



# **CORPORATE GOVERNANCE REPORT**



# CORPORATE GOVERNANCE REPORT OF GODREJ AGROVET LIMITED

## For the Financial Year ended March 31, 2018

In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Directors of Godrej Agrovet Limited ("the Company") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year 2017-18.

### 1. Company's Philosophy on Code of Corporate Governance:

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance for listed companies, which is implemented through the Listing Regulations and the Listing Agreement/s executed with the Stock Exchange/s with which a Company's shares are listed. Corporate Governance is a set of systems and practices to ensure that the affairs of a Company are being managed in a manner which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet the aspirations and expectations of the stakeholders and the society as a whole. Corporate Governance necessitates professionals to raise their competency and capability levels and upgrade systems and processes to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

The Company is a part of the Godrej Group which has an established reputation of honesty, integrity and sound governance over the years. The Company is, therefore, committed to maintaining the highest standards of Corporate Governance in its conduct towards shareholders, employees, regulators, customers, suppliers, lenders and other stakeholders. The Company strongly believes that good Corporate Governance is a journey which leads to corporate growth and long term gain in shareholder value. This philosophy adopted by the Company since its inception has contributed to the Company's sustained growth.

### 2. Board of Directors – Composition, *Inter-se* Relationships amongst Directors and their Other Directorships & Committee Positions:

The Board of Directors is the apex body constituted by the Shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic directions, management policies and their effectiveness, and ensures that Shareholders' long-term interests are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

The Board of Directors of the Company comprises of 14 (fourteen) Directors as on March 31, 2018 and as on the date of this Report, which is an optimum mix of Executive, Non-Executive and Independent Directors, diverse in terms of qualifications, competence, professional experience and expertise. Detailed profile of the Directors is available on the Company's website [www.godrejagrovnet.com](http://www.godrejagrovnet.com).

The composition of the Board of Directors is summarized below:-

- 1 (One) - Chairman (Non-Executive, Non-Independent Director)
- 1 (One) - Managing Director (Executive, Non-Independent Director)
- 5 (Five) - Non-Executive, Non-Independent Directors
- 7 (Seven) - Non-Executive, Independent Directors

None of the Directors of the Company is:

- (a) a Director in more than 10 (ten) public limited companies - As per Section 165 of the Companies Act, 2013;
- (b) an Independent Director in more than 7 (seven) listed companies OR 3 (three) listed companies (in case he / she serves as a Whole Time Director in any listed Company) - As per Regulation 25 of the Listing Regulations;
- (c) a Member of more than 10 (ten) Committees and Chairman / Chairperson of more than 5 (five) Committees across all the Indian public limited companies in which he / she is a Director - As per Regulation 26 of the Listing Regulations.

The following details of Directors are provided in the table hereunder:-

1. Names of Directors along with their Director Identification Number (DIN)
2. Categorization of Directors;
3. *Inter-se* relationships between the Directors [in terms of the provisions of the Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014];

## Godrej Agrovet Limited

### 4. Other directorships and Committee positions of Directors as on March 31, 2018.

| Sr. No. | Name of the Director  | Category of Director   | Inter-se Relationship amongst Directors  | No. of Other Directorships (#)                                   | No. of Board Committees of Other Companies in which acts as a Member or Chairperson (\$) |                  |
|---------|---|--|--|--|--|------------------|
|         |   |  |  |  | As a Member  | As a Chairperson |
| 1       | Mr. N. B. Godrej<br>(Chairman)<br>(DIN: 00066195)                       | Promoter,<br>Non-Executive,<br>Non-Independent   | Brother of Mr. A. B. Godrej  | 9  | 5  | 2                |
| 2       | Mr. A. B. Godrej<br>(DIN: 00065964)                                     | Promoter,<br>Non-Executive,<br>Non-Independent   | 1. Brother of Mr. N. B. Godrej<br>2. Father of Ms. Tanya A. Dubash<br>3. Father of Ms. Nisaba Godrej | 3  | 2  | 1                |
| 3       | Mr. J. N. Godrej<br>(DIN: 00076250)                                     | Non-Promoter,<br>Non-Executive,<br>Non-Independent                                     | -  | 5  | 1  | 0                |
| 4       | Mr. V. M. Crishna<br>(DIN: 00066267)                                    | Non-Promoter,<br>Non-Executive,<br>Non-Independent                                     | -  | 3  | 1  | 0                |
| 5       | Ms. Tanya A. Dubash<br>(DIN: 00026028)                                  | Non-Promoter,<br>Non-Executive,<br>Non-Independent                                     | 1. Daughter of Mr. A. B. Godrej<br>2. Sister of Ms. Nisaba Godrej                                    | 6  | 2  | 1                |
| 6       | Ms. Nisaba Godrej<br>(DIN: 00591503)                                    | Non-Promoter,<br>Non-Executive,<br>Non-Independent                                     | 1. Daughter of Mr. A. B. Godrej<br>2. Sister of Ms. Tanya A. Dubash                                  | 3  | 0  | 0                |
| 7       | Mr. B. S. Yadav<br>(Managing Director)<br>(DIN: 00294803)               | Non-Promoter,<br>Executive,<br>Non-Independent   | -  | 6  | 3  | 1                |
| 8       | Mr. K. N. Petigara<br>(DIN: 00066162)                                   | Non-Promoter,<br>Non-Executive,<br>Independent   | -  | 3  | 3  | 0                |
| 9       | Mr. A. B. Choudhury<br>(DIN: 00557547)                                  | Non-Promoter,<br>Non-Executive,<br>Independent   | -  | 3  | 4  | 2                |
| 10      | Dr. S. L. Anaokar<br>(DIN: 00236819)                                    | Non-Promoter,<br>Non-Executive,<br>Independent   | -  | 0  | 0  | 0                |
| 11      | Dr. Raghunath A. Mashelkar<br>(w.e.f. July 18, 2017)<br>(DIN: 00074119) | Non-Promoter,<br>Non-Executive,<br>Independent   | -  | 3  | 2  | 0                |
| 12      | Dr. Ritu Anand<br>(w.e.f. July 18, 2017)<br>(DIN: 00363699)             | Non-Promoter,<br>Non-Executive,<br>Independent   | -  | 1  | 0  | 0                |
| 13      | Ms. Aditi Kothari Desai<br>(w.e.f. July 18, 2017)<br>(DIN: 00426799)    | Non-Promoter,<br>Non-Executive,<br>Independent   | -  | 0  | 0  | 0                |
| 14      | Ms. Roopa Purushothaman<br>(w.e.f. July 18, 2017)<br>(DIN: 02846868)    | Non-Promoter,<br>Non-Executive,<br>Independent   | -  | 0  | 0  | 0                |
| 15      | Mr. Rohit Sipahimalani<br>(Upto July 12, 2017)<br>(DIN: 00904065)       | Non-Promoter,<br>Non-Executive,<br>Non-Independent,<br>Nominated by<br>equity investor | -  | Disclosure not applicable since resigned<br>w.e.f. July 13, 2017 |  |                  |

(#) - Alternate directorships and directorships in private companies, companies governed by Section 8 of the Companies Act, 2013 and foreign companies have been excluded.

(\$) - In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Godrej Agrovet Limited) have been considered.

### 3. Committees of the Board of Directors– Composition and Terms of Reference:

#### A. Composition of the Committees:

The composition of various Committees constituted by the Board of Directors during the Financial Year 2017-18 is summarized below:-

| Name of the Director           | Independent / Non-Independent | Position in the Committee (whether Chairperson / Member) |                                     |                                      |  |                                 |                    |                                      |
|--------------------------------|-------------------------------|--|-------------------------------------|--------------------------------------|--|---------------------------------|--------------------|--------------------------------------|
|                                |                               | Audit Committee  | Nomination & Remuneration Committee | Stakeholders' Relationship Committee | Corporate Social Responsibility (CSR) Committee                | Risk Management Committee       | Managing Committee | Initial Public Offer (IPO) Committee |
| Mr. N. B. Godrej               | Non-Independent               | N/A  | N/A                                 | Chairman (w.e.f. July 18, 2017)      | Chairman (upto July 17, 2017)<br>Member (w.e.f. July 18, 2017) | Chairman (w.e.f. July 18, 2017) | Chairman           | Chairman (w.e.f. July 18, 2017)      |
| Mr. A. B. Godrej               | Non-Independent               | N/A  | N/A                                 | N/A                                  | N/A  | N/A                             | Member             | Member (w.e.f. July 18, 2017)        |
| Mr. J. N. Godrej               | Non-Independent               | N/A  | N/A                                 | N/A                                  | N/A  | N/A                             | N/A                | N/A                                  |
| Mr. V. M. Crishna              | Non-Independent               | N/A  | N/A                                 | N/A                                  | N/A  | N/A                             | N/A                | N/A                                  |
| Ms. Tanya A. Dubash            | Non-Independent               | N/A  | N/A                                 | N/A                                  | N/A  | N/A                             | N/A                | N/A                                  |
| Ms. Nisaba Godrej              | Non-Independent               | N/A  | Member (w.e.f. July 18, 2017)       | N/A                                  | N/A  | N/A                             | Member             | N/A                                  |
| Mr. B. S. Yadav                | Non-Independent               | Member   | N/A                                 | Member (w.e.f. July 18, 2017)        | Member   | Member (w.e.f. July 18, 2017)   | Member             | Member (w.e.f. July 18, 2017)        |
| Mr. K. N. Petigara             | Independent                   | Chairman   | Chairman (upto July 17, 2017)       | N/A                                  | N/A  | N/A                             | N/A                | N/A                                  |
| Mr. A. B. Choudhury            | Independent                   | Member (upto July 17, 2017)                              | Member (upto July 17, 2017)         | Member (w.e.f. July 18, 2017)        | N/A  | Member (w.e.f. July 18, 2017)   | N/A                | N/A                                  |
| Dr. S. L. Anaokar              | Independent                   | Member (upto July 17, 2017)                              | Member (upto July 17, 2017)         | N/A                                  | Member (upto July 17, 2017)                                    | N/A                             | Member             | N/A                                  |
| Dr. Raghunath A. Mashelkar (*) | Independent                   | N/A  | N/A                                 | N/A                                  | Chairman (w.e.f. July 18, 2017)                                | N/A                             | N/A                | N/A                                  |
| Dr. Ritu Anand (*)             | Independent                   | Member (w.e.f. July 18, 2017)                            | Chairperson (w.e.f. July 18, 2017)  | N/A                                  | N/A  | N/A                             | N/A                | N/A                                  |
| Ms. Aditi Kothari Desai (*)    | Independent                   | Member (w.e.f. July 18, 2017)                            | N/A                                 | N/A                                  | N/A  | N/A                             | N/A                | N/A                                  |
| Ms. Roopa Purushothaman (*)    | Independent                   | N/A  | Member (w.e.f. July 18, 2017)       | N/A                                  | Member (w.e.f. July 18, 2017)                                  | N/A                             | N/A                | N/A                                  |
| Mr. Rohit Sipahimalani (@)     | Non-Independent               | Member (upto July 12, 2017)                              | N/A                                 | N/A                                  | N/A  | N/A                             | N/A                | N/A                                  |

(\*) Appointed as an Independent Director w.e.f. July 18, 2017

(@) Resigned w.e.f. July 13, 2017

Note: "N/A" denotes "Not Applicable" as not being a Chairperson / Member of the Committee.

Mr. Vivek Raizada, Company Secretary & Compliance Officer acts as the Secretary to the Committees.

**B. Terms of Reference of the Committees:**

**(i) Audit Committee:**

The role of the Audit Committee emerges directly from the function of the Board of Directors to review corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The primary role of the Audit Committee is to review the Company's financial statements, internal financial controls, reporting and audit process and their adequacy, reliability and effectiveness, vigil mechanism, related party transactions and monitoring process for compliance with the applicable laws. The Audit Committee also reviews the reports, observations and presentations of the auditors and the management responses thereon.

The terms of reference of the Audit Committee are as follows:-

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) To recommend the appointment, remuneration and terms of appointment of Auditors of the Company as may be applicable;
- c) To approve payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- d) To review and monitor the Auditors' independence and performance, and effectiveness of audit process;
- e) To examine / review the financial statement and the Auditors' Report thereon with the Management, before submission to the board of directors for approval, with particular reference to:
  - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions; and
  - vii. modified opinion(s) in the draft audit report.
- f) Reviewing, with the Management, the quarterly financial statements before submission to the Board of Directors for approval;
- g) To grant approval for or any subsequent modification of transactions of the Company with related parties;
- h) To scrutinize of inter-corporate loans and investments;
- i) To consider valuation of undertakings or assets of the Company, wherever it is necessary;
- j) To evaluate internal financial controls and risk management systems;
- k) Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
- l) To monitor the end use of funds raised through public offers and related matters;
- m) Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) Discussion with Internal Auditors of any significant findings and follow up there on;
- p) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- q) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- s) To review the functioning of the whistle blower mechanism;
- t) To approve of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- u) To investigate into any above matter or referred to it by the Board of Directors and for this purpose, it to have full access to information contained in the records of the Company and external professional advice, if necessary;
- v) To mandatorily review the following information:
  - i. Management Discussion and Analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - iv. Internal Audit Reports relating to internal control weaknesses;
  - v. Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - vi. Statements of deviations:
    - 1. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
    - 2. annual statement of funds utilized for purposes other than those stated in the document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.
- w) To perform such other functions and duties as may be required to be performed by the Audit Committee under the applicable provisions of the Companies Act and/or the Rules made thereunder and/or the Listing Regulations, including any amendment(s) thereto as may be made from time to time.

**(ii) Nomination and Remuneration Committee:**

The terms of reference of the Nomination and Remuneration Committee are as follows:-

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- b) To identify persons who are qualified to become directors and persons who may be appointed in Senior Management Position including Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- c) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- d) To recommend to the Board of Directors, qualifications, appointment, remuneration and removal of directors, key managerial personnel and persons in senior management positions in accordance with the Nomination and Remuneration policy.
- e) To devise a policy on diversity of Board of Directors.
- f) To carry out performance evaluation of every Director in accordance with the Nomination and Remuneration policy.
- g) To consider grant of stock options to eligible Directors, to formulate detailed terms and conditions of Employee Stock Option Scheme (ESOS) and to administer and exercise superintendence over ESOS.
- h) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

**(iii) Stakeholders' Relationship Committee:**

Mr. N. B. Godrej (Chairman) heads the Stakeholders' Relationship Committee as the Chairman of the said Committee.

Mr. Vivek Raizada is the Head – Legal & Company Secretary & Compliance Officer of the Company who acts as the Secretary to the Committee.

The terms of reference of the Stakeholders' Relationship Committee are as follows:-

- a) Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- c) Issue of duplicate certificates and new certificates on split/consolidation/renewal; and
- d) Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, the Listing Regulations or by any other regulatory authority.

**(iv) Corporate Social Responsibility (CSR) Committee:**

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

- a) To formulate and recommend to the Board of Directors, the Corporate Social Responsibility Policy, indicating the corporate social responsibility activities to be undertaken;
- b) To recommend the amount of expenditure to be incurred on the corporate social responsibility activities;
- c) To monitor the Corporate Social Responsibility Policy and its implementation by the Company from time to time; and
- d) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the Rules.

**(v) Risk Management Committee:**

The terms of reference of the Risk Management Committee are as follows:-

- a) To lay down procedures to inform Board members about the risk assessment and minimization procedures;
- b) To frame, implement and monitor the risk management plan for the Company;
- c) To monitor and review the risk management plan.

**(vi) Managing Committee:**

The terms of reference of the Managing Committee include handling of various administrative and other matters of the Company, which have been delegated to the Managing Committee by the Board of Directors from time to time.

**(vii) Initial Public Offer (IPO) Committee:**

The terms of reference of the Initial Public Offer (IPO) Committee include handling of various matters pertaining to the IPO of Equity Shares of the Company, which had been delegated to the Managing Committee by the Board of Directors.

**4. Attendance of the Directors at the Meetings of the Board, Committees thereof and the last Annual General Meeting (AGM):**

The Board of Directors meets at regular intervals to discuss and decide on business strategies / policies and reviews the financial and operational performance of the Company and its Subsidiaries. The Committees of the Board also meet at such intervals as may be mandated by law or the terms of reference of such Committees, to transact the matters of business as may be delegated to such Committees by the Board. In case of business exigencies, the approval of the Board or Committee/s thereof is taken through resolutions passed by the Directors or Committee Members by way of circulation. The resolutions by circulation are noted at the subsequent Board or Committee Meetings.

The notice of each Board or Committee Meeting is given in writing to each Director or Committee Member in advance. The Agenda along with the relevant notes and other material information are also sent in advance separately to each Director or Committee Member. This ensures timely and informed decisions by the Board and the Committees thereof.

The details of number of Board Meetings, Committee Meetings and last Annual General Meeting (AGM) held and attended by each of the Directors (out of the total number of meetings entitled to attend as a Director or member of the Committee) during the Financial Year 2017-18 are given below:-

|                          | Board of Directors   | Audit Committee  | Nomination & Remuneration Committee | Stakeholders' Relationship Committee | Corporate Social Responsibility (CSR) Committee | Risk Management Committee | Managing Committee   | Initial Public Offer (IPO) Committee                               | (26th) AGM held on August 4, 2017 |
|--------------------------|--|--|-------------------------------------|--------------------------------------|---|---------------------------|--|--|-----------------------------------|
| <b>NO. OF MEETINGS</b>   | 8  | 6  | 2                                   | -                                    | 2   | -                         | 8  | 5  |                                   |
| <b>DATES OF MEETINGS</b> | 12/05/2017<br>18/07/2017<br>18/07/2017<br>04/08/2017<br>11/09/2017<br>22/09/2017<br>03/11/2017<br>07/02/2018 | 12/05/2017<br>18/07/2017<br>04/08/2017<br>11/09/2017<br>03/11/2017<br>07/02/2018 | 12/05/2017<br>18/07/2017            | -                                    | 12/05/2017<br>07/02/2018                        | -                         | 20/04/2017<br>30/05/2017<br>18/07/2017<br>28/08/2017<br>03/11/2017<br>15/11/2017<br>08/02/2018<br>19/03/2018 | 14/09/2017<br>25/09/2017<br>03/10/2017<br>07/10/2017<br>12/10/2017 |                                   |

|  | Board of Directors | Audit Committee | Nomination & Remuneration Committee | Stakeholders' Relationship Committee | Corporate Social Responsibility (CSR) Committee | Risk Management Committee | Managing Committee | Initial Public Offer (IPO) Committee | (26th) AGM held on August 4, 2017 |
|--|--------------------|-----------------|-------------------------------------|--------------------------------------|---|---------------------------|--------------------|--------------------------------------|-----------------------------------|
| <b>ATTENDANCE OF DIRECTORS (No. of Meetings attended):</b> |                    |                 |                                     |                                      |   |                           |                    |                                      |                                   |
| Mr. N. B. Godrej   | 5 out of 8         | N/A             | N/A                                 | 0 out of 0                           | 2 out of 2                                      | 0 out of 0                | 7 out of 8         | 2 out of 5                           | Present                           |
| Mr. A. B. Godrej   | 8 out of 8         | N/A             | N/A                                 | N/A                                  | N/A   | N/A                       | 8 out of 8         | 5 out of 5                           | Present                           |
| Mr. J. N. Godrej   | 2 out of 8         | N/A             | N/A                                 | N/A                                  | N/A   | N/A                       | N/A                | N/A                                  | Absent                            |
| Mr. V. M. Crishna  | 3 out of 8         | N/A             | N/A                                 | N/A                                  | N/A   | N/A                       | N/A                | N/A                                  | Present                           |
| Ms. Tanya A. Dubash  | 7 out of 8         | N/A             | N/A                                 | N/A                                  | N/A   | N/A                       | N/A                | N/A                                  | Present                           |
| Ms. Nisaba Godrej  | 6 out of 8         | N/A             | 0 out of 0                          | N/A                                  | N/A   | N/A                       | 1 out of 8         | N/A                                  | Present                           |
| Mr. B. S. Yadav  | 8 out of 8         | 6 out of 6      | N/A                                 | 0 out of 0                           | 2 out of 2                                      | 0 out of 0                | 8 out of 8         | 5 out of 5                           | Present                           |
| Mr. K. N. Petigara   | 8 out of 8         | 6 out of 6      | 2 out of 2                          | N/A                                  | N/A   | N/A                       | N/A                | N/A                                  | Present                           |
| Mr. A. B. Choudhury  | 8 out of 8         | 2 out of 2      | 2 out of 2                          | 0 out of 0                           | N/A   | 0 out of 0                | N/A                | N/A                                  | Present                           |
| Dr. S. L. Anaokar  | 5 out of 8         | 2 out of 2      | 2 out of 2                          | N/A                                  | 1 out of 1                                      | N/A                       | 3 out of 8         | N/A                                  | Present                           |
| Dr. Raghunath A. Mashelkar (*)                             | 6 out of 6         | N/A             | N/A                                 | N/A                                  | 1 out of 1                                      | N/A                       | N/A                | N/A                                  | Absent                            |
| Dr. Ritu Anand (*)   | 6 out of 6         | 4 out of 4      | 0 out of 0                          | N/A                                  | N/A   | N/A                       | N/A                | N/A                                  | Present                           |
| Ms. Aditi Kothari Desai (*)                                | 5 out of 6         | 4 out of 4      | N/A                                 | N/A                                  | N/A   | N/A                       | N/A                | N/A                                  | Present                           |
| Ms. Roopa Purushothaman (*)                                | 4 out of 6         | N/A             | 0 out of 0                          | N/A                                  | 1 out of 1                                      | N/A                       | N/A                | N/A                                  | Present                           |
| Mr. Rohit Sipahimalani (\$)                                | 1 out of 1         | 1 out of 1      | N/A                                 | N/A                                  | N/A   | N/A                       | N/A                | N/A                                  | N/A                               |

(\*) – Appointed as Independent Director w.e.f. July 18, 2017

(\$) – Resigned from directorship w.e.f. July 13, 2017

Note: Leave of absence was granted to the Directors in case of inability to attend the Meetings.

## 5. Independent Directors:

One-half of the composition of the Board of Directors consists of Independent Directors.

### (i) Familiarisation Programmes for Independent Directors:

At the time of appointing a Director, a formal Letter of Appointment is given to him / her, which *inter alia* explains the role, function, duties and responsibilities of a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, 2013 and the Listing Regulations and other relevant Regulations and his / her affirmation is taken with respect to the same.

The Directors are provided with the requisite documents and reports to enable them to familiarize with the Company's performance and practices. Periodic presentations are made at the meetings of the Board and Committees thereof, on the business and performance of the Company. Quarterly updates on relevant statutory changes covering important applicable laws are discussed at the meetings of the Board.

The details of familiarization programme conducted for Independent Directors have been disclosed on the Company's website [www.godrejagrovet.com](http://www.godrejagrovet.com).

### (ii) Performance Evaluation Criteria for Independent Directors:

Performance evaluation of Directors is carried out through 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.

In particular, an Independent Director shall be a person who shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;



- iii. exercise his responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;
- vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices.

## 6. Remuneration of the Managing Director & Shareholding:

The remuneration of Mr. B. S. Yadav, Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company. The remuneration and the terms of appointment of the Managing Director are governed by an agreement executed by the Company with him.

During the Financial Year 2017-18, Mr. B. S. Yadav has been re-appointed as the “Managing Director” of the Company for a further term of 5 (five) years w.e.f. September 1, 2017, i.e., upto August 31, 2022.

The details of remuneration paid to Mr. B. S. Yadav, Managing Director during the Financial Year 2017-18 are as follows:-

|   | Amount in ₹        |
|---|--------------------|
| <b>Gross Salary</b>   | <b>6,36,62,628</b> |
| (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 4,39,99,158        |
| (b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961            | 1,96,63,470        |
| (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961       | -                  |
| Stock Option  | -                  |
| Sweat Equity  | -                  |
| Commission  | -                  |
| As a % of profit  | -                  |
| Others (specify)  | -                  |
| <b>Total</b>  | <b>6,36,62,628</b> |

The details of remuneration and terms of appointment of Mr. B. S. Yadav as the Managing Director are as follows:-

### Remuneration:

#### A. Fixed Compensation

Fixed Compensation shall include Basic Salary, Company’s Contribution to Provident Fund and Gratuity.

The Basic Salary shall be in the range of ₹ 908,333/- to ₹ 2,000,000/- per month, payable monthly. The annual increments will be decided by the Board of Directors and will be merit-based and will take into account other relevant factors.

The Company’s contribution to Gratuity shall be according to the rules of the Company, in force from time-to-time.

#### B. Performance Linked Variable Remuneration (PLVR)

PLVR shall be according to the applicable rules of the Company for each of the Financial Years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 or as may be decided by the Board of Directors.

#### C. Flexible Compensation

In addition to the fixed compensation and PLVR, Mr. B. S. Yadav will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the rules of the Company and subject to the relevant provisions of the Companies Act, 2013 and Rules framed thereunder (collectively called “perquisites and allowances”).

These perquisites and allowances may be granted to Mr. B. S. Yadav in such form and manner as the Board of Directors may decide.

- Housing as per rules of the Company (i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company’s rules OR House Rent Allowance as per the Company’s rules);

- Furnishing at residence as per the rules of the Company;
- Education Allowance;
- Supplementary Allowance;
- Leave Travel Assistance for self and family in accordance with the rules of the Company;
- Payment / reimbursement of medical expenses / hospitalization / Medical Allowance for self and family in accordance with the rules of the Company.
- Group insurance cover, group mediclaim cover;
- Payment / reimbursement of Club Fees (including Club Membership Fees);
- Payment / reimbursement of Food Vouchers,
- Company car with driver for official use, petrol reimbursement, car washing reimbursement, reimbursement of driver's salary;
- Provision of telephone(s) at residence and payment / reimbursement of telephone expenses;
- Housing Loan and Contingency Loan as per the rules of the Company, subject to Central Government and/or other requisite approval(s), if any;
- Consolidated privilege leave, on full pay and allowance, not exceeding 25 (twenty-five) days in a financial year; Encashment/ accumulation of leave will be permissible in accordance with the rules specified by the Company; Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy / rules of the Company in force and that may be introduced in future by the Company and/or as may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board, from time to time.

**Explanation:**

- a) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children of the Managing Director.
- b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable, the same shall be valued as per Income Tax Rules.

**Overall Remuneration:**

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board of Directors, in its absolute discretion, may pay to the Managing Director from time-to-time, shall not exceed the limits prescribed from time-to-time under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may, for the time being, be in force unless specific approvals are taken as may be applicable under relevant laws.

**Minimum Remuneration:**

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule V to the Companies Act, 2013.

**Other terms and conditions:**

- a) The Managing Director is not liable to retire by rotation. The appointment is terminable by giving 3 (three) months' notice in writing on either side.
- b) The Managing Director shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever, or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment concerning / in connection with the business or affairs or other matters whatsoever of the Company and it shall be the Managing Director's endeavor, during the continuance of his employment, to prevent any other person from disclosing the aforesaid information.
- c) If the Managing Director be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as a Director or any breach of this Agreement, as in the opinion of all other Directors renders his retirement from the office desirable, the opinion of such other Directors shall be final, conclusive and binding on the Managing Director and the Company may, by giving 30 (thirty) days' notice in writing to the Managing Director, determine this Agreement and he shall cease to be the Managing Director of the Company, upon expiration of such notice.
- d) In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendment(s) thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act,

## Godrej Agrovet Limited

1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendment(s) thereto or the Rules and notifications issued thereunder.

- e) The terms and conditions of the Agreement are subject to such alterations / variations as may be mutually agreed upon in writing between the Company and the Managing Director from time to time.

Mr. B. S. Yadav, Managing Director holds 42,67,732 Equity Shares of Face Value of ₹ 10/- each in the Company.

### 7. Remuneration of the Non-Executive Directors & their Shareholding in the Company:

Certain Non-Executive Directors are entitled to receive sitting fees for attending the Meetings of the Board and of Committees thereof in which they are Members.

The details of sitting fees paid to Non-Executive Directors during the Financial Year 2017-18 and the number of Equity Shares of the Company held by them as on March 31, 2018 are as follows:-

| Sr. No. | Name of the Non-Executive Director | Sitting Fees (in ₹) |                        |                  | No. of Equity Shares held in the Company (Face Value of ₹10/- each) |
|---------|------------------------------------|---------------------|------------------------|------------------|---|
|         |                                    | For Board Meetings  | For Committee Meetings | Total            |   |
| 1.      | Mr. N. B. Godrej                   | Nil                 | Nil                    | Nil              | 16,49,502   |
| 2.      | Mr. A. B. Godrej                   | 8,00,000            | Nil                    | 8,00,000         | 5,096   |
| 3.      | Mr. J. N. Godrej                   | Nil                 | Nil                    | Nil              | 3   |
| 4.      | Mr. V. M. Krishna                  | Nil                 | Nil                    | Nil              | Nil   |
| 5.      | Ms. Tanya A. Dubash                | Nil                 | Nil                    | Nil              | 5,49,834  |
| 6.      | Ms. Nisaba Godrej                  | Nil                 | Nil                    | Nil              | 5,49,834  |
| 7.      | Mr. K. N. Petigara                 | 8,00,000            | 3,40,000               | 11,40,000        | Nil   |
| 8.      | Mr. A. B. Choudhury                | 8,00,000            | 1,40,000               | 9,40,000         | Nil   |
| 9.      | Dr. S. L. Anaokar                  | 5,00,000            | 1,60,000               | 6,60,000         | 480   |
| 10.     | Dr. Raghunath A. Mashelkar         | 6,00,000            | 50,000                 | 6,50,000         | Nil   |
| 11.     | Dr. Ritu Anand                     | 6,00,000            | 2,00,000               | 8,00,000         | Nil   |
| 12.     | Ms. Aditi Kothari Desai            | 5,00,000            | 2,00,000               | 7,00,000         | Nil   |
| 13.     | Ms. Roopa Purushothaman            | 4,00,000            | 50,000                 | 4,50,000         | 992   |
|         | <b>TOTAL</b>                       | <b>50,00,000</b>    | <b>11,20,000</b>       | <b>61,20,000</b> | <b>27,55,738</b>  |

The Shareholders of the Company have also approved payment of commission to Non-Executive Directors not exceeding in aggregate 1% (one percent) of the net profits of the Company for each Financial Year (as computed in the manner laid down in Section 198 of the Companies Act, 2013).

No stock options have been granted to Non-Executive Directors.

### 8. Stakeholders' Grievances:

The Stakeholders' Relationship Committee (constituted on July 18, 2017) and Karvy Computershare Private Limited, the Registrar and Transfer Agent (RTA) attend to all grievances of investors received directly or through the Securities Exchange Board of India (SEBI), Stock Exchanges, etc.

The details of investor complaints during the Financial Year 2017-18 (since October 16, 2017) are as follows:-

|   |     |
|---|-----|
| Complaints outstanding as on April 1, 2017                                      | Nil |
| Complaints received during the period from October 16, 2017 upto March 31, 2018 | 399 |
| Complaints resolved during the period from October 16, 2017 upto March 31, 2018 | 399 |
| Complaints outstanding as on March 31, 2018                                     | Nil |

There are no pending share transfers as on March 31, 2018.

### 9. General Body Meetings:

#### (i) Details of last three Annual General Meetings:

The date, time and venue of Annual General Meetings (AGMs) held during the preceding 3 (three) Financial Years are as follows:

| AGM for the Financial Year        | Date           | Time      | Venue   |
|-----------------------------------|----------------|-----------|---|
| 2014-15<br>(24 <sup>th</sup> AGM) | July 24, 2015  | 1.00 p.m. | Conference Room,<br>3rd Floor,                              |
| 2015-16<br>(25 <sup>th</sup> AGM) | August 2, 2016 | 4.00 p.m. | “Godrej One”,<br>Pirojshanagar,<br>Eastern Express Highway, |
| 2016-17<br>(26 <sup>th</sup> AGM) | August 4, 2017 | 4.00 p.m. | Vikhroli (East),<br>Mumbai – 400 079, Maharashtra, India    |

## (ii) Details of Special Resolutions passed during the previous three Financial Years (i.e., 2015-16, 2016-17 and 2017-18):

## (a) Special Resolutions passed in Annual General Meetings (AGMs):

| Date of AGM    | Number of Special Resolutions passed | Details of Special Resolution passed  |
|----------------|--------------------------------------|---|
| July 24, 2015  | 3                                    | 1. Approval for borrowing under Section 180(1)(c) of the Companies Act, 2013 upto a limit of ₹ 750 Crore (Rupees Seven Hundred Fifty Crore Only)<br>2. Approval for issuance of Non-Convertible Debentures (NCDs) / Bonds upto a limit of ₹ 300 Crore (Rupees Three Hundred Crore Only)<br>3. Approval for making of investments and loans and providing guarantee or security under Section 186 of the Companies Act, 2013 upto a limit of ₹ 750 Crore (Rupees Seven Hundred Fifty Crore Only) |
| August 2, 2016 | -                                    | -   |
| August 4, 2017 | -                                    | -   |

## (b) Special Resolutions passed in Extra-ordinary General Meetings (EGMs):

| Date of EGM                   | Number of Special Resolutions passed | Details of Special Resolution passed  |
|-------------------------------|--------------------------------------|---|
| March 3, 2017                 | 4                                    | 1. Approval for increase in Authorized Share Capital from ₹100 Crore to ₹ 225 Crore<br>2. Alteration of Clause V (Capital Clause) of the Memorandum of Association consequent to increase in Authorized Share Capital from ₹100 Crore to ₹225 Crore<br>3. Alteration of Article 3 of the Articles of Association consequent to increase in Authorized Share Capital from ₹ 100 Crore to ₹ 225 Crore<br>4. Approval for Bonus Issue of Equity Shares in the ratio of 1 (one) fully paid-up Equity Share to be issued for every 1 (one) fully paid-up Equity Share held |
| May 12, 2017                  | 3                                    | 1. Approval for waiver of recovery of excess remuneration paid to Mr. B. S. Yadav, Managing Director during the Financial Year 2016-17<br>2. Approval for re-appointment of Mr. B. S. Yadav as the “Managing Director” for a further term of 5 (five) years w.e.f. September 1, 2017 upto August 31, 2022<br>3. Approval for making of Initial Public Offer (IPO) of Equity Shares of the Company   |
| July 18, 2017<br>(11.30 a.m.) | 1                                    | 1. Adoption of new set of Articles of Association in order to align the same with the Companies Act, 2013 and the requirements of stock exchanges and other applicable laws for the purpose of Initial Public Offer (IPO)   |
| July 18, 2017<br>(3.30 p.m.)  | 3                                    | 1. Approval for offer and issue upto 4,05,500 Equity Shares of Face Value of ₹ 10/- each to certain employees under the Employees Share Purchase Scheme (ESPS)  |

| Date of EGM       | Number of Special Resolutions passed | Details of Special Resolution passed  |
|-------------------|--------------------------------------|---|
|                   |                                      | 2. Approval for offer and issue of Equity Shares to employees of Subsidiary Company(ies) and Holding Company under the Employees Share Purchase Scheme (ESPS)   |
|                   |                                      | 3. Approval for Pre-IPO Private Placement of Equity Shares  |
| September 8, 2017 | 1                                    | 1. Approval for pre-IPO private placement / preferential issue of upto 2,50,000 Equity Shares of Face Value of ₹ 10/- each at a premium of ₹430/- per Equity Share, to identified employees of Group Companies and Joint Venture (JV) companies |

**(c) Special Resolutions passed by Postal Ballot:**

There are no resolutions passed by Postal Ballot during the preceding 3 (three) Financial Years.

**(iii) Details of Special Resolutions proposed to be conducted through Postal Ballot & Procedure thereof:**

The Board of Directors of the Company, at its Meeting held on May 14, 2018, has granted approval for passing of the following resolutions by way of Postal Ballot:-

| Item No. | Description   | Type of Resolution (Ordinary / Special) |
|----------|---|---|
| 1        | Approval of the "Godrej Agrovet Limited- Employees Stock Grant Scheme, 2018" ("ESGS 2018") and allotment of Equity Shares thereunder to the eligible Employees of the Company.    | Special                                 |
| 2        | Extension of the benefits of "Godrej Agrovet Limited- Employees Stock Grant Scheme, 2018" ("ESGS 2018") to the eligible Employees of the Subsidiary Companies.                    | Special                                 |
| 3        | Increase in the investment limit of the Company upto ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only) under Section 186 of the Companies Act, 2013.                    | Special                                 |
| 4        | Increase in the borrowing powers of the Company upto a limit of ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only) under Section 180 (1) (c) of the Companies Act, 2013. | Special                                 |
| 5        | Approval of creation of Charge / Mortgage / Hypothecation under Section 180 (1) (a) of the Companies Act, 2013 against the assets / properties of the Company.                    | Special                                 |

Procedure adopted for Postal Ballot:

Although the Company has not passed any resolution through Postal Ballot during the Financial Year 2017-18, the following will be the procedure to be adopted by the Company whenever such resolutions are passed:-

- (i) The Board of Directors approves the items to be passed through Postal Ballot and authorizes one of the Directors and the Company Secretary to be responsible for the entire process of Postal Ballot.
- (ii) A professional such as a Chartered Accountant / Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of Postal Ballot, along with the ballot papers, are sent to the Shareholders along with a self-addressed envelope addressed to the Scrutinizer. E-voting facility is also offered to eligible Shareholders to enable them to cast their votes electronically.
- (iv) An advertisement is published in a national newspaper and a vernacular newspaper about the dispatch of ballot papers and notice of Postal Ballot.
- (v) The duly completed Postal Ballot papers are received by the Scrutinizer.
- (vi) The Scrutinizer gives his report to the Chairman / authorized Director.
- (vii) The Chairman / authorized Director announces the results of the Postal Ballot on receipt of the Scrutinizer's Report.
- (viii) The results are intimated to the Stock Exchange(s) and are put up on your Company's website, [www.godrejagrovet.com](http://www.godrejagrovet.com) .

**10. Means of Communication:**

All vital information relating to the Company and its performance, including Quarterly and Annual Financial Results, official press releases, disclosures of material events are posted on the website of the Company, viz., [www.godrejagrovet.com](http://www.godrejagrovet.com). The Quarterly Financial Results of the Company's performance are published in leading English daily newspapers 'Financial Express' and 'Business Standard' and regional language (Marathi) daily newspapers 'Loksatta' and 'Mumbai Lakshadeep'. The Financial Results of the Company are also available on the websites of BSE Limited and National Stock Exchange of India Limited, viz., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

The Company files electronically the Quarterly and Annual Financial Results, Corporate Governance Report, Shareholding Pattern, etc. through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

The presentations made to analysts and institutional investors are being shared with the stock exchanges and also being uploaded on the Company's website viz., [www.godrejagrovet.com](http://www.godrejagrovet.com).

**11. General Shareholder Information:****(a) Registered Office:**

"Godrej One", 3<sup>rd</sup> Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India.

**(b) 27<sup>th</sup> (Twenty Seventh) Annual General Meeting:**

| Date           | Day      | Time      | Venue   |
|----------------|----------|-----------|---|
| August 9, 2018 | Thursday | 4.00 p.m. | "Godrej One", Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India |

**(c) Financial Calendar:**

Financial Year: From 1<sup>st</sup> April to 31<sup>st</sup> March

During the Financial Year ended March 31, 2018, post listing of the Equity Shares of the Company, Financial Results were announced as under:

| Date             | Quarter / Annual |
|------------------|------------------|
| February 7, 2018 | Third Quarter    |
| May 14, 2018     | Annual           |

**(d) Book Closure Dates and Dividend Payment Date:**

The Book Closure dates are from Wednesday, July 25, 2018 to Saturday, July 28, 2018 (both days inclusive).

The date of dispatch of Dividend will be Friday, August 17, 2018.

**(e) Listing Details & Listing Fees:**

The Company is listed on the following Stock Exchanges [ISIN: INE850D01014], to which it has duly paid the Annual listing fee:-

| Name of Stock Exchange  | Scrip Code |
|---|------------|
| National Stock Exchange of India Limited (NSE)<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (East), Mumbai – 400 051, Maharashtra | GODREJAGRO |
| BSE Limited (BSE)<br>P. J. Towers, Dalal Street, Fort,<br>Mumbai – 400 001, Maharashtra   | 540743     |

Annual Custody / Issuer fee for the Financial Year 2017-18 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), where the Equity Shares of the Company are available for dematerialization.

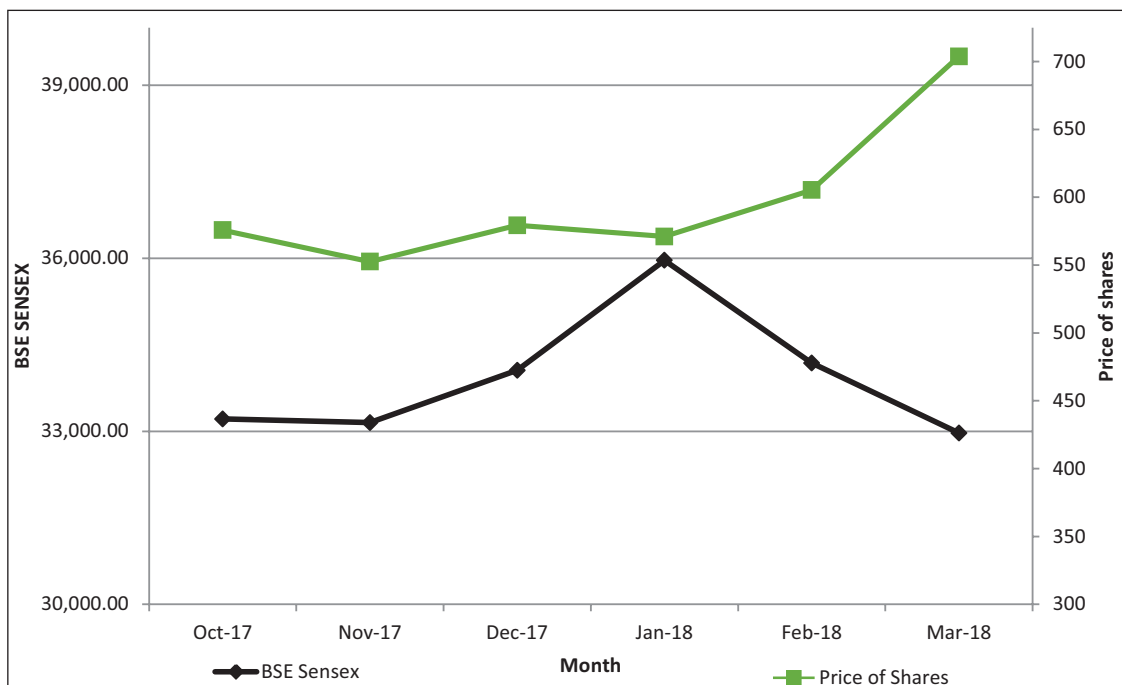
**(f) Stock Data:**

Monthly high and low prices and volumes of Equity Shares of the Company at NSE and BSE for the Financial Year ended March 31, 2018 (i.e., since October 2017, being the month during which the listing of Equity Shares took place):

| Stock Exchange<br>Month | BSE         |            |                           | NSE      |         |                           |
|-------------------------|-------------|------------|---------------------------|----------|---------|---------------------------|
|                         | HIGH<br>(₹) | LOW<br>(₹) | VOLUME<br>(No. of Shares) | HIGH (₹) | LOW (₹) | VOLUME<br>(No. of Shares) |
| October 2017            | 629.85      | 543.20     | 52,51,208                 | 630.00   | 542.90  | 3,22,20,262               |
| November 2017           | 582.75      | 524.00     | 16,29,946                 | 582.80   | 522.15  | 49,93,342                 |
| December 2017           | 588.95      | 538.40     | 8,13,974                  | 589.00   | 538.70  | 37,94,271                 |
| January 2018            | 635.00      | 565.15     | 11,65,958                 | 636.00   | 562.10  | 45,29,646                 |
| February 2018           | 610.00      | 560.00     | 17,173                    | 610.00   | 561.00  | 49,89,203                 |
| March 2018              | 707.35      | 591.10     | 46,039                    | 707.05   | 606.00  | 95,53,753                 |

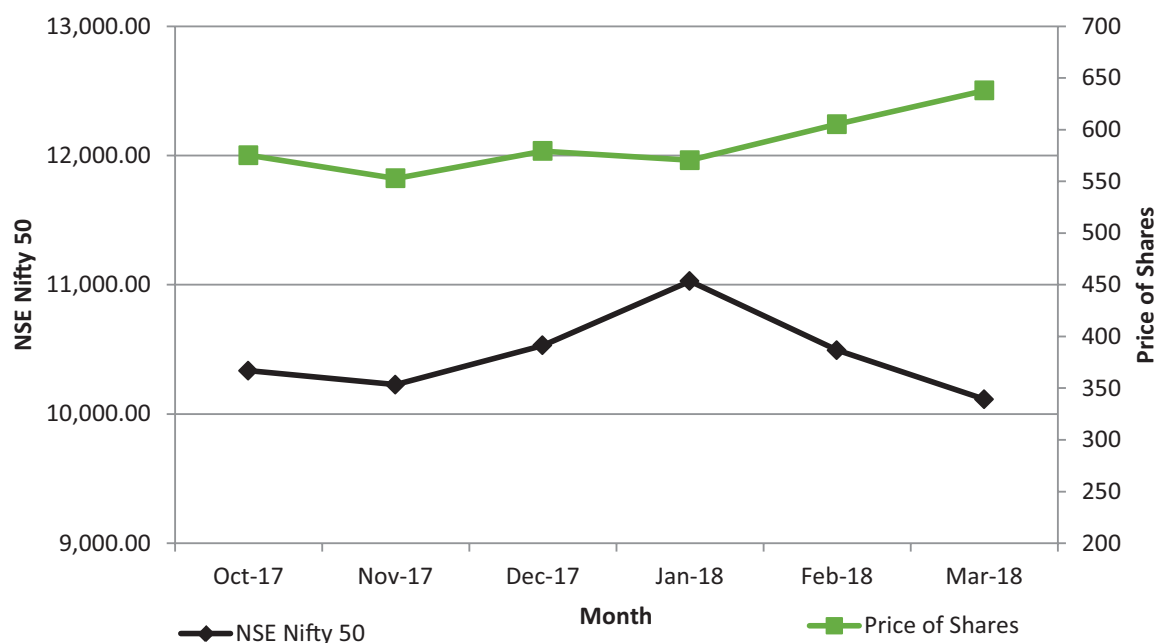
**Company's Share Performance compared to BSE Sensex for the Financial Year 2017-18 (since October 2017):**

| Month         | GAVL Monthly Close Price On<br>BSE (in ₹) | BSE Monthly Sensex Close |
|---------------|---|--------------------------|
| October 2017  | 575.70                                    | 33,213.13                |
| November 2017 | 552.50                                    | 33,149.35                |
| December 2017 | 579.30                                    | 34,056.83                |
| January 2018  | 571.00                                    | 35,965.02                |
| February 2018 | 605.30                                    | 34,184.04                |
| March 2018    | 703.80                                    | 32,968.68                |



**Company's Share Performance compared to NSE Nifty 50 for the Financial Year 2017-18 (since October 2017):**

| Month         | GAVL Monthly Close Price On<br>NSE (in ₹) | NSE Monthly NIFTY Close |
|---------------|---|-------------------------|
| October 2017  | 575.20                                    | 10,335.30               |
| November 2017 | 552.80                                    | 10,226.55               |
| December 2017 | 579.25                                    | 10,530.70               |
| January 2018  | 570.40                                    | 11,027.70               |
| February 2018 | 605.20                                    | 10,492.85               |
| March 2018    | 637.80                                    | 10,113.70               |



#### Distribution of Shareholding by Size as on March 31, 2018:

| Number of Shares | Number of Shareholders | Shareholders % | Shareholding % |
|------------------|------------------------|----------------|----------------|
| 0001 - 5000      | 1,08,849               | 97.97          | 2.56           |
| 5001 - 10000     | 1,101                  | 0.99           | 0.46           |
| 10001 - 20000    | 493                    | 0.44           | 0.38           |
| 20001 - 30000    | 167                    | 0.15           | 0.22           |
| 30001 - 40000    | 76                     | 0.07           | 0.14           |
| 40001 - 50000    | 95                     | 0.09           | 0.24           |
| 50001 - 100000   | 107                    | 0.10           | 0.42           |
| 100001 & Above   | 214                    | 0.19           | 95.58          |
| <b>Total</b>     | <b>1,11,102</b>        | <b>100.00</b>  | <b>100.00</b>  |

#### Distribution of Shareholding by Ownership as on March 31, 2018:

| Category<br>(as being reported to Stock Exchanges) | No. of Equity Shares | % of Shareholding |
|--|----------------------|-------------------|
| Alternative Investment Fund                        | 11,57,332            | 0.60              |
| Banks  | 838                  | 0.00              |
| Bodies Corporates                                  | 34,70,377            | 1.81              |
| Clearing Members                                   | 1,25,591             | 0.07              |
| Directors  | 42,69,204            | 2.22              |
| Employees  | 35,14,123            | 1.83              |
| Foreign Corporate Bodies                           | 2,47,07,698          | 12.88             |
| Foreign Portfolio Investors                        | 61,68,306            | 3.21              |
| Hindu Undivided Families (HUFs)                    | 2,94,963             | 0.15              |
| Indian Financial Institutions                      | 19,768               | 0.01              |
| Mutual Funds                                       | 75,00,602            | 3.91              |
| Non-Banking Finance Companies (NBFCs)              | 3,907                | 0.00              |
| Non Resident Indian Non Repatriable                | 60,960               | 0.03              |



| Category<br>(as being reported to Stock Exchanges) | No. of Equity Shares | % of Shareholding |
|--|----------------------|-------------------|
| Non Resident Indians                               | 2,19,838             | 0.11              |
| Promoter Director                                  | 16,54,598            | 0.86              |
| Promoter Group                                     | 1,90,81,278          | 9.94              |
| Promoters Bodies Corporate                         | 11,13,57,225         | 57.99             |
| Resident Individuals                               | 84,15,427            | 4.38              |
| Trusts   | 6,704                | 0.00              |
| <b>TOTAL</b>                                       | <b>19,20,28,739</b>  | <b>100.00</b>     |

**(g) Shares held in physical and dematerialized form:**

As on March 31, 2018, the break-up of share capital of the capital of the Company held in dematerialized form is as under:

| Mode                   | No. of Equity Shares | Percentage |
|------------------------|----------------------|------------|
| Demat Shares with NSDL | 18,23,92,511         | 94.9818%   |
| Demat Shares with CDSL | 96,35,640            | 5.0178%    |
| Physical Shares        | 588                  | 0.0003%    |
| <b>Total</b>           | <b>19,20,28,739</b>  | <b>100</b> |

**(h) Liquidity:**

Higher trading activity is witnessed on NSE. Relevant data for the daily turnover on Stock Exchange(s) for the period from October 16, 2017 upto March 31, 2018 is given below:

|                      | BSE        | NSE         | Total       |
|----------------------|------------|-------------|-------------|
| Equity Shares (nos.) | 106,02,168 | 3,11,32,380 | 4,17,34,548 |
| Value (in ₹ crore)   | 506.12     | 1,488.79    | 1,994.91    |

[Source: This information is compiled from the data available from the websites of BSE and NSE.]

**(i) Reconciliation of Share Capital Audit Report:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and report thereon is submitted to the Stock Exchange(s) where the Company's shares are listed. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form held with NSDL and CDSL, as stated in the Reconciliation of Share Capital and Audit Report submitted to the Stock Exchange(s), pursuant to Section 55A of the Depositories Act, 1996.

**(j) Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants / Any Convertible instruments and their likely impact on equity:**

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments.

**(k) Registrar and Share Transfer Agents and Share Transfer System:**

Share transfer is effected within a maximum period of 30 (thirty) days from the date of receipt, subject to documents being valid and complete in all respects. The Company obtains from a Company Secretary in Practice, a Half Yearly Certificate to the effect that all certificates have been issued within 30 (thirty) days from the date of lodgement of the transfer, sub-division, consolidation and renewal, as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges where the Company's shares are listed.

Contact details of Karvy, our Registrar and Share Transfer Agents are as under:-

**Karvy Computershare Private Limited**

Karvy Selenium, Tower B,  
Plot No. 31 & 32, Gachibowli  
Financial District, Nanakramguda  
Hyderabad - 500 032, Telangana  
Tel.: (91 40) 6716 2222  
Fax: (91 40) 2343 1551  
Investor Grievance E-mail: einward.ris@karvy.com

**(l) SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are:

1. Centralised database of all complaints;
2. Online upload of Action Taken Reports (ATRs) by concerned companies; and
3. Online viewing by investors of actions taken on the complaint and its current status.

**(m) Commodity Price Risk or Foreign Exchange Risk and Hedging activities:****Commodity Price Risk:**

The Company is an agri company manufacturing agri products. Hence, raw material input price risk exists for the business (volatility).

**Currency Risk:**

The functional currency of Company is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are INR. The Company is exposed to currency risk in respect of transactions in foreign currency. Foreign currency revenues and expenses are in the nature of export sales and import purchases.

The Company's Risk Management Policy is to hedge its foreign currency exposure in accordance with the exposure limits advised from time to time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange contracts are denominated in the same currency as the highly probable future transaction value, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 18 months from the reporting date. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions are the main source of hedge ineffectiveness.

**(n) Plant Locations:**

The Company has plants at various locations across the country, including the following:-

- **Animal Feed:**

Khanna (Punjab), Ikolaha (Punjab), Miraj (Maharashtra), Dhule (Maharashtra), Sachin (Gujarat), Kharagpur (West Bengal), Khurda (Orissa), Hanuman Junction (Andhra Pradesh), Kondapalli (Andhra Pradesh), Tumkur (Karnataka), Hajipur (Bihar), Erode (Tamil Nadu), Chandauli (Uttar Pradesh)

- **Agri Inputs:**

Jammu (Jammu & Kashmir), Lote Parshuram (Maharashtra)

- **Oil Palm:**

Pothepally (Andhra Pradesh), Chintampalli (Andhra Pradesh), Ariyalur (Tamil Nadu), Valpoi (Goa), Kolasib (Mizoram)

**(o) Address for Correspondence:****Mr. S. Varadaraj****Chief Financial Officer**

"Godrej One", 3<sup>rd</sup> Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India.

Phone: 022 – 2519 4416, Fax: 022 - 2519 5124

Email id: [s.varadaraj@godrejagrovvet.com](mailto:s.varadaraj@godrejagrovvet.com), Website: [www.godrejagrovvet.com](http://www.godrejagrovvet.com)

**Mr. Vivek Raizada****Company Secretary & Compliance Officer**

"Godrej One", 3<sup>rd</sup> Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India.

Phone: 022 – 2519 4416, Fax: 022 - 2519 5124

Email id: [vivek.raizada@godrejagrovvet.com](mailto:vivek.raizada@godrejagrovvet.com),

Website: [www.godrejagrovvet.com](http://www.godrejagrovvet.com)

**Investor Correspondence should be addressed to:**

Karvy Computershare Private Limited  
Karvy Selenium, Tower B,  
Plot No. 31 & 32, Gachibowli  
Financial District, Nanakramguda  
Hyderabad - 500 032, Telangana  
Tel.: (91 40) 6716 2222  
Fax: (91 40) 2343 1551  
Investor Grievance E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**Exclusive e-mail id for Investors / Shareholders:**

The Company has designated an e-mail id to enable the Shareholders and Investors to correspond with the Company. The e-mail id is [gavlinvestors@godrejagrovet.com](mailto:gavlinvestors@godrejagrovet.com).

**12. Other Disclosures:**

**(A) Related Party Transactions:**

The Policy on Related Party Transactions is available on the website of the Company [www.godrejagrovet.com](http://www.godrejagrovet.com).

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

Except for drawing remuneration by the Managing Director and payment of sitting fees and commission to Independent Directors, none of the Directors have any other material significant related party transactions, pecuniary or business relationship with the Company.

Attention of the Shareholders is drawn to the disclosures of transactions with Related Parties set out in Note No. 63 to the Standalone Financial Statement forming a part of the Annual Report.

In preparation of the Financial Statements, your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Suitable disclosures as required by the Indian Accounting Standards (IndAS - 24) has been made in the Notes to the Financial Statements.

**(B) Penalty / Strictures relating to Capital Markets:**

No penalty or strictures have been imposed on the Company by stock exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority, on any matter relating to capital markets, during the last 3 (three) years.

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

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal, unethical behavior and actual or suspected fraud or violations of Company's Code of Conduct.

The Company has a Whistle Blower Policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to the Audit Committee. No personnel / employee of the Company has been denied access to the Audit Committee of the Company during the Financial Year 2017-18. The confidentiality of the reported violations, if any, is maintained and the employees reporting violations are not subjected to any discriminatory practice.

Vigil Mechanism / Whistle Blower Policy is posted on the website of your Company, viz., [www.godrejagrovet.com](http://www.godrejagrovet.com).

**(D) Details of Compliance with Mandatory Requirements and Adoption of Non-Mandatory Requirements:**

The Company complies with all mandatory requirements and has also complied with the following the non - mandatory requirements:-

1. Separate Positions of Chairperson and Managing Director:

The Company has separate positions for Chairperson and Managing Director. Mr. N. B. Godrej is the "Chairman" of the Company and Mr. B. S. Yadav is the "Managing Director" of the Company.

2. Reporting of Internal Auditors:

The Internal Auditors of the Company give their quarterly report to the Audit Committee and the same is taken for review at the time of meetings of the Audit Committee.

**(E) Policy on Material Subsidiaries:**

The Policy on Material Subsidiaries is used to determine the material subsidiaries and material non-listed Indian Subsidiaries of the

Company in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Policy is available on the website of the Company [www.godrejagrovvet.com](http://www.godrejagrovvet.com).

**(F) Code of Conduct:**

The Code of Conduct for the Board of Directors and the Senior Management Personnel has been disclosed on the website of your Company, viz., [www.godrejagrovvet.com](http://www.godrejagrovvet.com). The declaration by the Managing Director stating that all the Board Members and Senior Management Personnel have affirmed their compliance with the laid down Code of Conduct for the Financial Year ended 31st March, 2018, is annexed to this Corporate Governance Report.

**(G) Disclosures by Management to the Board of Directors:**

The Company had received disclosures from all the Senior Management Personnel stating that none of them had any personal interest in any of the financial and commercial transactions entered into by the Company during the Financial Year 2017-18. Interested Directors, if any, neither participate in discussions, nor do they vote on such matters.

**(H) CEO and CFO Certification:**

Mr. B. S. Yadav, Managing Director and Mr. S. Varadaraj, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Quarterly and Annual Financial Statements for the Financial Year ended March 31, 2018.

**(I) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:**

The Company has complied with all the requirements in this regard, to the extent applicable.

Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations:

| Sr. No. | Particulars                           | Regulation | Compliance Status<br>Yes/No/N.A. | Compliance observed for the following:   |
|---------|---------------------------------------|------------|----------------------------------|--|
| 1       | Board of Directors                    | 17         | Yes                              | <ul style="list-style-type: none"> <li>• Board Composition</li> <li>• Meetings of Board of Directors</li> <li>• Review of Compliance Reports</li> <li>• Plans for orderly succession for appointments</li> <li>• Code of Conduct</li> <li>• Fees / Compensation</li> <li>• Minimum Information to be placed before the Board</li> <li>• Compliance Certificate</li> <li>• Risk Assessment and Management</li> <li>• Performance Evaluation of Independent Directors</li> </ul> |
| 2       | Audit Committee                       | 18         | Yes                              | <ul style="list-style-type: none"> <li>• Composition of Audit Committee</li> <li>• Meetings of Audit Committee</li> <li>• Powers of Audit Committee</li> <li>• Role of Audit Committee and Review of Information by the Audit Committee</li> </ul>   |
| 3       | Nomination and Remuneration Committee | 19         | Yes                              | <ul style="list-style-type: none"> <li>• Composition of Nomination and Remuneration Committee</li> <li>• Role of Nomination and Remuneration Committee</li> </ul>  |
| 4       | Stakeholders' Relationship Committee  | 20         | Yes                              | <ul style="list-style-type: none"> <li>• Composition of Stakeholders' Relationship Committee</li> <li>• Role of Stakeholders' Relationship Committee</li> </ul>  |
| 5       | Risk Management Committee             | 21         | Yes                              | <ul style="list-style-type: none"> <li>• Composition of Risk Management Committee</li> <li>• Role of Risk Management Committee</li> </ul>  |
| 6       | Vigil Mechanism                       | 22         | Yes                              | <ul style="list-style-type: none"> <li>• Formulation of Vigil Mechanism for Directors and Employees</li> <li>• Direct access to Chairperson of Audit Committee</li> </ul>  |

| Sr. No. | Particulars   | Regulation      | Compliance Status<br>Yes/No/N.A. | Compliance observed for the following:  |
|---------|---|-----------------|----------------------------------|---|
| 7       | Related Party Transactions  | 23              | Yes                              | <ul style="list-style-type: none"> <li>• Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions</li> <li>• Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee, Board of Directors and Shareholders.</li> <li>• Review of transactions pursuant to aforesaid Contracts.</li> </ul>   |
| 8       | Corporate Governance requirements with respect to subsidiary of Listed entity | 24              | Yes                              | <ul style="list-style-type: none"> <li>• Review of investments made by unlisted subsidiary companies by the Audit Committee.</li> <li>• Minutes of Meetings of Board of Directors of unlisted subsidiary companies placed at the Meetings of the Board of Directors of the Company.</li> <li>• Review of significant transactions and arrangements entered by the Unlisted Subsidiary Companies.</li> </ul>   |
| 9       | Obligations with respect to Independent Directors                             | 25              | Yes                              | <ul style="list-style-type: none"> <li>• Maximum Directorship and Tenure</li> <li>• Meetings of Independent Directors</li> <li>• Familiarisation of Independent Directors</li> </ul>  |
| 10      | Obligations with respect to Directors and Senior Management                   | 26              | Yes                              | <ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees</li> <li>• Affirmation with compliance to Code of Conduct and Ethics from Directors and Management</li> </ul>  |
| 11      | Other Corporate Governance Requirements                                       | 27              | Yes                              | <ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• Filing of Quarterly Compliance Report on Corporate Governance</li> </ul>   |
| 12      | Website   | 46(2)(b) to (i) | Yes                              | <ul style="list-style-type: none"> <li>• Terms and conditions of appointment of Independent Directors</li> <li>• Composition of various Committees of Board of Directors</li> <li>• Code of Conduct and Ethics for Directors Management Personnel</li> <li>• Details of establishment of Vigil Mechanism / Whistle Blower Policy</li> <li>• Policy on dealing with Related Party Transactions</li> <li>• Details of familiarization programmes imparted to Independent Directors</li> </ul> |

**DECLARATION BY MANAGING DIRECTOR WITH RESPECT TO  
COMPLIANCE WITH CODE OF CONDUCT OF  
GODREJ AGROVET LIMITED (“THE COMPANY”)**

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, this is to confirm that all the Members of the Board of Directors and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2018.

**For Godrej Agrovet Limited**

**B. S. Yadav**  
**Managing Director**  
(DIN: 00294803)

Date: May 14, 2018  
Place: Mumbai

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To  
The Members of  
**Godrej Agrovet Limited**

We have examined the compliance of conditions of corporate governance by Godrej Agrovet Limited (the 'Company') for the period October 16, 2017<sup>1</sup>, to March 31, 2018 as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates**  
**Company Secretaries**

**Prakash K. Pandya**  
**Partner**  
**FCS No.: 3901**  
**C P No.: 2311**

Date: May 14, 2018  
Place: Mumbai

<sup>1</sup> The company has been Listed w.e.f. October 16, 2017.