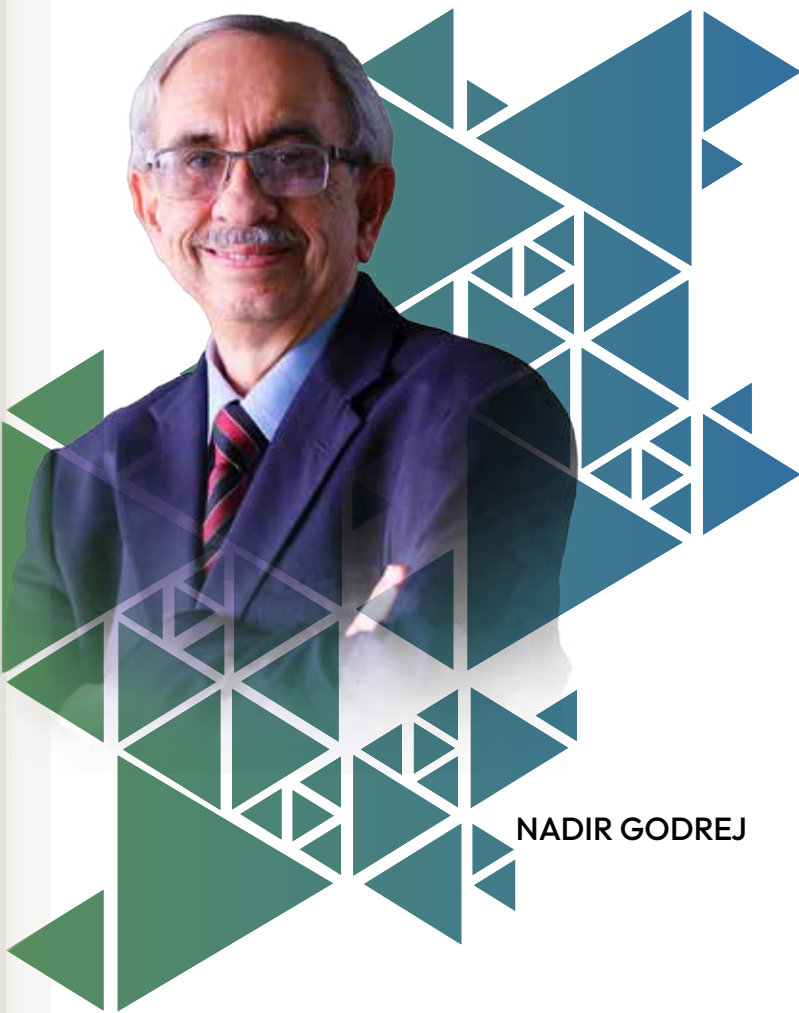


FROM THE DESK OF THE CHAIRMAN



NADIR GODREJ

Dear Shareholders,

It is my privilege to present to you the performance review of your Company for the financial year 2024-25. I hope this letter finds you and your families well & safe.

It has been a year of resilience, transformation, and consolidation across all our business verticals amidst a volatile global environment and an evolving domestic economic landscape. The global economic environment in FY25 was marked by heightened geopolitical tensions, uncertain trade dynamics, climate-related disruptions, and increased protectionism. Events such as the Russia-Ukraine war, Middle East conflict, and widespread elections globally created disruptions in trade routes and energy supplies, triggering inflationary pressures.

Amidst this backdrop, India's economy remained a bright spot with a projected real GDP growth of 6.5%. This was driven by the stellar performance of the agriculture and services sectors. India's structural reforms, resilient demand, and a stable macroeconomic framework enabled businesses like ours to thrive.

India's agricultural and allied industries continue to be a pillar of the economy, serving as a principal source of income for 46% of the population. FY25 saw strong performance in foodgrain production, horticulture output, and an increase in reservoir levels which supported rural income. The government's pro-farmer Union Budget introduced targeted schemes such as the Dhan-Dhaanya Krishi Yojana and Mission for Aatma nirbharta in Pulses, which bode well for the sector.

As a leading agri-business company, our alignment with national goals and farmer-centric innovation played a key role in our progress.

The year gone by, turned out to be highly favourable for Godrej Agrovet in terms of increasing our overall profitability compared to previous year. Our Profit Before Tax (PBT) grew by 19% from ₹ 421 Crore in FY 2023-24 to ₹ 500 Crore in FY2024-25. The growth in profitability was primarily driven by stellar performance of domestic Crop Protection Business, improved end product prices in Oil Palm Business, margin expansion in Dairy business through operational efficiencies and favourable commodity positions & cost optimization measures in Animal Feed.

Before we dive into performance for the year, I would like to express my sincere gratitude to all our shareholders for their unwavering trust and support in Godrej Agrovet, especially during these volatile times. We truly value your contribution and remain steadfast in our commitment to create sustainable and long-term value for our esteemed shareholders.

Consistent revenue growth combined with strong profitability provides a solid foundation for enhanced performance in the years ahead

While the year presented numerous challenges, we made sure that most of your Company's businesses remained focused on increasing their market share and margin expansion.

In the Animal Feed business, the segment witnessed strong profitability growth (26% YoY) despite flat volumes. Our flagship brand 'Samruddhi' maintained leadership in Western India, and the new launch 'Godrej Pride Hog' positioned us strategically in the pig feed market. Our JV in Bangladesh remained resilient amid challenges.

Standalone Crop Protection segment achieved a stellar margin expansion to 40%, led by the HITWEED herbicide portfolio. Despite industry-wide pressures, our focus on customer-centricity, digital transformation, and credit discipline paid off. Our subsidiary Astec LifeSciences Limited faced temporary volume and pricing headwinds but remains focused on scaling R&D and expanding its portfolio.

Your Oil Palm Business was a standout performer, with revenue and margin growth fuelled by higher realizations in Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) of 32% and 43% respectively. Our forward integration initiatives, including a 100 MT/day Palm Kernel Oil Refinery, and Samadhan Centers for farmer support, will reinforce our leadership in this segment.

Your Company's subsidiary Creamline Dairy Products Limited ("CDPL") posted a 160% y-o-y profit increase. Gains were driven primarily in procurement efficiencies and growth in value-added products (VAP), which now comprise 37% of sales. The 3x3 strategy for Andhra Pradesh and Telangana lays a roadmap for future growth.

In Godrej Foods Limited ("GFL"), we acquired the remaining stake of 49% from the minority shareholders, we now hold 100% ownership. While profitability was subdued, our focus is on boosting branded offerings like Real Good Chicken and Yummiez, improving channel mix and operational efficiencies.

Robust Balance sheet and reinforcing our foundation for value creation

During FY 2024-25, your Company reported lower debt to equity profile on standalone basis. Your Company has lowered the debt to equity ratio (Standalone) from 0.24 in FY 2023-24 to 0.19 in FY 2024-25. The net debt has reduced from ₹ 550 crore in FY2023-24 to ₹ 500 crore inspite of investments made to the tune of ~₹ 525 crore. This was achieved by effectively managing the working capital of your Company. Also, your Company's consolidated Return on Capital Employed (RoCE) improved from 13.1% in FY 2023-24 to 15.2% in FY 2024-25, reflecting improved margins and reinforcing our foundation for enhanced value creation in the years ahead.

R&D and future-ready digital investments to aid in long-term consistent growth

Godrej Agrovet continues to make strategic investments in advanced R&D capabilities across its diverse business verticals. These efforts, along with the adoption of digital platforms, have enhanced data-driven decision-making and strengthened farmer engagement. Initiatives such as the Farmer Management System app and digital integration across the supply chain are improving both agility and traceability.

India's agricultural sector is undergoing a transformative shift driven by the adoption of precision and climate-resilient farming practices. The integration of technologies such as IoT, AI, drones, and satellite imagery is enhancing farm productivity while promoting sustainable agriculture in response to evolving climate and consumer demands. Your Company is actively supporting this transition by leveraging digital tools to strengthen farmer engagement, improve product quality, and expand market access. Through real-time communication platforms and AI-driven advisory services, we are empowering farmers to become more competitive and resilient, while also unlocking new revenue opportunities across the value chain.

Our subsidiary, Astec LifeSciences' advanced R&D center for Chemical Research, which was launched last year, is now fully operational and actively contributing to innovation across our portfolio. It complements our existing R&D infrastructure in Animal Feed, Oil Palm, and Crop Protection, further strengthening our research-led approach to sustainable growth. These forward-looking investments reinforce our position at the cutting edge of agricultural innovation.

Way Forward

As we move into FY26, we remain committed to transforming Indian agriculture through innovation, partnerships, and sustainability. Our vision is to empower every farmer with solutions that are productive, profitable, and environmentally responsible.

While our core strategic priorities remain consistent, I would like to reaffirm key aspects of our long-term sustainable growth agenda. At Godrej Agrovet, we understand that the Food and Agri sectors—both in India and globally—are naturally subject to high volatility. To manage this inherent unpredictability, we have deliberately diversified our operational portfolio over time. We also drive synergies and cost efficiencies by centralizing key support functions such as finance, legal, IT, strategy, manufacturing, and human resources across our business verticals.

Looking ahead, our focus is firmly on strengthening resilience and enhancing profitability across all segments. A core pillar of our strategy is to reduce exposure to cyclical fluctuations while increasing the share of high-margin offerings. In Creamline Dairy, we plan to build on the operational efficiencies achieved this year by further expanding our value-added product portfolio. At Godrej Foods, our focus is to reduce dependence on the live bird segment and scale up our margin-accretive branded products business.

In Astec LifeSciences, we intend to accelerate growth in our Contract Development and Manufacturing Operations (CDMO), leveraging our new, advanced R&D center to increase CDMO's contribution to overall revenues. In the domestic Crop Protection business, our emphasis is on broadening our product range to serve both cropping seasons and developing a robust pipeline of in-licensed and proprietary products. Meanwhile, in the Vegetable Oil segment, our strategy includes margin enhancement across the value chain. These focused strategic initiatives are designed to unlock long-term value, drive consistent growth, and reaffirm our commitment to innovation and operational excellence in agriculture.

Digital Transformation – a must to achieve efficiencies

At Godrej Agrovet, we have initiated a strategic digital transformation journey to align with the evolving aspirations of our diversified business segments. Throughout FY 2024-25, the Company focused

considerable efforts on this initiative, encompassing majority of its operational areas. This began with a thorough identification of core challenges, followed by the formulation of a robust roadmap aimed at enhancing efficiency, automation, and intelligence across functions.

Capitalising on this progress, the Company now plans to roll out a range of digital initiatives across sales and marketing, supply chain, and manufacturing. These steps are designed to drive future readiness and deliver superior value to our stakeholders.

Sustainability – A Godrej way of doing business

At Godrej Agrovet, we remain deeply committed to addressing environmental challenges and supporting community development through purposeful, long-term initiatives. Our sustainability goals are aligned with the Godrej Group's Good & Green vision, which aspires to build a more inclusive and environmentally sustainable future.

For the second consecutive year, we have been included in the "A-" list – leadership band of Climate Disclosure Project (CDP). GAVL CDP scores are ahead of the global averages.

We made notable strides toward our 2025 sustainability goals, with 80% of our energy needs now being met through clean, renewable sources—progressing well towards our 90% target. Additionally, we continue to maintain our status as a water positive company, currently conserving 16 times more water than we consume.

Your Company had successfully completed submission of Greenhouse Gas (GHG) emissions reduction roadmap target in line with Science Based Target's (SBTi) "Well Below 2°C" scenario. GAVL was one of the first Agri company in India to commit to reduction in Scope 1 & Scope 2 GHG emissions by 37.5% and Scope 3 emissions by 16.0% by 2035. During the year, we achieved 19% reduction in Scope 1 & Scope 2 GHG emissions.

Towards achieving Carbon Neutrality by 2035, we have sequestered 29,750 MT of CO₂ in FY 2024-25 which accounts for 28% of the annual CO₂ emission target of GAVL.

Your Company was conferred the "CII Climate Action Program (CAP 2.0) Award," a prestigious national recognition for proactive climate initiatives undertaken by industries. GAVL received the "Oriented" rating—the second-highest category—highlighting our progress in climate action. This recognition strengthens stakeholder confidence and reinforces our commitment to managing climate-related risks responsibly.

On the people front, our livelihood initiatives remained centered on fostering sustainable economic growth for vulnerable and low-income communities. Through our CSR efforts, we enhanced the livelihoods of over 15,000 households and supported the educational journey of more than 16,000 students.

At Godrej Agrovet, we strive to create a safe and dignified working environment. We value diversity within the Godrej Group and are committed to offering equal opportunities.

Before I conclude, on behalf of the Board of Directors and the management, I would like to thank our employees, business partners, customers, vendors, investors and other stakeholders for their trust, efforts and contribution to the Company. We sincerely hope for your continued support as we take this Company forward, the Godrej way.

Nadir Godrej
(Chairman)