and Remuneration Committee of the Board of Directors administers and monitors the ESGS 2018. The Board of Directors confirm that the 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 Members. The Board further confirms that there have been no changes in the ESGS 2018 Scheme during the Financial Year 2019-20.

The Certificate, obtained from M/s. BSR & Co. LLP, Statutory Auditors in this regard, shall be available for inspection. Request for the same may please be sent by the Shareholders at [gavl.secretarial@gorejagrovvet.com](mailto:gavl.secretarial@gorejagrovvet.com).

#### 12. DEPOSITS:

Your Company has not accepted any 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 2019-20.

#### 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, 2020, the shareholding of GIL in the Company was 11,38,51,427 (Eleven Crore Thirty-Eight Lakh Fifty-One Thousand Four Hundred and Twenty-Seven) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each aggregating to 59.28% of the Paid-up Equity Share Capital of the 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 2019-20:-

##### i. Godvet Agrochem Limited:

(A Wholly-Owned Subsidiary of your Company throughout the Financial Year 2019-20)

##### ii. Astec LifeSciences Limited:

(A subsidiary of your Company throughout the Financial Year 2019-20, in which your Company holds 62.37% of the Equity Share Capital as on March 31, 2020)

##### iii. Behram Chemicals Private Limited:

(Subsidiary of Astec LifeSciences Limited throughout the Financial Year 2019-20, in which Astec LifeSciences Limited holds 65.63% as on March 31, 2020)

##### iv. Comercializadora Agricola Agroastrachem Cia Ltda (Bogota, Columbia):

(A Wholly-Owned Subsidiary of Astec LifeSciences Limited throughout the Financial Year 2019-20)

##### v. Astec Europe Sprl (Belgium, Europe):

(Subsidiary of Astec LifeSciences Limited throughout the Financial Year 2019-20, in which Astec LifeSciences Limited holds 50.10% as on March 31, 2020)

##### vi. Creamline Dairy Products Limited:

(Subsidiary of your Company throughout the Financial Year 2019-20, in which your Company holds 51.91% as on March 31, 2020)

Creamline Dairy Products Limited is an Unlisted Material Subsidiary of your Company as on March 31, 2020, as per Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### vii. Nagavalli Milkline Private Limited:

(A Wholly-Owned Subsidiary of Creamline Dairy Products Limited, which has been amalgamated with Creamline Dairy Products Limited with effect from October 31, 2019).

##### viii. Godrej Tyson Foods Limited:

(Subsidiary of your Company throughout the Financial Year 2019-20, in which your Company holds 51.00%).

##### ix. Godrej Maxximilk Private Limited:

(Subsidiary of your Company throughout the Financial Year 2019-20, in which your Company holds 74.00% as on March 31, 2020).

On September 30, 2019, your Company acquired additional 11.03% of Paid-up Equity Share Capital of Godrej Maxximilk Private Limited, increasing its Equity holding from 62.97 % to 74.00%.

#### 15. JOINT VENTURE COMPANY:

##### i. ACI Godrej Agrovet Private Limited, Bangladesh

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

#### 16. ASSOCIATE COMPANIES:

##### ii. Al Rahba International Trading LLC, Abu Dhabi, United Arab Emirates (UAE)

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



**17. SCHEME OF AMALGAMATION / ARRANGEMENT:**

During the Financial Year 2019-20, your Company has not proposed or considered or approved any Scheme of Merger / Amalgamation / Takeover / De-merger or Arrangement with its Members and/or Creditors.

**Update on previous Scheme of Merger /Amalgamation:**

During the Financial Year 2018-19, 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 and had filed a Petition C.A. (CAA) /1677/230-232/MB/2018 for the same.

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 and it had been decided to withdraw the aforesaid Petition.

The aforementioned Petition has been dismissed as not presented before the NCLT (Mumbai Bench) vide an Order dated May 10, 2019.

**18. 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 2019-20;	
Sr. No	Name of Director	Date of Appointment/ Resignation
a)	Mr. Pirojsha Godrej	Appointed as an "Additional Director" (Non-Executive & Non-Independent Director) by the Board of Directors of the Company at its Meeting held on November 5, 2018. The Shareholders of the Company at the 28 <sup>th</sup> Annual General Meeting held on August 2, 2019, appointed Mr. Pirojsha Godrej as "Director" (Non-Executive & Non-Independent Director) of the Company, liable to retire by rotation.
b)	Mr. Natarajan Srinivasan	Appointed as an "Additional Director" (Non-Executive & Independent Director) by the Board of Directors of the Company at its Meeting held on February 4, 2019. The Shareholders of the Company at the 28 <sup>th</sup> Annual General Meeting held on August 2, 2019, appointed Mr. Natarajan Srinivasan as an "Independent Director" of the Company, for a period from February 4, 2019 upto July 17, 2022.
c)	Mr. Kannan Sitaram	Appointed as an "Additional Director" (Non-Executive & Independent Director) by the Board of Directors of the Company at its Meeting held on June 17, 2019. The Shareholders of the Company at the 28 <sup>th</sup> Annual General Meeting held on August 2, 2019, appointed Mr. Kannan Sitaram as an "Independent Director" of the Company, for a period from June 17, 2019 upto July 17, 2022.
d)	Mr. Amit B. Choudhury	Independent Director of the Company who resigned from the directorship of the Company w.e.f. May 23, 2019, in terms of the provisions of Section 168 of the Companies Act, 2013.
e)	Mr. Vijay M. Crishna	Mr. Vijay M. Crishna ceased to be the Director of the Company with effect from March 8, 2020, due to attainment of age of 75 years, pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3.	Names of Companies which have become or have ceased to be Subsidiaries, Joint Ventures or Associate Companies during the Financial Year 2019-20.	Nagavalli Milkline Private Limited amalgamated with Creamline Dairy Products Limited during the Financial Year 2019-20, consequent to which, it ceased to be a step-down subsidiary of the Company.

Sr. No.	Particulars	Remarks
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.	In the opinion of the Board of Directors adequate internal control checks are available with reference to the Financial Statements.

## 19. 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>.

## 20. DIRECTORS:

The Board of Directors of your Company during Financial Year 2019-20 comprised of the following Directors:

1.	Mr. Nadir. B. Godrej	(Chairman - Non-Executive & Non-Independent Director)
2.	Mr. Jamshyd N. Godrej	(Non-Executive Director & Non-Independent Director)
3.	Mr. Vijay M. Crishna*	(Non-Executive Director & Non-Independent Director)
4.	Ms. Tanya A. Dubash	(Non-Executive Director & Non-Independent Director)
5.	Ms. Nisaba Godrej	(Non-Executive Director & Non-Independent Director)
6.	Mr. Pirojsha Godrej**	(Non-Executive Director & Non-Independent Director)
7.	Mr. Balram S. Yadav	(Managing Director)
8.	Mr. Kavas N. Petigara	(Independent Director)
9.	Mr. Amit 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)
15.	Mr. Kannan Sitaram\$	(Independent Director)

\* Mr. Vijay M. Crishna ceased to be the a Director of the Company with effect from March 8, 2020, due to attainment of age of 75 years, pursuant to Regulation 17(1A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors at its meeting held on May 11, 2020 has approved the appointment of Mr. Vijay M. Crishna, who has attained the age of 75 years, as an "Additional Director" of the Company, subject to the approval of Shareholders at the ensuing 29<sup>th</sup> Annual General Meeting of the Company, pursuant to the provisions of Section 152, 160 and other applicable provisions of the Companies Act and/or the Rules framed thereunder and Regulation 17(1A) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

\*\*Mr. Pirojsha Godrej, has been appointed as an "Additional Director" (Non-Executive & Non-Independent) by the Board of Directors with effect from November 5, 2018 and by the Shareholders of the Company at the 28<sup>th</sup> Annual General Meeting held on August 2, 2019.

#Mr. Amit B. Choudhury, Independent Director of the Company resigned from the directorship of the Company w.e.f. May 23, 2019, in terms of the provisions of Section 168 of the Companies Act, 2013.



##Mr. Natarajan Srinivasan has been appointed as an Independent Director of the Company, for a period from February 4, 2019 upto July 17, 2022, by the Shareholders of the Company at its 28<sup>th</sup> Annual General Meeting held on August 2, 2019.

\$Mr. Kannan Sitaram has been appointed as an Independent Director of the Company, for a period from June 17, 2019 upto July 17, 2022, by the Shareholders of the Company at its 28<sup>th</sup> Annual General Meeting held on August 2, 2019.

Mr. Nadir B. Godrej, Chairman of the Company (Non-Executive, Non-Independent Director) and Ms. Tanya A. Dubash (Non-Executive, Non-Independent Director) shall retire by rotation at the ensuing 29<sup>th</sup> (Twenty-Ninth) 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.

## 21. 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 2019-20:-

1. Mr. Balram S. Yadav, Managing Director;
2. Mr. S. Varadaraj, Chief Financial Officer & Head - Legal & IT;
3. Mr. Vivek Raizada, Head – Legal & Company Secretary & Compliance Officer.

## 22. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Nomination and Remuneration Committee of the Board of the Directors of the Company has formulated the Nomination and Remuneration Policy.

The Nomination and Remuneration Policy of your Company has been made available on website of the Company i.e., on the web-link <http://www.godrejagrovet.com/codes-and-policies.aspx>.

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

## 23. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

As on March 31, 2020, the following Directors on your Company’s Board were Independent Directors:

- |    |                            |                        |
|----|----------------------------|------------------------|
| 1. | Mr. Kavas N. Petigara      | (Independent Director) |
| 2. | Dr. Raghunath A. Mashelkar | (Independent Director) |
| 3. | Dr. Ritu Anand             | (Independent Director) |
| 4. | Ms. Aditi Kothari Desai    | (Independent Director) |
| 5. | Ms. Roopa Purushothaman    | (Independent Director) |
| 6. | Mr. Natarajan Srinivasan   | (Independent Director) |
| 7. | Mr. Kannan Sitaram         | (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 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 Certificate of Independence received from all the Independent Directors have been duly noted by the Board at its meeting held on May 11, 2020.

The criteria for determining qualification, positive attributes and independence of Directors is provided in the Nomination and Remuneration Policy of the Company and is available on the website at the web-link <http://www.godrejagrovet.com/codes-and-policies.aspx>.

All the Independent Directors of the Company have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. The details of familiarization programme attended by the Independent Directors during the Financial Year 2019-20 are available on the website of the Company at the web-link <http://www.godrejagrovet.com/listing-compliance.aspx>.

## 24. STATEMENT OF THE BOARD OF DIRECTORS WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS APPOINTED DURING THE FINANCIAL YEAR 2019-20:

In the opinion of the Board of Directors of your Company, Mr. Natarajan Srinivasan and Mr. Kannan Sitaram, who were appointed as an “Additional Director” (Non-Executive & Independent Director) of the Company by the Board of Directors at its Meeting held on February 4, 2019 and on June 17, 2019 respectively, who were further appointed as an “Independent Director” by the Shareholders of the Company at the 28<sup>th</sup> Annual General Meeting held on August 2, 2019, for a period from February 4, 2019 upto July 17, 2022 and from June 17, 2019 upto July 17, 2022 respectively. They also possesses the requisite integrity, expertise and experience.

All the Independent Directors of your Company have successfully registered their name for inclusion in the ‘Independent Directors Data Bank’ maintained by the Indian Institute of Corporate Affairs, Manesar.

## 25. 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 to 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 a resolution through circulation.

There were 5 (five) Meetings of the Board of Directors held during the Financial Year 2019-20, (i.e., May 6, 2019, June 17, 2019, August 2, 2019, November 4, 2019 and February 5, 2020).

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

**26. AUDIT COMMITTEE:**

Pursuant to the provisions of Section 177(1) 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 to 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 as on March 31, 2020:-

1. Mr. Kavas N. Petigara  
- (Chairman - Non-Executive & Independent Director)
2. Dr. Ritu Anand  
- (Member - Non-Executive & Independent Director)
3. Ms. Aditi Kothari Desai  
- (Member - Non-Executive & Independent Director)
4. Mr. Balram S. Yadav  
- (Member - Managing Director)

There were 4 (four) Meetings of the Audit Committee of the Board of Directors held during the Financial Year 2019-20, (i.e., May 6, 2019, August 2, 2019, November 4, 2019, and February 5, 2020).

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 2019-20, all recommendations made by the Audit Committee to the Board of Directors were accepted by the Board and there were no instances where the recommendations were not accepted.

**27. 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 to 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 as on March 31, 2020:-

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 2 (two) Meetings of the Nomination and Remuneration Committee of the Board of Directors held during the Financial Year 2019-20 (i.e., on May 6, 2019 and June 17, 2019).

**28. 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 to 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 during the Financial Year 2019-20:-

1. Mr. Nadir B. Godrej  
- (Chairman - Non-Executive & Non-Independent Director)
2. Mr. Balram S. Yadav  
- (Member - Managing Director)
3. Mr. Amit B. Choudhury\*  
- (Member - Non-Executive & Independent Director)
4. Mr. Natarajan Srinivasan\*  
- (Member - Non-Executive & Independent Director)

\*Mr. Natarajan Srinivasan, was inducted as a Member of the Stakeholders' Relationship Committee with effect from August 2, 2019, in place of Mr. Amit B. Choudhury (who was a Member of the Stakeholders' Relationship Committee upto May 23, 2019).

During the Financial Year 2019-20, 1 (one) Meeting of the Stakeholders' Relationship Committee was held, i.e., on November 4, 2019.

**29. 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 as on March 31, 2020:-

1. Dr. Raghunath A. Mashelkar  
(Chairman - Non-Executive & Independent Director)
2. Mr. Nadir B. Godrej  
(Member - Non-Executive & Non-Independent Director)
3. Mr. Balram S. Yadav  
(Member - Managing Director)
4. Ms. Roopa Purushothaman  
(Member - Non-Executive & Independent Director)

There were 2 (two) Meetings of the CSR Committee held during the Financial Year 2019-20 (i.e., on May 6, 2019 and November 5, 2019).

**Areas of CSR Expenditure:**

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](http://www.godrejagrovet.com).

**Amount of CSR Spending:**

During the Financial Year 2019-20, your Company was required to spend ₹5.37 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 and accordingly, the Company's CSR spending for the Financial Year 2019-20 was ₹5.85 Crore.

**Annual Report on CSR Activities:**

The Annual Report on CSR Activities of your Company for the Financial Year 2019-20, is annexed herewith as **"Annexure – 'C'"**.

**30. 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 during the Financial Year 2019-20:-

1. Mr. Nadir B. Godrej  
(Chairman - Non-Executive & Non-Independent Director)
2. Mr. Balram S. Yadav  
(Member - Managing Director)
3. Mr. Amit B. Choudhury\*  
(Member - Non-Executive & Independent Director)
4. Mr. Natarajan Srinivasan\*  
(Member - Non-Executive & Independent Director)

\*Mr. Natarajan Srinivasan, was inducted as a Member of the Risk Management Committee with effect from June 17, 2019, in place of Mr. Amit B. Choudhury (who was a Member of the Risk Management Committee upto May 23, 2019).

During the Financial Year 2019-20, 1 (One) Meeting of the Risk Management Committee was held on May 6, 2019.

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 your 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/avoiding these risks, the decision-making process at your Company considers it appropriate to take fair and reasonable risk which also enables your 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 almost all over the country and its competitive position is influenced by the economic, regulatory and political situations and actions of the competitors.

**31. MANAGING COMMITTEE :**

Your Company has constituted the Managing Committee of the Board of Directors, pursuant to Article 144 of the Articles of Association of the Company:

The Managing Committee comprises of the following Members as on March 31, 2020:

1. Mr. Nadir 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. Balram S. Yadav  
(Member - Managing Director)

The Managing Committee met 11 (Eleven) times during the Financial Year 2019-20, (i.e., on April 12, 2019, May 8, 2019, June 11, 2019, July 12, 2019, July 25, 2019, August 2, 2019, September 30, 2019, November 11, 2019, January 6, 2020, February 5, 2020 and March 12, 2020).

**32. 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 has been constituted, comprising of the following Members, as on March 31, 2020:

1. Mr. Nadir B. Godrej  
(Chairman - Non-Executive & Non-Independent Director)
2. Mr. Kavas N. Petigara  
(Member - Non-Executive & Independent Director)
3. Mr. Balram S. Yadav  
(Member - Executive & Non-Independent Director)

The Strategic Committee met 1 (One) time during the Financial Year 2019-20, (i.e., on February 5, 2020).

**33. MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors met once during the Financial Year 2019-20, i.e., on February 5, 2020, pursuant to Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013.

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

#### 34. VIGIL MECHANISM:

Your Company has adopted a Whistle Blower Policy ("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 organization 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 your Company's Directors and Employees and it is available on the internal employee portal and the website of your 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 of the Audit Committee, as stated in the Policy.

To support its people to overcome their ethical dilemmas and raise an ethical concern freely "Speak-up" was launched in Godrej. It is a platform for Godrej employees, business associates, agents, vendors, distributors and consultants to easily raise their ethical concerns in any of the following ways:

- Log on to the web portal
- Dial the hotline number
- Write to the ethics e-mail id
- Reach out to the Whistle Blowing Officer.

While raising a concern, the person can choose to remain anonymous. "Speak-up" ensures to maintain confidentiality for genuine concerns.

On a quarterly basis, the Audit Committee reviews reports made under this the policy and implements corrective actions, wherever necessary.

#### 35. PERFORMANCE EVALUATION:

The Board of Directors of your Company 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.

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

Your Company is committed to create and maintain 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.

Your Company has complied with provisions relating to the constitution of Internal Complaints the Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The ICC at the Head Office level consists of the following Members as on March 31, 2020:

- |    |                     |                   |
|----|---------------------|-------------------|
| 1. | Ms. Chhavi Agarwal  | (Chairperson)     |
| 2. | Mr. S. Varadaraj    | (Member)          |
| 3. | Mr. Salil Chinchore | (Member)          |
| 4. | Ms. Neeyati Shah    | (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.

The ICC has not received any complaint of sexual harassment during the Financial Year 2019-20.

#### 37. SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2019-20, 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 your Company and its operations in future.

#### 38. 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 2019-20, have been provided in the Notes to the Standalone Financial Statement.

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

Except as disclosed below, all Related Party Transactions entered into by your Company during the Financial Year 2019-20, 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. 59 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.

During the Financial Year 2019-20, the Company has entered into a transaction with Godrej Properties Limited ("GPL") [a Related Party as per Section 2(76) of the Companies Act, 2013], for sale of a land admeasuring 82 Acres and 29 Guntas (Approx.) situated at Tiruvaranga Village, Begur Village, Anugondanahalli, Hobli, Hoskote Taluka, Bangalore Rural District, Karnataka, for an aggregate consideration of ₹134.68 Crore (Rupees One Hundred Thirty Four Crore and Sixty Eight Lakh Only).

The aforementioned transaction was not in ordinary course of business of the Company but was entered into at an arm's length price and the same was also disclosed to the BSE Limited and the National Stock Exchange of India Limited under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **40. FRAUD REPORTING:**

During the period under review, 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.

#### **41. 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 your Company commensurate with the size, scale and complexity of business operations of your 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 during the Financial Year 2019-20.

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

Your Company's Corporate Audit & Assurance Department, issues well documented operating procedures and authorities, with adequate in-built 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 statements and other data and for maintaining accountability of assets.

There were 4 (four) Meetings of the Audit Committee of the Board of Directors held during the Financial Year 2019-20, i.e., 1 (one) meeting in each quarter. 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 all the recommendations of the Audit Committee.

#### **42. CREDIT RATING:**

During the Financial Year 2019-20, 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).

#### **43. 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 as required under Schedule V, Part A (2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, have been disclosed in the accompanying Financial Statements.

#### **44. 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 ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they 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, 2020) and of the profit and loss of the Company for that period (i.e., the Financial Year 2019-20);
- c) they 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) they have prepared the Annual Accounts on a going concern basis;
- e) they 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) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**45. 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 forms part of this 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.

**46. 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 26<sup>th</sup> (Twenty-Sixth) Annual General Meeting (AGM) of the Shareholders of the Company 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 26<sup>th</sup> (Twenty-Sixth) AGM, till the conclusion of the 31<sup>st</sup> (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 Companies Act, 2013. However, the Members of the Company at the 27<sup>th</sup> (Twenty-Seventh) AGM held on August 9, 2018, had approved ratification of appointment of M/s. B S R & Co. LLP as the Statutory Auditors of the Company for the remaining period, i.e. from the conclusion of the 27<sup>th</sup> (Twenty Seventh) AGM, till the conclusion of the 31<sup>st</sup> (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 March 31, 2020, does not contain any qualification, reservation, adverse remark or disclaimer.

The Securities and Exchange Board of India ("SEBI") had issued a Circular No. CIR / CFD / CMD1 / 114 / 2019 dated October 18, 2019 on the "Resignation of Statutory Auditors from listed entities and their material subsidiaries", pursuant to which, the terms of appointment of M/s B S R & Co. LLP, Statutory Auditors of the listed entity and its material subsidiary was required to be modified / altered / amended for the remaining period of their term.

On recommendation of the Audit Committee, the Board of Directors of your Company and its material subsidiary, viz., Creamline Dairy Products Limited, have altered / amended / modified the terms of appointment of their Statutory Auditors for the remainder term, in order to incorporate the necessary terms as required as per the aforementioned SEBI Circular.

**47. COST RECORDS AND COST AUDITORS:**

M/s. P. M. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 00012) have been appointed by the Board of Directors at its Meeting held on May 11, 2020, 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 2020-21. The Shareholders are requested to ratify the remuneration payable to the Cost Auditors at its ensuing 29<sup>th</sup> Annual General Meeting, 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 2019-20.

**48. SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT:**

The Board of Directors of your Company at its meeting held on May 11, 2020, has appointed M/s. BNP & Associates, Company Secretaries (Firm Registration No.:P2014MH037400), who have provided their consent and confirmed their eligibility to act as the "Secretarial Auditors" of the Company to conduct the Secretarial Audit for the Financial Year 2020-21, 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 Auditors for the Financial Year 2019-20 is annexed as "**Annexure -D**" to this Board's Report.

Further, pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), Creamline Dairy Products Limited ("CDPL") is an Unlisted 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 as "**Annexure- 'E'**" to this Board's Report.

**49. 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 the Financial Statements for the Financial Year 2019-20.

There are no qualifications, reservations, adverse remarks and disclaimers of the Secretarial Auditors in their Secretarial Audit Report for the Financial Year 2019-20.

**50. 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.

**51. DEPOSITORY SYSTEM:**

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

**52. RESEARCH AND DEVELOPMENT (R&D):**

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



**53. 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.

**54. 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 and Codes adopted by your Company, from time to time, are available on the Company's web-site viz., <https://www.godrejagrovet.com/codes-and-policies.aspx>, pursuant to Regulation 46 of the Listing Regulations.

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 is 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.

Sr. No.	Name of the Policy	Brief Particulars of the Policy
3.	Policy for determining Material Subsidiaries	This Policy is used to determine the material subsidiaries and material unlisted 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, from time to time.  As on March 31, 2020, 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 (Executive / Non-Executive) 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.	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. 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.
7.	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.
8.	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.
9.	Policy on Related Party Transactions	This Policy regulates all transactions between the Company and its Related Parties.
10.	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.

Sr. No.	Name of the Policy	Brief Particulars of the Policy
11.	Code of Conduct for Prevention of 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.
12.	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.
13.	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.
14.	Archival Policy	This Policy is framed pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). As per this Policy, your Company is required to disclose on its website, all such events or information which have been disclosed to the Stock Exchanges under Regulation 30 of the Listing Regulations, where the securities of the Company are listed. Further, such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per Archival Policy of the Company.
15.	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.
16.	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.

Sr. No.	Name of the Policy	Brief Particulars of the Policy
17.	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.

#### 55. SECRETARIAL STANDARDS:

Your Company is in compliances 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.

#### 56. BUSINESS RESPONSIBILITY REPORT:

The Company has prepared its Business Responsibility Report for the Financial Year 2019-20, 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 this Annual Report.

#### 57. MANAGERIAL REMUNERATION:

The remuneration paid to the Directors and Key Managerial Personnel of the Company during the Financial Year 2019-20 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 given as "Annexure - G" to this Report.

#### 58. PARTICULARS OF EMPLOYEES:

The disclosure as per Section 197 of the Companies Act, 2013 read with Rules 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 upto the date of the ensuing 29<sup>th</sup> (Twenty-Ninth) Annual General Meeting. If any Shareholder is interested in inspecting the records thereof, such Shareholder may write to the Company Secretary at [gavl.secretarial@godrejagrovet.com](mailto:gavl.secretarial@godrejagrovet.com).

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.

**59. 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. If any Shareholder is interested in inspecting the records thereof, such Shareholder may write to the Company Secretary at [gavl.secretarial@godrejagrovet.com](mailto:gavl.secretarial@godrejagrovet.com).

**60. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to 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.

**61. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report for the Financial 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.

**62. 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.

**63. 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.

Your 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 your Company.

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

**Date:** May 11, 2020  
**Place:** Mumbai

**Sd/-  
Nadir B. Godrej  
Chairman  
(DIN: 00066195)**

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### DIVIDEND DISTRIBUTION POLICY

[In terms of Regulation 43A of Securities and Exchange Board of India (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 at the end of each financial year) to formulate a Dividend Distribution Policy and to disclose the same in their Annual Report and on their 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:

- a) Appropriate reward to Shareholders through dividends and
- b) 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.godrejagrovet.com](http://www.godrejagrovet.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:

- a) Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- b) Significantly higher working capital requirements adversely impacting free cash flow;
- c) Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital
- d) In the event of inadequacy of profit or whenever the Company has incurred losses;
- e) Whenever it proposes to utilize surplus cash for buy-back of securities; or
- f) 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;
- Macro-economic 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 dividend 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 at the Annual General Meeting, 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.

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

**Sd/-  
Nadir B. Godrej  
Chairman  
(DIN: 00066195)**

**Date: May 11, 2020  
Place: Mumbai**



## 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, 2020

#### 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 to 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) Regulations, 2015.

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

**Date:** May 11, 2020  
**Place:** Mumbai

**Sd/-  
Nadir B. Godrej  
Chairman  
(DIN: 00066195)**



## ANNEXURE - C TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF GODREJ AGROVET LIMITED

For the Financial Year ended March 31, 2020

[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 to the 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](http://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 Financial Year 2019-20 was as follows:-

Sr. No.	Name	Designation
1.	Dr. Raghunath A. Mashelkar	Chairman – Non-Executive, Independent Director
2.	Mr. Nadir B. Godrej	Member – Non-Executive, Non-Independent Director
3.	Mr. Balram S. Yadav	Member – Managing Director
4.	Ms. Roopa Purushothaman	Member – Non-Executive, Independent Director

**3. Average Net Profit of the Company for last three Financial Years:**

Financial Year	(₹ in Crore)		
	2016-17	2017-18	2018-19
Net Profit for the Financial Year as per Section 198 of the Companies Act, 2013	234.69	286.14	285.34

**Average Net Profit of the Company for last three Financials Years:** ₹268.72 Crore

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

₹5.37 Crore (2% of Average Net Profit for immediate preceding three financial years)

**5. Details of CSR Spend during the Financial Year:**

**Total amount spent during the Financial Year:** ₹5.85 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 Crore)	Amount spent on projects 1. Direct expenditure 2. Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount spent direct or through the implementing agency
1.	Integrated rural livelihoods program - Increasing household incomes - Strengthening agriculture, animal husbandry and allied activities - women empowerment	Schedule (VII) (ii) Livelihoods Enhancement (iii) Empowering women (iv) Agriculture & animal Husbandry (x) Rural development	Maharashtra, Chhattisgarh, Bihar & Andhra Pradesh	2.71	<b>Direct Expenditure:</b> 2.71 <b>Overheads:</b> NIL	4.89	Sampada Trust, Registered Parivartan Trust, Ambuja Cement Foundation, Aga Khan Rural Support Programme India, Evangelical Social Action Forum J K Trust
2.	Community development initiatives - Infrastructure development - Promotion of education, - Sanitation and - Clean drinking water - Health awareness - Waste management	(i) Sanitation, health and hygiene (ii) Promoting Education (iv) Environment sustainability (x) Rural development	Pan India	0.40	<b>Direct Expenditure:</b> 0.40 <b>Overheads:</b> NIL	3.10	Direct Implementation Punyabhushan Foundation
3.	Integrated watershed management	Schedule (VII) (ii) Livelihoods enhancement (iv) Water Conservation (x) Rural development	Karnataka & Madhya Pradesh	0.60	<b>Direct Expenditure:</b> 0.60 <b>Overheads:</b> NIL	4.31	IRIDS (Indian Rural Integrated Development Society); b. Aga Khan Rural Support Programme India
4.	Promotion of Agriculture and Animal Husbandry	Schedule (VII) (ii) Promoting education (iv) Agriculture and animal husbandry (x) Rural development	Maharashtra & Karnataka	1.22	<b>Direct Expenditure:</b> 1.22 <b>Overheads:</b> NIL	5.43	Gandhi Research Foundation, Vrutti Gujarat Grassroots Innovation Network

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 Crore)	Amount spent on projects 1. Direct expenditure 2. Overheads (₹ in Crore)	Cumulative expenditure upto the reporting period (₹ in Crore)	Amount spent direct or through the implementing agency
5.	Support for promotion of Education and Arts	Schedule (VII) (ii) promoting education (v) Art and culture	Maharashtra, Others	0.44	<b>Direct Expenditure:</b> 0.44 <b>Overheads:</b> NIL	5	Direct Implementation
6	Disaster Relief	Schedule (VII) (xii) disaster management	Maharashtra & Kerala	0.28	<b>Direct Expenditure:</b> 0.28 <b>Overheads:</b> NIL	0.28	SEEDS Mann Deshi Foundation
7	Expenditure on administrative over-heads			0.20	0.20	0.44	
<b>TOTAL</b>				<b>5.85</b>	<b>5.85</b>	<b>23.17</b>	

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: Not applicable

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

Sd/-  
Raghunath A. Mashelkar  
Chairman of the CSR Committee & Independent Director  
DIN: 00074119

Sd/-  
Balram S. Yadav  
Managing Director & Member of the CSR Committee  
DIN: 00294803

Date: May 11, 2020

Place: Mumbai

## ANNEXURE - D TO THE DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2020

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Godrej Agrovet Limited**,  
Godrej One, 3rd Floor,  
Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai- 400 079

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Godrej Agrovet Limited – CIN: L15410MH1991PLC135359** (hereinafter called 'the Company') during the Financial Year from April 1, 2019 to March 31, 2020, ('the year' / 'audit period' / 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) our **verification** of the books, papers, minute books, soft copy as provided by the Company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the Financial Year ended March 31, 2020 as well as before the issue of this report,
- (ii) Our **observations** shared during our visits to the Corporate Office of the Company,
- (iii) **Compliance Certificates** confirming Compliance with all laws applicable to the Company given by Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by Audit Committee / Board of Directors, and
- (iv) **Representations** made, documents shown, and information provided by the Company, its Officers, Agents, and Authorised Representatives during our conduct of Secretarial Audit.

We hereby report that in our opinion, during the audit period covering the Financial Year ended on March 31, 2020 the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The Members are requested to read this Report, along with our letter of even date annexed to this report as **Annexure- I**.

#### 1. Compliance with specific statutory provisions

##### We further report that:

- 1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during

the Financial Year under review, according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards)

- 1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2020 but before the issue of this Report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

- (i) **Complied with** the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii),(iii) and (iv) of paragraph 1.1 above.
- (ii) **Complied with** the applicable provisions/ clauses of :
  - (a) The Act and rules mentioned under paragraph 1.1 (i); and
  - (b) The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (v) above to the extent applicable to Board

meetings and Committee meetings held during the review period, the 28<sup>th</sup> Annual General Meeting held on 2<sup>nd</sup> August 2019 (28<sup>th</sup> AGM). The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(v)] with regard to the Board meeting and Committee meetings held through video conferencing during the review period were verified based on the minutes of the meeting provided by the company.

1.3 We are informed that, during the Financial Year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

1.4 Based on the nature of business activities of the Company, the following specific Acts /Laws /Rules / Regulations are applicable to the Company, which has been duly complied with.

- a) The Insecticides Act, 1968 and the Rules framed thereunder and
- b) The Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act, 1993.

## 2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on March 31, 2020 comprised of:

- (i) 1 (One) Executive Director i.e. Mr. Balam S. Yadav (DIN:00294803) who is also the Managing Director of the Company;
- (ii) 5 (Five) Non-Executive & Non Independent Directors, and
- (iii) 7 (Seven) Non- Executive & Independent Directors, including three woman Independent Director namely Dr. Ritu Anand (DIN: 00363699), Ms. Aditi Kothari Desai (DIN: 00426799), and Ms. Roopa Purushothaman (DIN: 02846868).

2.2 The processes relating to the following changes in the composition of the Board of Directors during the Financial Year were carried out in compliance with the provisions of the Act and LODR:

- (i) Re-appointment of Ms. Nisaba Godrej [DIN: 00591503] (Non-Executive & Non-Independent Director) and Mr.

J. N. Godrej [DIN: 00076250] (Non-Executive & Non-Independent Director), Directors liable to retire by rotation, at the 28<sup>th</sup> AGM held on August 2, 2019.

(ii) Appointment of Mr. Pirojsha Godrej (DIN: 00432983) as Non-Executive & Non-Independent Director of the Company w.e.f November 5, 2018, which was regularised and approved by members at the 28<sup>th</sup> AGM held on August 2, 2019.

(iii) Appointment of Mr. Natarajan Srinivasan (DIN: 00123338) as Independent Director for his first term with the Company w.e.f February 4, 2019 upto July 17, 2022 and Mr. Kannan Sitaram (DIN: 01038711) as Independent Director for his first term with the Company w.e.f. June 17, 2019 upto July 17, 2022 both the appointments were approved by Members at the 28<sup>th</sup> AGM of the Company held on August 2, 2019.

(iv) In the Board Meeting held on May 11, 2020, the Board noted that Mr. Vijay M. Crishna (DIN: 00066267) has attained the age of 75 (Seventy-Five) years on March 8, 2020 and therefore by virtue of Regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 Mr. Vijay M. Crishna ceases to be a Director of the Company.

2.3 Adequate notice was given to all the Directors to enable them to plan their schedule for the Board Meetings and Committee Meetings held during the Financial Year.

2.4 Notice of Board and Committee meetings held during review period was sent to all the Directors at least seven days in advance.

2.5 Agenda and detailed notes on agenda were sent to the Directors at least seven days before the Board Meetings, other than those which included price sensitive information.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

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

2.8 We note from the minutes verified that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

**3. Compliance mechanism**

There are reasonably adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, Commensurate with the increasing statutory requirements and growth in operations.

**4. Specific events/ actions**

4.1 During the year, the following specific events/ actions having a major bearing on the company's affairs took place, in pursuance of the above referred laws, rules, Regulations and standards:

- (i) The Company through its Nomination and Remuneration Committee on 9<sup>th</sup> July 2019 has approved and allotted 13,159 Equity Shares of face value of ₹10/- (Rupees Ten Only) each under Godrej Agrovvet Limited - Employees Stock Grant Scheme, 2018.

- (ii) During the Financial Year 2019-20, the Company has issued Commercial Paper worth ₹325 Crore which were listed on National Stock Exchange of India Limited (NSE), out of which Commercial Papers worth ₹ 175 Crore were redeemed during the year.

**For BNP & Associates  
Company Secretaries  
Firm Registration No. P2014MH037400  
PR No: 637/2019**

**Sd/-  
B. Narasimhan  
Partner**

**Place : Mumbai  
Date : May 11, 2020**

**FCS No.: 1303/ CP No.: 10440  
UDIN: F001303B000226418**

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



**Annexure I to Secretarial Audit Report of Godrej Agrovet Limited**

To,  
The Members,  
**Godrej Agrovet Limited,**  
Godrej One, 3<sup>rd</sup> Floor,  
Pirojshanagar Eastern Express Highway,  
Vikhroli (East), Mumbai- 400 079

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this Report, we have also considered compliance related action taken by the Company after March 31, 2020 but before the issue of this Report.
4. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company .
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates  
Company Secretaries  
Firm Registration No. P2014MH037400  
PR No: 637/2019**

**Sd/-  
B. Narasimhan  
Partner**

**Place:** Mumbai  
**Date:** May 11, 2020

**FCS No.: 1303/ CP No.: 10440  
UDIN: F001303B000226418**

## ANNEXURE - E TO THE DIRECTORS' REPORT

### FORM MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2020

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

To,  
The Members,  
**CREAMLINE DAIRY PRODUCTS LIMITED**

H.No. 6-3-1238/B/21 Asif Avenue,  
Rajbhavan Road, Hyderabad,  
Telengana - 500082

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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020, as made available to us, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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')
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the audit period);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the audit period);**

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 **(Not applicable to the Company during the audit period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008 **(Not applicable to the Company during the audit period);**
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
- (g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities), Regulations 1998 **(Not applicable to the Company during the audit period);**

vi. Other specifically applicable laws to the Company:

- Food Safety and Standards Act, 2006 and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 and Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Legal Metrology Act, 2009 and The Legal Metrology (Packaged Commodities) Rules, 2011
- Boilers Act, 1923 and Indian Boiler Regulations, 1950
- 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) and Dividend (SS-3) 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:

- Few e-forms were filed belatedly with the MCA, with payment of requisite additional fees.

Consequent upon the merger of Nagavalli Milkline Private Limited (a wholly-owned subsidiary of the Company) with the Company, it has initiated the process of registration of immoveable property, held in the name of the said transferor company, in its own name, which is still in progress as on date.

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 with requisite majority 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, 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 Scheme of Amalgamation contemplating the merger of Nagavalli Milkline Private Limited, the wholly owned subsidiary of the Company, with itself, effective 01.04.2019, subsequent upon receipt of various other requisite approvals, was approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench during the FY under audit. Requisite post merger compliances have been completed / are underway.

**For P S Rao & Associates  
Company Secretaries**

**Sd/-**

**Vikas Sirohiya**

M. No.15116

CP No.5246

Place: Hyderabad

Date : May 8, 2020

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

**Annexure I to the Secretarial Audit Report of Creamline Dairy Products Limited**

To,  
The Members,  
**CREAMLINE DAIRY PRODUCTS LIMITED**

H.No. 6-3-1238/B/21 Asif Avenue,  
Rajbhavan Road, Hyderabad,  
Telengana - 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.
8. As regards the Secretarial Audit for the FY 2019-20, a substantial portion of the audit programme was completed prior to the outbreak of the pandemic Covid 19 in the country. However, owing to the lockdown measures imposed across the country (and being in force till date) and the cascading impact thereof, for certain verifications and cross checks, we have relied on the management representations and assurances, wherever required, for forming our opinion and eventual reporting.

**For P S Rao & Associates  
Company Secretaries**

**Sd/-**  
**Vikas Sirohiya**  
M. No.15116  
CP No.5246  
Place: Hyderabad  
Date : May 8, 2020

## 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, 2020**

[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 continues to 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. Installation of automation in Ammonia Chiller.
2. Installation of Solar Heater to fulfill requirement of hot water.
3. Installation of Variable Frequency Drive for agitators in Homo Brassinolide unit.
4. Replacement of conventional lightings with Light Emitting Drive.
5. Continuous operation of Multiple Effective Evaporator plant for 24 hours as compared to earlier one shift operation.
6. Installation of Agitator Thin Film Dryer to extend reduction in water consumption by recycling it in process.
7. Commissioning of Digital Energy monitoring system to monitor section-wise energy consumption (steam, power and water) on an hourly basis and to record idle run of machinery.
8. Operation of palm oil mill biomass waste based Captive Cogeneration plants.

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 the level of water consumption
- c) Reduction in process losses and storage losses
- d) Increase in use of renewable energy and decline in GHG consumption level.

The capital investment on energy conservation equipment made during the Financial Year 2019-20 is approximately ₹0.15 Crore.

#### B. Technology Absorption, Adaptation and Innovation:

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

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

#### 1) Methods/ Measures adopted / Efforts made:

- a) Adoption of renewable energy equipment and replacement of conventional high energy consuming lights
- b) Optimum utilization of capacity by employing storage tank and 24 hours operation of Multiple Effective Evaporator plant for continuous 2-3 days in a week
- c) Conversion of manual operation into automation in Ammonia Chiller for elimination of frequent manual intervention and operation and reduction in energy consumption
- d) Installation of bunch splitter before sterilization process to improve Oil extraction ratio and nut recovery and to ensure proper cooking of the Oil Palm fruit bunch
- e) Installation of PPPU Unit to recover and reuse process steam condensate in boiler feed water.

#### 2) Benefits derived as a result of such measures / methods / efforts:

- a) Reduction in cost of production
- b) Optimum utilization of equipment capacity
- c) Improvement in Oil Extraction Ratio and nut recovery in Oil Palm business
- d) Enhanced level of Environmental Sustainability, Health and Safety
- e) Reuse of steam condensate in boiler and also of rejected water for certain purposes

#### 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 2017-18, 2018- 19 & 2019-20), the required details are: Your Company had

imported continuous sterilization technology during the Financial Year 2017-18, which has been fully absorbed.

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

		<b>Current Year (2019-20) ₹ in Crore</b>	<b>Previous Year (2018-19) ₹ in Crore</b>
a)	Capital	4.56	0.26
b)	Recurring	11.58	13.08
c)	Total	16.14	13.34
d)	Total R& D expenditure as a Percentage of Total Turnover	0.32%	0.31%

### C. Foreign Exchange Earnings and Outgo:

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

			<b>Current Year (2019-20) ₹ in Crore</b>	<b>Previous Year (2018-19) ₹ in Crore</b>
A.	Foreign Exchange Earned		10.09	5.61
B.	Foreign Exchange Used		102.04	117.05

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

**Date:** May 11, 2020  
**Place:** Mumbai

**Sd/-  
Nadir B. Godrej  
Chairman  
(DIN: 00066195)**



## ANNEXURE 'G' TO THE DIRECTORS' REPORT

## PARTICULARS IN RESPECT OF REMUNERATION OF

## GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2020

Disclosure as per the 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 2019-20 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 is as under:

Sr. No.	Name of Director / Key Managerial Personnel (KMP)	Designation of Director / KMP	*Remuneration of Director / KMP for the Financial Year 2019-20 (in ₹)	% Increase in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. Nadir B. Godrej (*)	Chairman – Promoter, Non-Executive, Non-Independent Director	7,50,000	Not Applicable	1.94
2	Mr. Jamshyd N. Godrej (*)	Non-Executive, Non-Independent Director	7,50,000	Not Applicable	1.94
3	Mr. Vijay M. Crishna (*) (Directorship ceased w.e.f. March 8, 2020; Re-appointed by the Board of Directors as an Additional Director w.e.f. May 11, 2020)	Non-Executive, Non-Independent Director	7,50,000	Not Applicable	1.94
4	Ms. Tanya A. Dubash (*)	Non-Executive, Non-Independent Director	7,50,000	Not Applicable	1.94
5	Ms. Nisaba Godrej (*)	Non-Executive, Non-Independent, Director	7,50,000	Not Applicable	1.94
6	Mr. Pirojsha Godrej (*)	Non-Executive, Non-Independent, Director	3,02,055	Not Applicable	0.78
7.	Mr. Balram S. Yadav	Managing Director - Non-Promoter, Executive, Non-Independent Director	3,83,63,800	-17.89	99.20
8	Mr. Kavas N. Petigara (*)	Non-Executive, Independent Director	14,50,000	Not Applicable	3.75
9	Mr. Amit B. Choudhury (*) (Directorship ceased with effect from May 23, 2019)	Non- Executive, Independent Director	9,00,000	Not Applicable	2.33
10	Dr. Raghunath A. Mashelkar (*)	Non-Executive, Independent Director	12,00,000	Not Applicable	3.10

Sr. No.	Name of Director / Key Managerial Personnel (KMP)	Designation of Director / KMP	*Remuneration of Director / KMP for the Financial Year 2019-20 (in ₹)	% Increase in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director to Median Remuneration of Employees
11	Dr. Ritu Anand (*)	Non-Executive, Independent Director	14,50,000	Not Applicable	3.75
12	Ms. Aditi Kothari Desai (*)	Non-Executive, Independent Director	12,00,000	Not Applicable	3.10
13	Ms. Roopa Purushothaman (*)	Non-Executive, Independent Director	13,50,000	Not Applicable	3.49
14	Mr. Natarajan Srinivasan(*)	Non-Executive, Non-Independent Director	6,65,068	Not Applicable	1.72
15	Mr. Kannan Sitaram (with effect from June 17, 2019) (*)	Non-Executive, Non-Independent Director	3,00,000	Not Applicable	0.78
16	Mr. S. Varadaraj	Chief Financial Officer	1,26,22,518	-10.76	Not Applicable
17	Mr. Vivek Raizada	Company Secretary & Compliance Officer	85,29,313	21.25	Not Applicable

(\*) – All Non-Executive Directors have been paid commission (for the Financial Year 2018-19) during the Financial Year 2019-20 and sitting fees have been paid to eligible Directors during the Financial Year 2019-20.

- (ii) The percentage increase in the median remuneration of employees in the Financial Year **-5.48%**
- (iii) The number of permanent employees on the rolls of Company **2,708** as on March 31, 2020
- (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 2019-20 was **-3.62%** as compared to average percentile increase in remuneration of managerial personnel which was **-12.35%**.

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**

**Sd/-  
Nadir B. Godrej  
Chairman  
(DIN: 00066195)**

**Date:** May 11, 2020

**Place:** Mumbai