Godrej | CONSUMER PRODUCTS

ANNUAL & INTEGRATED REPORT

2019-20

Goodknight Gold Flash,
India's most powerful liquid vapouriser
with visible vapours

Visit our GCPL
Annual and Integrated
Report microsite

Contents

Financial Statements

Integrated Reporting

At Godrej Consumer Products Limited (GCPL), we have been publishing a statutory annual report, in line with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; Companies Act, 2013; and Secretarial Standards. This is our second Annual and Integrated Report, aligned with the principles of the International Integrated Reporting Framework (referred to as the <IR> framework) developed by the International Integrated Reporting Council (IIRC). In addition, this report is aligned with the Global Reporting Initiative (GRI) standards required by the Sustainability Reporting Guidelines of GRI and the Business Responsibility Report (BRR) requirements of SEBI.

Content of the report

Through integrated reporting, we aim to share an overview of our financial and non-financial performance that has helped create short-term and long-term values for our stakeholders.

This report provides insights on:

- Material issues and our operating context
- Governance structure
- Our key strategies
- Our approach to value creation within each of the capitals
- Our performance against identified key performance indicators (KPIs)
- Interconnectedness between our material issues, strategies, performance, and value creation
- Financial and statutory reports

Reporting period

All information, financial and non-financial, is reported for the period from April 1, 2019 to March 31, 2020. For our performance on sustainability, we have also incorporated comparative figures for the previous year (fiscal year 2019) and baseline year (fiscal year 2011, except for statutory financials) for a holistic overview.

Godrej Protekt mr. magic - a first of its kind powder-to-liquid handwash - is our innovative, sustainable new solution to cleaner hands

Scope and boundary

This report is for GCPL, including GCPL manufacturing plants in India, Africa, Indonesia, Latin America, and USA.
The data and content are consolidated for the business, unless otherwise specified.

Management committee endorsement and assurance

The GCPL Management Committee remains committed to high levels of disclosure and transparency in communication with all stakeholders. The Committee has been involved in the process of drafting this report and fully endorses its contents.

Materiality

Approach to materiality

We approach materiality from a strategic and value-creation perspective. Material issues are identified by engaging in conversations with our stakeholders and monitoring broad trends in the industry. Performance on material issues forms the core content of this Annual and Integrated Report. In fiscal year 2020, we conducted an extensive materiality exercise, which involved engaging an external partner and enabling a thorough understanding of the relationship of the material issues with our business risks, objectives, and value creation.

The process of determining materiality at GCPL is compliant with the prescriptions of the IIRC and draws from the six capitals of integrated reporting.

Methodology

Materiality analysis was performed through identification and prioritisation. A systematic step-wise process was followed. First, relevant insights were collected through primary and secondary research and, then, necessary calculations were performed to obtain the materiality matrix. Primary inputs were obtained through direct stakeholder engagement, through discussions on material issues with various stakeholder groups. Furthermore, surveys were conducted to reach out to employees and gather information at scale.

Overview of the methodology

Identify issues across six capitals
(Issue identification)

- GCPL sustainability reports
- Peer analysis
- Sector trends
- Internal team consultation

Engage with 450+ key stakeholders on material issues
(Stakeholder engagement)

- Leadership team
- Employees
- Investors
- Suppliers
- Distributors
- NGO partners
- Consumers
- Beneficiaries
- Industry associates

Develop materiality matrix using specialised tool
(Issue prioritisation)

- Stakeholder responses
- External requirements
- Significant assessment
- Internal team consultation

Stakeholder engagement

The secondary research primarily involved analysis of various sector trends, sustainability reports and select peer analysis. These aspects were further rated based on the level of importance ascertained by us and our stakeholders.

Upon identifying a broad list of material issues, interactions were initiated with each key stakeholder group. Each material issue was assessed for its relative importance with respect to different stakeholder groups and aggregated. Stakeholder analysis was performed by identifying key stakeholders and administering tailored questionnaires to each of them.

To develop the materiality matrix, it was necessary to collate stakeholder responses. Because not all stakeholders are equally important in the organisational context, they were rated based on two parameters: ability to influence GCPL and extent of influence due to GCPL. Stakeholders were then assigned weightages on the basis of these two parameters.

Stakeholder prioritisation

Stakeholder group	Ability of stakeholder to strongly influence GCPL's performance and operations	Extent of influence on stakeholder due to GCPL's performance and operations
Leadership Team	High	High
Employees	Medium	High
Suppliers	Medium	Medium
Distributors	Medium	Medium
Consumers	Medium	Medium
Investors	Medium	High
NGO Partners	Low	Medium
Beneficiaries	Low	Medium
Industrial Associations	Low	Medium

Feedback from stakeholders determined our top material issues, which are all within our boundary of operations. Our material issues are linked to our strategic pillars.

Top material issues	Link to our strategic pillars
1. Sustainable packaging	• Accelerating innovation and building purposeful brands: Integrating sustainability into our brand purpose through sustainable packaging • Enhancing go-to-market: Differentiating our products and exploring new market segments • Building a more inclusive and greener world: Driving responsible consumption by reducing post-consumer footprint of packaging material
2. Research and development (R&D)	• Accelerating innovation and building purposeful brands: Developing products with natural ingredients to differentiate our products from those already available in the market and improve market position • Making our supply chain best in class: Integrating sustainable materials into our supply chain for rapid innovation and product development • Building a more inclusive and greener world: Reducing the overall footprint of our product penetration
3. Responsible marketing and communication	• Extending leadership in core categories and geographies: Differentiating our brands through facilitating responsible communication and improving penetration in existing markets • Accelerating innovation and building purposeful brands: Communicating the brand purpose to targeted markets to build product relevance • Leveraging digital: Connecting directly with consumers to build trust and brand loyalty

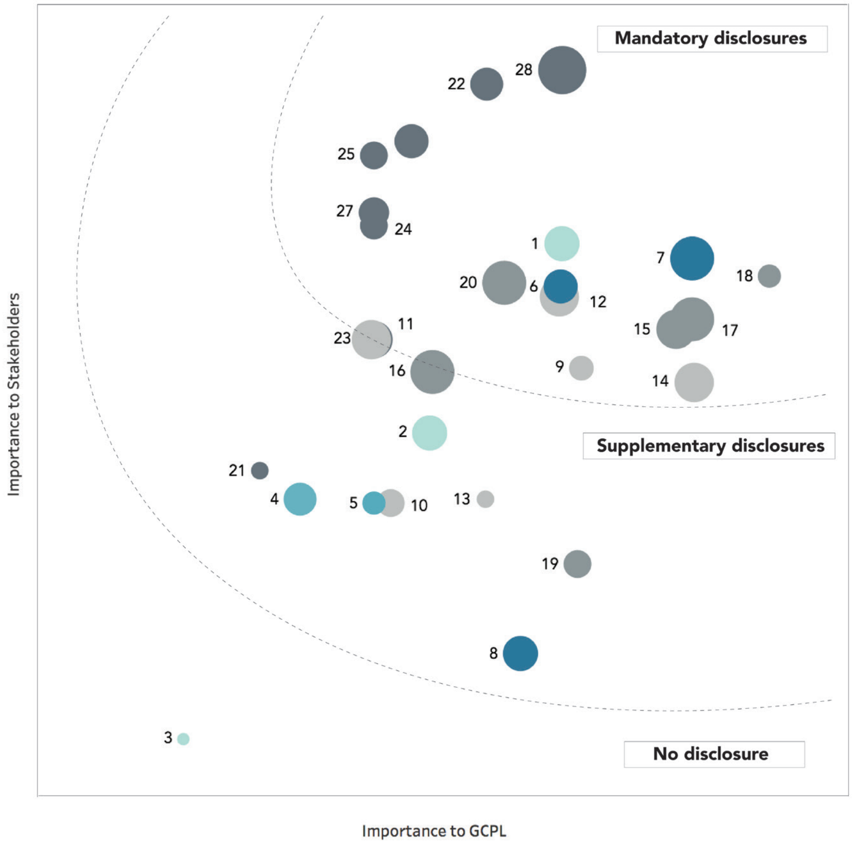
Top material issues	Link to our strategic pillars
4. Building inclusive and prosperous communities	• Making our supply chain best in class: Improving the environmental footprint of our entire supply chain • Building a more inclusive and greener world: Improving social relationships through CSR interventions in local communities
5. Governance and accountability	• Making our supply chain best in class: Improving the performance of our entire value chain through governance, codes, policies and audits • Fostering an inclusive, agile, and high-performance culture: Harnessing our company purpose to build greater engagement with team members and drive agility and innovation
6. Occupational health and safety	• Making our supply chain best in class: Ensuring best practices are followed to improve overall performance across the value chain • Fostering an inclusive, agile, and high-performance culture: Building greater engagement with team members by focusing on their safety and well-being
7. Skill development and training	• Extending leadership in core categories and geographies • Leveraging digital: Achieving improved growth and market penetration by developing the skills (including digital skills) of team members • Fostering an inclusive, agile, and high-performance culture: Enhancing skills of team members to build capabilities and improve engagement

The following figure maps out the entire universe of material issues and stakeholder input and its significance in our business.

GCPL Materiality Matrix

GCPL Materiality Matrix

Number	Material issues
1	Greater market penetration
2	Robust revenue growth
3	Ensuring reliable access to capital
4	Asset utilization
5	Capacity expansion
6	Product safety and quality
7	Research and development
8	Enhancing digital capabilities
9	Human rights across value chain
10	Employee engagement
11	Diversity and inclusion
12	Occupational health & safety
13	Developing leadership capabilities
14	Skill development & training
15	Governance and accountability
16	Regulatory compliance
17	Responsible marketing & communication
18	Responsible supply chain
19	High customer service level
20	Building inclusive and prosperous communities
21	Conservation of biodiversity
22	Responsibly sourced / Certified raw materials
23	Renewable energy
24	Energy efficiency
25	Water recycle and reuse
26	Waste management and circular economy
27	Reduction of GHG emissions
28	Sustainable packaging



A note on COVID-19

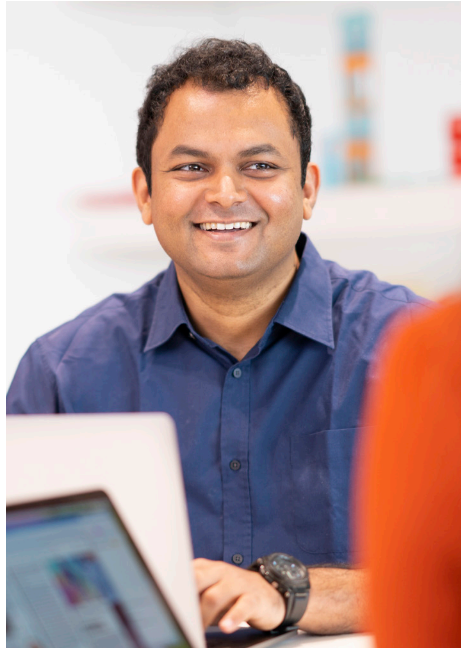
The novel coronavirus outbreak in the last quarter of fiscal year 2020 has significantly affected the consumer goods industry. However, at the time of this materiality exercise, the outbreak did not have a noteworthy impact. From the risk management perspective, we are monitoring and acting against the outbreak in line with our internal crisis management plan, which is overseen by the Global Risk Committee. More details regarding our response can be found in the 'Risks and Opportunities' section and the message from our Chairperson.

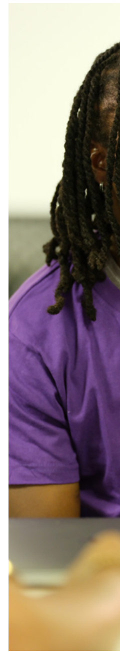
From the perspective of this materiality analysis, the outbreak has been treated as a singular event which occurred towards the end of the reporting cycle, rather than as a long-term and substantial risk to the business. During the reporting cycle, the pandemic was still developing and there was a high degree of uncertainty regarding its nature and progression. The materiality of this pandemic will be revaluated in the next reporting year in terms of the global and national response to the outbreak, the level of impact on our business and supply chains, and the likelihood of such events recurring in the future.












Our Company

Godrej Consumer Products is a part of the over 123-year-young Godrej Group. We are fortunate to have a proud legacy built on the strong values of trust, integrity, and respect for others. As an emerging market company, we have witnessed rapid growth and are pursuing our exciting and innovative aspirations.

Today, our Group enjoys the patronage of 1.15 billion consumers globally, across different businesses. In line with our 3 by 3 approach to international expansion, we are building our presence in three emerging markets, namely Asia, Africa, and Latin America, across three categories (home care, personal care, and hair care).

We rank among the largest household insecticide and hair care players in the emerging markets. In household insecticides, we are the leader in India and Indonesia and are expanding our footprint in Africa. We are the leader in serving the hair care needs of women of African descent and are the number one player in hair colour products in India and sub-Saharan Africa, and among the leading players in Latin America. We rank second in soap products in India, first in air freshener products in India and Indonesia, and lead in wet tissue product in Indonesia.

But for us, it is very important that besides our strong financial performance and innovative, much-loved products, we remain a good company. Approximately 23 per cent of the promoter holding in the Godrej Group is held in trusts that invest in the environment, health, and education. We are also bringing together our passion and purpose to make a difference through our Good & Green approach to build a more inclusive and greener India.

At the heart of it all is our talented team. We take much pride in fostering an inspiring workplace with an agile and high-performing culture. We are also deeply committed to recognising and valuing diversity across our teams.

Board of Directors

Nisaba Godrej *
Executive Chairperson

Adi Godrej
Chairman Emeritus

Vivek Gambhir **
Managing Director and CEO

Jamshyd N Godrej
Non-Executive Director

Nadir Godrej
Non-Executive Director

C C

* Appointed as Chairperson and Managing Director w.e.f. July 1, 2020

** Ceased to be the Managing Director and CEO w.e.f. close of business hours of June 30, 2020. Will continue as Whole Time Director till September 30, 2020.

Board Committees

Nomination and Remuneration Committee
Audit Committee
Risk Management Committee
CSR Committee
Stakeholders Relationship Committee
Chairman

Ireena Vittal
Lead Independent Director

Aman Mehta
Independent Director

Omkar Goswami
Independent Director

Ndidi Nwuneli
Independent Director

Narendra Ambwani
Independent Director

Pippa Tubman Armerding
Independent Director

Tanya Dubash
Non-Executive Director

Pirojsha Godrej
Non-Executive Director

Sumeet Narang
Independent Director

Nisaba Godrej with her 'dream product and dream technology' – our Mr. Magic powder-to-liquid hand wash

Watch the Mr. Magic hand wash story

A letter to our shareholders

Dear shareholders,

Over the last decade, GCPL has transformed into an emerging markets FMCG leader. While we are very proud of our achievements as a company, I believe we are only as good as what we do next.

Before I share with you my reflections on what we need to do going forward to build towards this, I want to take stock of where we are today; the good news, and the bad.

The bad news

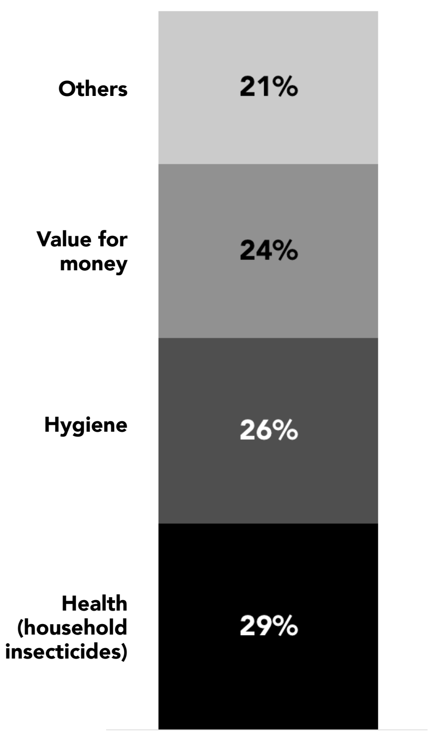
Our performance in fiscal year 2020 was not good. Sales declined around 4 per cent and Profit Before Tax (pre exceptions) was flat. March 2020 was particularly impacted by the spread of the COVID-19 pandemic and the eventual lockdown in many geographies where we operate. This resulted in virtually no sales in the latter part of the month.

We now have with COVID-19, a health, humanitarian and economic crisis of epic proportions to contend with. The excellence we will require now, going against water rather than with water, to perform and take market share, means a significant step up in ways we probably haven't even realised yet.

The good news

In our internal conversations, I have been telling our people – Yes, there is no denying that this is a bad situation. But, we are also fortunate that GCPL is an FMCG company with a robust portfolio to deliver in a COVID-19 world. Eighty per cent of our product portfolio comprises health (household insecticides), hygiene, and value for money products. Many of our innovations have started playing out fully in the last couple of months and we have seen high growth in household insecticides and hygiene. We have gained share across categories in India and our exit market shares in March were our highest ever.

While we don't get to choose market conditions or the intensity of our competitors, and certainly not a global pandemic, we do choose our attitude in the face of these. Godrej was founded in a crisis; as part of India's freedom and swadeshi movement in 1897, and also during the bubonic plague that year. We first made soap in 1918 (also the first soap in the world to be made from vegetable oil and not animal fat) during the Spanish flu pandemic. So, as we see it, 2020 could be our 'second beginning' for the next 123 years of Godrej.



Global category salience

1. Health (household insecticides)
"Protects me from disease and prevents need to go to the hospital"
- Presence across formats and price points

2. Hygiene
"Keeps me and my surroundings sanitised from COVID and other infectious diseases"
- Strong current portfolio of soaps, hand wash, and wipes
- Significant number of new and upcoming launches across geographies in personal and home hygiene
- Strongly price-enabled (e.g. mr. magic at INR 15/USD 0.20)

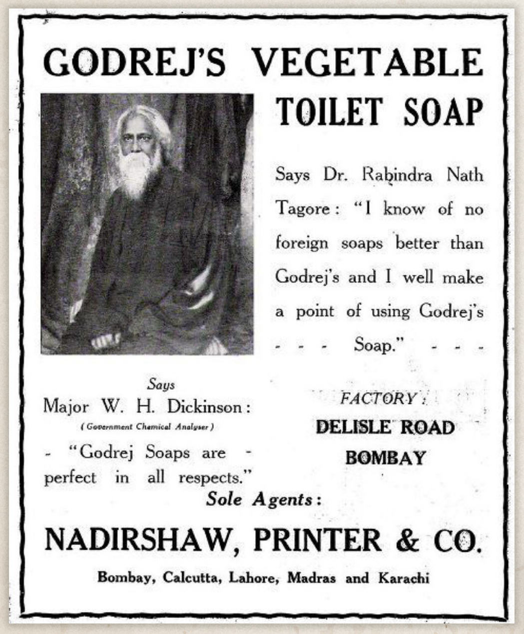
3. Value for money products
"Gives me high quality products at affordable prices"
- Significant number of products in other categories which are price-enabled and can take advantage of consumer downtrading
- Potential to gain significant share across countries

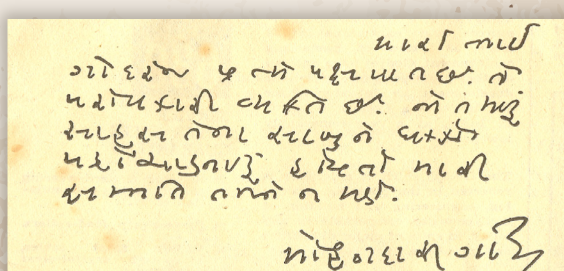
80 per cent of our product portfolio comprises health, hygiene, and value for money products

Godrej was founded in India's freedom movement. We made the first vegetable oil soap during the Spanish flu pandemic.

Our first soap is also the first in the world to be made from vegetable oil

In the early 1900s, Godrej soaps are endorsed by Annie Besant, C. Rajagopalachari, and Rabindranath Tagore, among others





One of our most treasured possessions, Mahatma Gandhi's letter to a favour- seeking competitor: "I hold my brother Godrej in such a high regard that if your enterprise is likely to harm him in any way, I regret very much I cannot give you my blessings."

What do we need to do now?

Our purpose of **bringing the goodness of health and beauty to consumers in emerging markets** has never had deeper meaning or resonated more strongly than it does right now.

Watch our purpose video

We need to do more of what we do and do it even better. There is tremendous scope to leverage our global category insights (in household insecticides, hygiene, hair care, and air care) and unique multi-local approach to create long-term growth in our geographies. We will do this by offering amazing quality products at affordable prices. But more importantly, while helping solve significant global problems, including protecting our consumers from viruses and insect borne diseases. Our approach - low cost manufacturing; value for money, disruptive, sustainable products; very strong go to market capabilities - is focused on creating this delight for our consumers.

What particularly drives me is this opportunity to innovate for very disruptive products that create penetration and actually solve real problems for our consumers. Our one rupee paper-based mosquito repellent, Goodknight Fast Card for example, broke barriers, and drove penetration and reach in rural India where electricity is a problem and people cannot use electric mosquito repellents. Godrej Expert Rich Créme, which democratised hair colour créme colouring in India, is a créme hair colour in a sachet which costs just ₹30 and compares in quality to much higher priced products. Our Mr. Magic powder-to-liquid hand wash, will do just the same with democratising hand washing, which is a key tool to keep us safe from disease.

We are focusing our efforts and going where the demand is – in household insecticides, hygiene, and value for money. We have several new launches; strongly price-enabled, across geographies, to create more goodness. It is not just our categories; our channels too are seeing a shift, and we will be doubling down on platforms like e-commerce and chemists. Like Dharnesh Gordhon, our new Africa cluster business head, keeps reminding us, a crisis is a terrible thing to waste.

Democratising categories with value for money portfolios

Global

INR 15 I USD 0.20

First powder-to-liquid hand wash

Global

INR 10 I USD 0.13

First 1 rupee insecticide

Global

INR 30 I USD 0.40

First sachet hair colour créme

Latin America

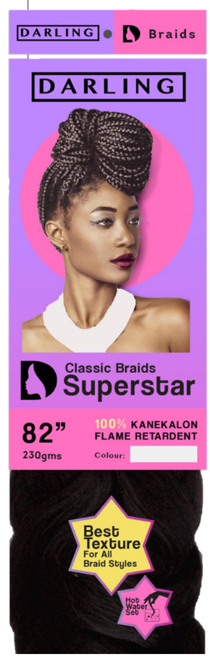
USD 1.85

First sachet hair colour créme

Across Africa

USD 1-2

Braids



1. Drive the resurgence of household insecticides

2020 will be the Year of Resurgence for our household insecticides business. This is our largest and most critical category globally. We are going where the consumer demand is and the demand is to protect their health. We see this as a long-term area of focus. People are definitely being more careful; they don't want to take chances and want to protect themselves from insect borne diseases like malaria and dengue, which are on the rise.

In fact, if anything, our struggle initially was enabling supply to meet demand, which has been very strong in the last couple of months. We are scaling up our supply systems and have never had stronger portfolios across price points and formats, in India and Indonesia, to serve this. We are also making a foray into this category in Africa, where it is still underserved.

Our household insecticides strategy is multi-pronged. We want to drive penetration with lower price point products, drive premiumisation with very efficacious and safe electrical products, as well as meet the consumer need for natural-based products. Our largest, most profitable format is liquid vaporisers. Last year, we launched Goodknight Gold Flash, India's most powerful liquid vapouriser and the only one with visible vapours, a major breakthrough in technology and efficacy.

In the last couple of years, we have been impacted by unorganised incense sticks players, whose products are not just part of an unorganised market, but also illegal and dangerous to use. Our mistake was to spend too much time in conversations and messaging about how they are illegal, instead of reacting quickly enough. But, we have corrected the missteps we made on that front. We also have a full naturals range of coils, incense sticks, fly spray, liquid vapouriser, and personal mosquito repellent products on offer.

The revolutionary Goodknight Gold Flash

- **Most powerful liquid vapouriser in India**
- **Disruptive heat-based technology and visible efficacy through flash vapours**
- **Upgrading users of formats such as coils and burning solutions such as incense sticks**

The Goodknight Naturals range

Our household insecticides portfolio in India

Burning

Aerosol

Electric

Personal

Naturals

Non-mosquito

2. Invest behind significant innovation and growth in hygiene

There is significant opportunity to innovate and grow our hygiene portfolio, which is currently 26 per cent of our global business, by expanding our existing strongholds in soaps in India, and wet wipes and disinfectants in Indonesia.

In response to COVID-19, we launched sanitiser products across our India and SAARC, Indonesia, Africa, Latin America, and USA businesses in just a few weeks. In many of these markets, it was the first time we were entering the category. We will now be scaling these up into full portfolios with multiple product offerings.

I am also particularly excited because this is the year for my dream product and dream technology – our Mr. Magic hand wash. It is the first powder-to-liquid hand wash in the world, very sustainable, and available at just ₹15. We see in it, the potential to build out and democratise sanitation and hand washing across countries.

We are also pivoting our existing categories and products for more relevance in these spaces. In air care for example, we have launched new products with dual benefits of sanitation and air care. You will now see our innovation engine in full throttle.

The new Saniter range of hygiene products in Indonesia

Pivoting our air care category for more relevance

The Godrej protekt range of hygiene products in India

3. Ensure full potential growth for India and Indonesia; turnaround for Africa. Be very prudent on costs.

Our businesses in India and Indonesia, which make up roughly 70 per cent of our overall business, are very profitable, and have similar portfolios in health, hygiene, and value for money. There are significant opportunities for growth here, especially given the current consumer demand trends, and we are well poised to leverage this.

We have big dreams for our Africa business and one of our largest investments outside of India, is in the sub-continent. Africa, with its diverse countries, can be quite volatile on the macro-economic front. But where things are tough, there is also a lot of opportunity. Africa has a young, fast-growing, urbanising population with growing aspirations. There is much to yet start unearthing as infrastructure, industrialisation and digital leapfrog. We see tremendous opportunity here, to innovate and grow sustainably both in hair care and household insecticides, while also 'doing good'.

Our African business and its ecosystem is also very women-focused; we have two African women on our Board, 65 per cent of our team members are women and our consumer base is almost exclusively women. So, it is of great personal interest to me. Ardeshir Godrej, founder of the Godrej Group, left behind a legacy in India that is now over 100 years old; I would love to leave behind the legacy of a very purposeful and successful company in Africa.

However, our performance in Africa, over the last few years, has not been up to the mark. As we drive the turnaround, it is very reassuring to be partnering with someone with the experience and passion of Dharnesh Gordhon, our new South Africa-born CEO of Godrej Africa, USA and Middle East.

Cost remains a focus, with Project Pi and newer opportunities we are seeing to be more efficient. We are also laser focused on cash and receivables during this time.

Dharnesh Gordhon,
our South African CEO of Godrej Africa, USA and Middle East

Prior experience
15 years at Nestlé: CEO Nestlé Indonesia, CEO Nestlé Nigeria, Chairman Nestlé Nigeria Trust, Group Sales Director Nestlé Southern Africa
15 years in printing and textile industries in South Africa

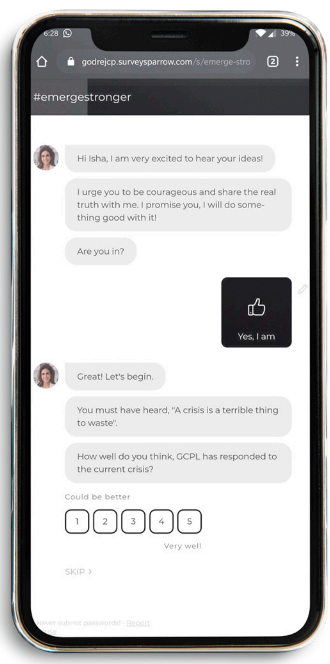
4. Get our execution mojo back; double down on digitisation and sustainability

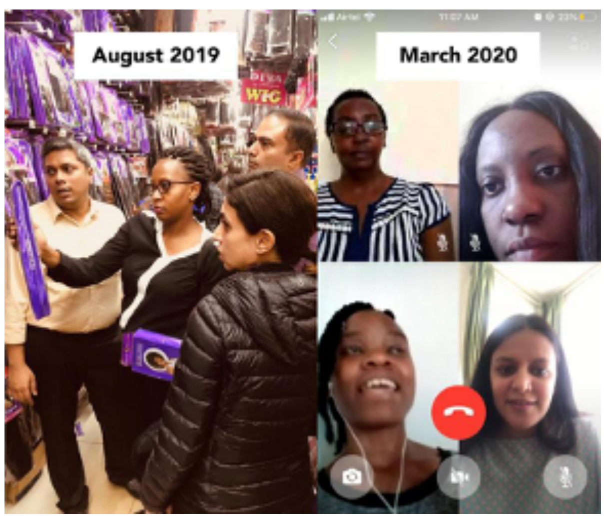
Our India CEO, Sunil Kataria, talks about 'beautiful constraints'. That is probably the best way to describe these lockdowns and our learning. We are moving faster; fixing our missteps and assessing what we should leave behind to travel more lightly. I always tell people that while our values should remain the same, our business should change every five years. This is making us do just that. I feel like the lockdown has unleashed GCPL. My job is to capture that, build on it, and make us unstoppable.

I believe the solutions to the world and Godrej's opportunities and problems lie with people. It is a leadership myth that any one person like the leader has all the answers. That is just not possible. And especially now, in a crisis, leadership must be distributed. That is exactly what we are trying to do. Our leadership team is reaching out and speaking to people in small groups, especially our frontline team members in sales and manufacturing; we are hosting virtual town halls, sharing and asking for feedback real time. A month ago, we launched an app called #EmergeStronger to gather feedback and ideas from across GCPL. We received an overwhelming response, with hundreds of people responding and a 90 per cent participation rate. I am personally reading each of these responses and I am very energised by the passion and drive of our team.

Our new product development cycles have reduced from months to weeks. Consumer research which was always on-ground for FMCG, has moved online. We are now doing consumer conversations though WhatsApp and Zoom calls. Digitisation has never been quicker. In India, we are ramping up our e-commerce business, which is a separate P&L. We have also shifted a lot of connect with our kirana store and general trade partners to various digital platforms.

The new #EmergeStronger app





Our Africa team hosts consumer conversations online

5. Serve our people and communities with love

Our values matter most when it is hard to live them and we will do our very best to truly live The Godrej Way right now. Godrej has always been known for trust. In today's context, we are redefining this as kindness, love, and empathy.

The Godrej Group stands in solidarity with the many efforts to overcome this pandemic. To start with, we have earmarked a fund of ₹50 crore for community support and relief initiatives in India.

This is an initial outlay and we hope to supplement it over time. We are also supporting relief efforts in our other geographies, through community outreach.

As the second-largest maker of soap in India, we will do our best to ramp up innovation and supplies to serve our country. We recently launched the #ProtektIndiaMovement, a nationwide multi-media and multi-channel campaign to promote mass awareness around hand washing and public health.

Our people and their safety and well-being continues to be our most important priority. We shifted to work from home for all our office-based team members in March, before this was mandated by governments. We also significantly boosted safety measures and protocol for Godrejites in frontline sales and manufacturing roles.

Supporting relief efforts across our geographies

Working from home in a lockdown, especially given the rising angst, can lead to more stress and fatigue, unless we balance it out right. Our new ways of working are being designed to reimagine work and jobs for longer term work from home set-ups; boost productivity, while showing people how to make choices and strike a balance. Mental wellness in particular is a big focus. Our Employee Assistance Programme, now globally available, offers resources and one-on-one counselling.

The lockdowns have opened our eyes to many things, among them, realising just how important and interdependent our ecosystems are. So, in addition to the existing medical insurance we have for all GCPL team members, in April, our India team insured over 4,000 extended team members in our channel partner supply and distribution networks, for COVID-19 treatment. We will continue to find more meaningful ways to support our partners.

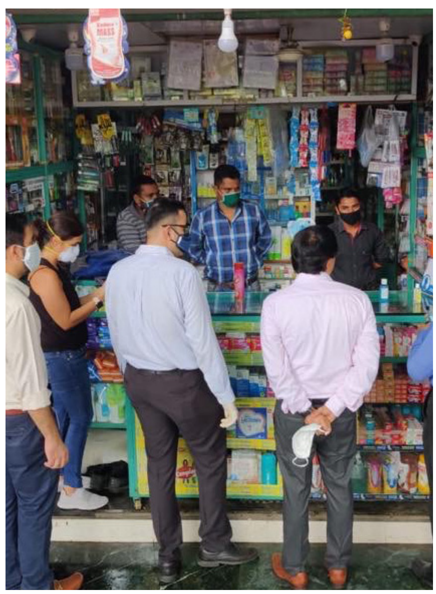
Along with flattening the health crisis curve, this is a time for much introspection on how we need to flatten other equally concerning curves of inequality. As a multi-local conglomerate, delighting over a billion consumers, becoming more inclusive isn't just in our DNA and the right thing to do, it also makes excellent business sense. There is enough research to show that companies with greater diversity in leadership roles are more innovative, customer-centric, and profitable. So, we are building diversity in different ways – through businesses in new geographies, inclusive stances on gender and LGBT+ rights, and hiring for future-ready skills. Rather than narrowing the definition of inclusion, we are broadening it. Our message to the world is that we want to hire all kinds of people and enable them to bring their 'whole selves' to Godrej.

This message would not be complete without a big, big thank you to our incredible team members; for their passion and drive to build a stronger, more purposeful GCPL. To all our customers, business partners, shareholders, investors, and communities, my deep gratitude for your continued support through the years. I will continue to count on your close partnership.

Humanity is going through difficult times right now. We will be remembered for what we do at this time, whether as companies or individuals. I want Godrej to be remembered well and I want you to know that I am not just going to do my best, I am going to do whatever is necessary, to make this possible.

Nisaba Godrej

On a recent market visit with our Mumbai sales team



Manageme
Discussion
and Analys

ent

sis

Our Business Model

Inputs

Financial Capital
- Equity, profits re-invested, investments in assets, and brands

Manufactured Capital
- Dispersed manufacturing clusters
- Global and local R&D centres
- Agile manufacturing through smart automation and IoT

Intellectual Capital
- Strong legacy of the Godrej Group
- Strong portfolio of brands
- Investment in R&D
- Integrated RIDE platform to develop innovative products
- Unique consumer insights though advanced predictive analytics
- Digital command centre

Human Capital
- Skilled manpower across functions
- Investment in training and development
- Prioritising safety
- Fostering diversity and inclusion

Social and Relationship Capital
- Consumer engagement models
- Partnerships with suppliers, retailers, distributors, and wholesalers
- Investment in CSR and community engagement initiatives

Natural Capital
- Sourcing and investment in renewable and non-renewable raw materials for our products
- Investments in green initiatives

Business Process

Purpose

To bring the goodness of health and beauty to consumers in emerging markets

Values

- Trust
- Be Bold
- Create Delight
- Own It
- Be Humble
- Show Respect

Vision

To be the leading emerging markets focused multi-local FMCG player

Strategy

- **3 by 3 approach**
- **Multi-local approach**
- **Seven strategic pillars:**
  1. Extending leadership in our core categories and geographies
  2. Accelerating innovation and building purposeful brands
  3. Leveraging digital
  4. Enhancing go-to-market
  5. Making our supply chain best-in-class
  6. Fostering an inclusive, agile, and high-performance culture
  7. Building a more inclusive and greener world

Outputs

Financial Capital

- Comparable consolidated revenue decline of 2 per cent
- Consolidated Profit Before Tax (pre-exceptions) flat
- ₹8 per share of dividend paid to shareholders

Manufactured Capital

- India's obsolescence reduced to 0.13 per cent
- Saved over ₹2.80 crore in fiscal year 2020 through sustainable manufacturing
- Stock availability in India is 98.04 per cent

Intellectual Capital

- New products launched in India in the last two years doubled in comparison with previous years
- Introduced e-commerce first products
- Injected new growth levers in household insecticides in Indonesia
- New products in wet hair in Africa increased two-fold in revenue
- Wet hair innovation rate in Africa more than doubled
- 77 per cent increase in e-commerce reach

Human Capital

- Consistently ranked in the top quartile of best employers in internal employee engagement survey scores
- 25 per cent of white-collar and 56.5 per cent of blue-collar team members are women
- 21 per cent women in senior leadership roles
- Zero man days lost due to adverse industrial relations
- 73,039 employees and contract workers trained on safety
- 0.35 per cent injury rate

Social and Relationship Capital

- Rural direct distribution reach through 8 million outlets in India, across 66,000 villages
- Number of active outlets in Indonesia increased by 17 per cent, thereby resulting in 1,10,000 monthly outlet transactions
- 4,32,633 young people trained across India and Kenya since fiscal year 2013
- Reached 3.5 million people as part of EMBED since fiscal year 2016

Natural Capital

- Of the 739 metric tonne of hazardous waste, only 2.5 metric tonne was sent to landfill
- 99.7 per cent reduction in waste generated per tonne of production
- 3,553 metric tonne waste per annum diverted from landfill from community projects in India and Kenya

Outcomes

- Leadership positions (market share) across geographies, category penetration, and consumption rate
- Increased consumer reach
- Enhanced long-term value for all stakeholders, including shareholders, customers, consumers, suppliers, distributors, retailers, and the community
- Reduced fresh water use and emissions
- Wealth generated from waste

Risks and Opportunities

We have a comprehensive and structured approach for risk management at GCPL. Across our geographies, we have integrated our risk management practices into the operating framework and

Risks	Opportunities
Supply chain risks are related to the following: • Potential disruption of operations due to geo-medical risks • Labour-intensive product portfolios in some geographies • Inadequate planning in procuring raw material • Inability to deliver material to the customer as per agreed delivery dates	Our manufacturing and supply chain focus is on becoming future-ready. We have initiated projects on Industry 4.0 and are making future-ready investments to ramp up our different processes. We have seen encouraging results in improved productivity, greater accuracy, safety, and efficiency. We will continue to introduce best practices across geographies and are trying to become more agile in responding to constantly changing consumer needs. The core to our approach is how we build win-win relationships with all our partners. We partner closely to ensure capability development and alignment with our core values. Our ongoing engagement with partners has helped us identify emerging issues and adequately respond to them in a timely manner. We have also adopted a sustainable procurement policy that helps us work more closely with our partners to make their operations more sustainable, and build a robust supply chain.
Environmental risks and dependence on natural resources	As a Group, we have always actively championed social and environmental responsibility. As part of our Good & Green vision, we have five environmental sustainability goals to be achieved by fiscal year 2021 to reduce our environmental footprint. We have made good progress against these goals and have analysed areas where we need to ramp up our efforts in the future. We are also exploring a life-cycle analysis of our products and brands and value engineering our products.

reporting channels of our business. From Board level oversight to a dedicated Risk Committee, as a cross-functional team within GCPL, we routinely assess risks across our company and geographies.

While there is a range of risks that are routinely managed in the course of regular operations, the third-party materiality assessment carried out in 2019 highlighted a few risks related to primary material aspects of our business. These, along with the opportunities and mitigation plan, have been described in the subsequent section.

Strategic Pillar Alignment

- Making our supply chain best-in-class

- Building a more inclusive and greener world

Risks and Opportunities

Risks

Competitive risk from:
- Dependency on a few product categories to drive sales
- Product pricing strategy
- Greater aggression by competitors
- Competitive market conditions and new entrants
- New online, offline and omni-channel go-to-market models and channels
- Nimble e-commerce/digital-first brands

Opportunities

We have centered our growth strategy around emerging markets and the emergent consuming class in them. As incomes rise, purchasing power will improve and these markets will mature; new distribution systems and the digital economy are enabling greater reach. To be able to leverage this, we are ramping up our go-to-market and digital strategies and reach to go deeper and improve penetration. Our product ranges across home care, hair care and personal care include household insecticides, hair colour, soaps, air fresheners, liquid detergents, hair extensions, hair care, personal wash, styling in mass and professional markets, skin care, sanitisers, sun care and female deodorants. We are the leaders in most categories in the markets we operate. We are constantly innovating to create superior quality products that have a positive impact on the environment throughout their life cycle, at affordable prices.

Political economy in geographies of operation as follows:
- Political instability
- Macroeconomic risks
- Exchange rate volatility
- Devaluation of local currency
- Inflation
- Impact of economic environments on consumer behaviour

Our globalisation strategy (named '3 by 3') has been very deliberate. Guided by this, over the last decade, we have created significant value through M&A and established strong beachheads. Our focus is to build leadership in three categories (home care, hair care, and personal care) in three emerging geographies (Asia, Africa, and Latin America). Our Risk Committee, along with regional business and finance teams, closely monitors the political economy of each geography to respond and adapt to emerging situations.

Strategic Pillar Alignment

- Extending leadership in our core categories and geographies
- Accelerating innovation and building purposeful brands
- Leveraging digital
- Enhancing go-to-market

- Extending leadership in our core categories and geographies
- Accelerating innovation and building purposeful brands
- Leveraging digital
- Enhancing go-to-market
- Making our supply chain best-in-class

Risks and Opportunities

Risks	Opportunities
Labour risks due to the following: • Shortages due to industrial disputes and attrition of key staff • Health and safety-related risks in manufacturing operations and frontline distribution teams	The safety of our team members is of paramount importance to us. Our people are key to building a strong safety culture, and we regularly train them to enable this. We take much pride in fostering an inspiring workplace with an agile and high-performance culture to attract, develop, and retain the best global talent. We have adopted best-in-class, globally-acclaimed people, policies, and processes, which celebrate diversity and inclusion.
Social risks arising from the following: • Community unrest • Repercussions of natural and man-made disasters	We are now exploring ways to further our commitment through shared value initiatives that create value for both society and business. Our business continuity plans are in place to address any man-made or natural disasters and ensure seamless running of business as usual.
Compliance, regulatory changes, and emerging regulations	We have the highest levels of statutory compliance and ensure adherence to all regulations and laws of the land. Furthermore, our Legal and Audit teams are in constant communication with key government departments and industry bodies to keep track of new and emerging regulations, including environmental, social, and governance (ESG) risks in our operations and supply chain. They routinely assess and analyse regulations to assess how these will impact business to mitigate for the same.

Strategic Pillar Alignment

- Fostering an inclusive, agile, and high-performance culture

- Building a more inclusive and greener world

- Extending leadership in our core categories and geographies
- Making our supply chain best-in-class
- Fostering an inclusive, agile, and high-performance culture
- Building a more inclusive and greener world

Other Disclosures

A. Key financial ratios

	Consolidated		Standalone	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Debtors turnover ratio	8.02	8.05	16.28	18.47
Inventory turnover ratio	6.03	6.52	8.42	9.33
Interest coverage ratio	8.75	9.91	23.97	22.78
Current ratio	1.06	1.20	1.20	1.12
Debt equity ratio (including financial liabilities)	0.32	0.34	0.05	0.00
Operating profit margin (%)	20.17%	19.27%	25.92%	26.59%
Net profit margin (%) *	15.23%	22.91%	21.82%	31.58%
Return on net worth (%) *	18.95%	32.22%	22.86%	35.63%

* The company has recognised tax credits in respect of Minimum Alternate Tax (MAT credit) of ₹609.87 crore (net of ₹24.71 crore of MAT credit utilised for the year ended March 31, 2019).
For the fiscal year ended 2019, there was a gain in exceptional item of ₹252.56 crore (due to reversal of business liability combination and UK divestment), whereas for fiscal year 2020, there was loss of ₹81.05 crore (due to impairment loss and other charges) [Refer note 37 of financials]

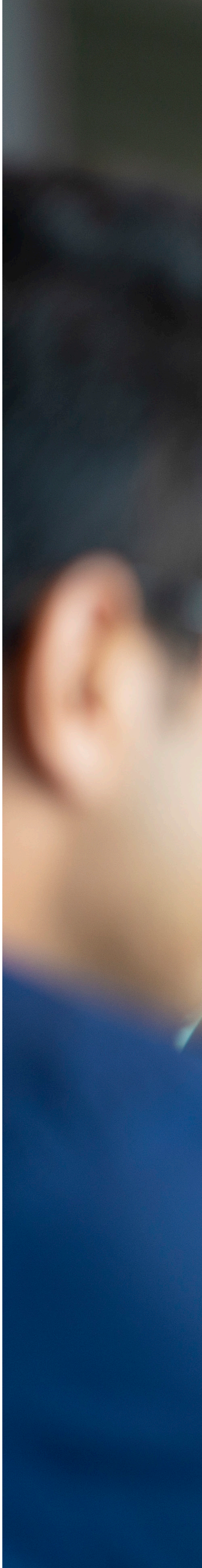
Formulae used for calculation of the ratios

Debtors turnover ratio	Net sales/Average of opening and closing trade receivables
Inventory turnover ratio	Net sales/Average of opening and closing inventories
Interest coverage ratio	Profit before interest, taxes/Finance costs
Current ratio	Current assets/Current liabilities
Debt equity ratio (including financial liabilities)	Debt (net of cash)/Equity
Operating profit margin (%)	Profit before interest, taxes & exceptional items/Net sales
Net profit margin (%)	Profit after tax/Net sales
Return on net worth (%)	Profit after tax/Equity

B. Internal control systems and their adequacy

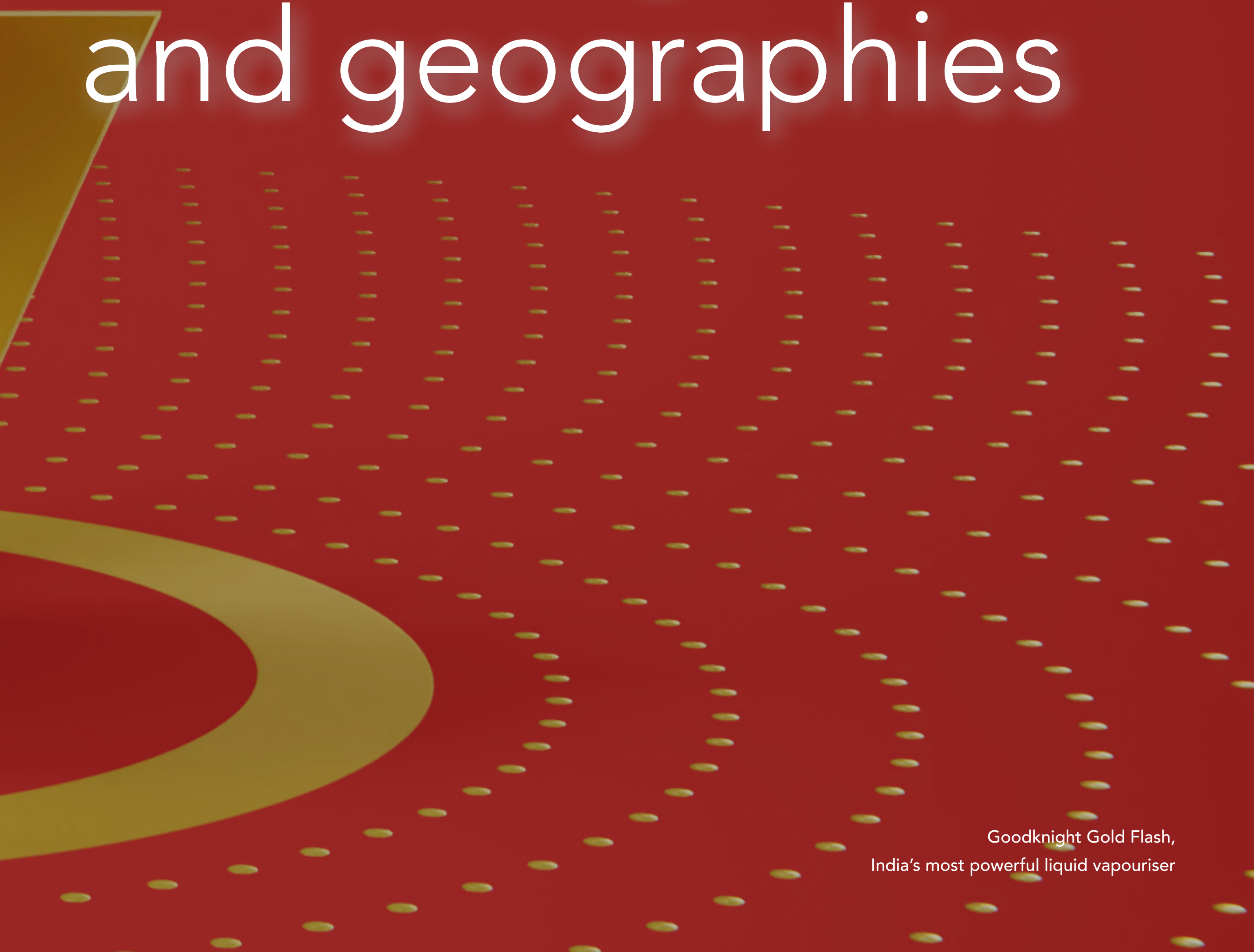
We have implemented an internal control framework to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded, and reported correctly. The framework includes Internal Financial Controls over Financial Reporting, which provides reasonable assurance over the integrity of financial statements of the company and reduces the possibility of frauds. Our Corporate Audit and Assurance department issues well-documented operating procedures and authorities with adequate built-in controls at the beginning of any activity and during the process to keep track of any major changes. As part of the audits, they also review the design of key processes from the point of view of adequacy of controls. Periodic reports - as part of continuous monitoring - are generated to identify exceptions through data analysis. The internal controls are tested for their design and operating effectiveness, across all our locations and functions by the Corporate Audit team, control failures is reviewed by the management from time to time, for corrective action. Controls with respect to authorisation in underlying IT systems are also reviewed periodically to ensure that users have access to only those transactions that their roles require. Our head office in Mumbai, offices across India, and all major factories follow an Information Security Management System and are ISO/IEC 27001:2013 certified.

Our Strategic Pillars




FLASH
NORMAL
Good knight

Extending leadership in our core categories and geographies



Goodknight Gold Flash,
India's most powerful liquid vapouriser

Extending leadership in our core categories and geographies

Capitals Impacted

Social and Relationship Capital
Financial Capital
Human Capital
Intellectual Capital

Risks

- Macroeconomic factors
- Exchange rate volatility
- Competitive market conditions and new entrants to the market

Enablers

- Focused 3 by 3 growth strategy
- Growth potential in priority markets
- Superior-quality, affordable products that provide great value

Key Focus Area

Building leadership in hair care, home care and personal care in Asia, Africa, and Latin America

Value Created

We have enhanced value creation through organic and inorganic growth and in line with our 3 by 3 growth strategy. Consequently, **Social and Relationship Capital**, as measured in leadership market positions, category penetration, and consumption rates, has improved. This has led to our **Financial Capital** metrics being strengthened.

Our multi-local strategy translates into serving diverse geographies, consumer preferences, and socio-economic contexts. As a result, we have significantly diversified our **Human Capital**. Today, we have over 11,257 team members across 23 countries. We continue to build diversity as a competitive advantage. In line with our approach to democratising categories, we are making world-class products available at affordable prices. We do this through ramping up our design-driven innovation, capabilities, and **Intellectual Capital**, measured through patents, brand valuation, and R&D investments.

Our globalisation strategy

Our globalisation strategy (named '3 by 3') has been very deliberate. Guided by this, over the last decade, we have created significant value through M&A and established strong beachheads in three categories (home care, hair care, and personal care) in three emerging geographies (Asia, Africa, and Latin America).

Latin America

#1 Hair colour (Argentina)

#1 Hair fixing sprays (Argentina)

#1 Depilatory products (Chile)

#2 Hair styling products (Argentina)

Africa and USA

#1 Ethnic hair colour (sub-Saharan Africa)

#1 Hair relaxers (sub-Saharan Africa)

#3 Caucasian hair colour (South Africa)

India

#1 Household insecticides

#1 Air fresheners

#1 Hair colour

#2 Soaps

Indonesia

#1 Household insecticides

#1 Air fresheners

#1 Wet wipes

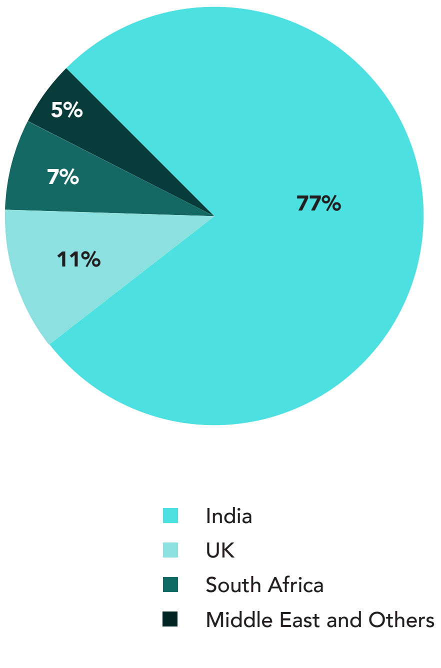
#1 Hair extensions (sub-Saharan Africa)

Leader in wet hair care (USA)

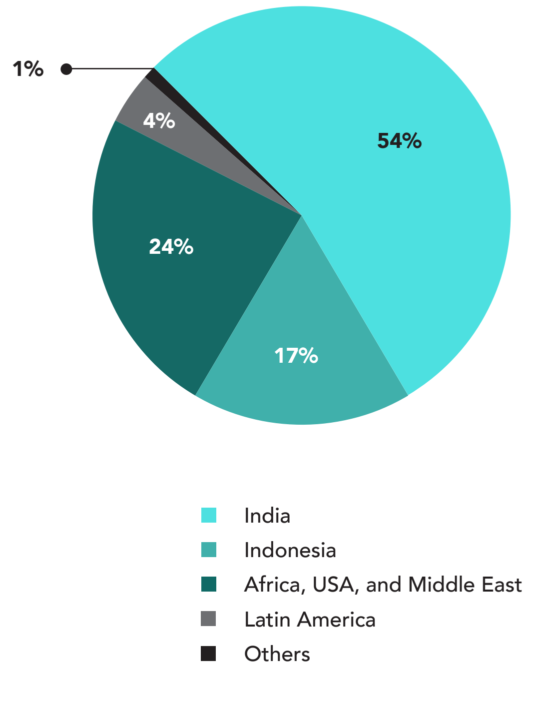
A broad emerging markets portfolio

In fiscal year 2010, 23 per cent of our overall revenues were derived from international businesses. In fiscal year 2020, it is 46 per cent, with Indonesia and Africa accounting for 41 per cent.

Geography Salience (FY10)



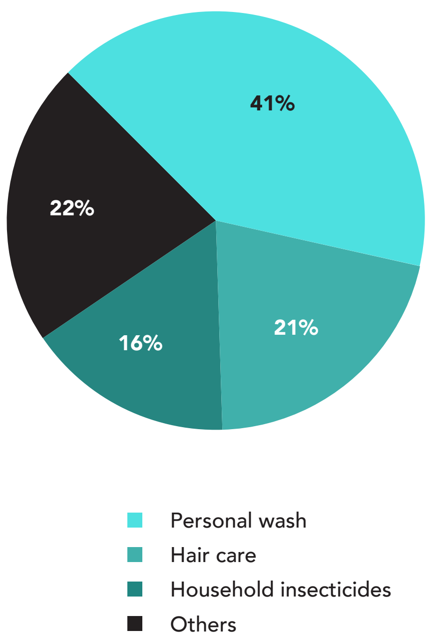
Geography Salience (FY20)



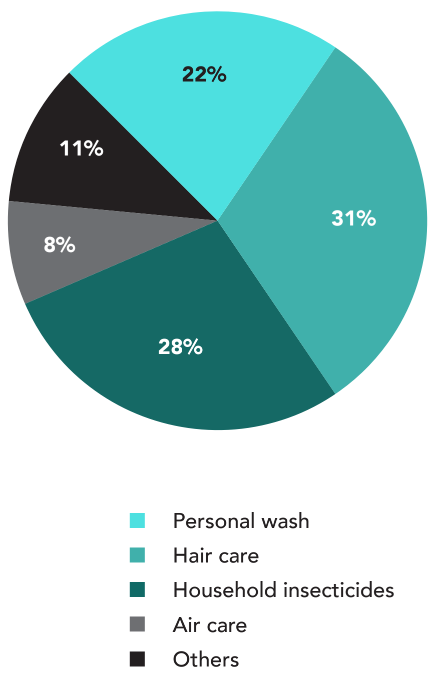
A focused approach to category choices

We have moved from an over 50 per cent soaps portfolio in 2010 to a more balanced and strategic category portfolio. Today, we have three core categories, namely household insecticides, personal wash, and hair care. We have entered into a new category to serve the hair care needs of African women. Air care, which we forayed into a few years ago in India, has now become the fourth global category for us.

Category Salience (FY10)

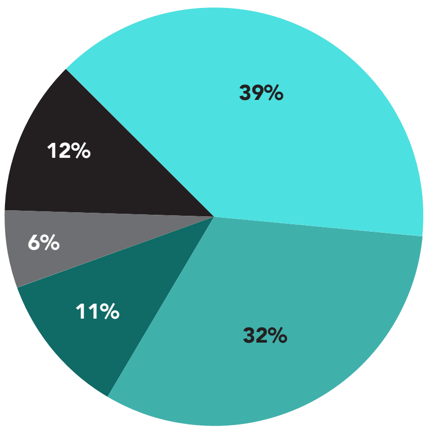


Category Salience (FY20)

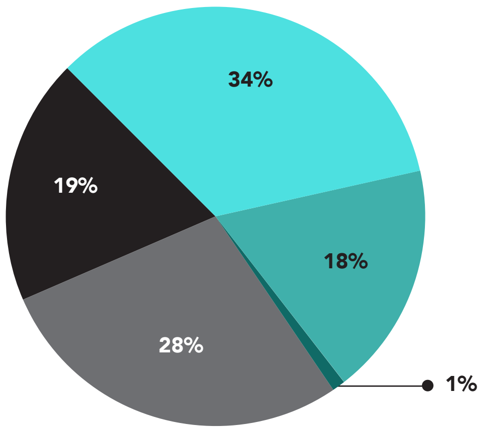


Diversified category portfolios within geographies

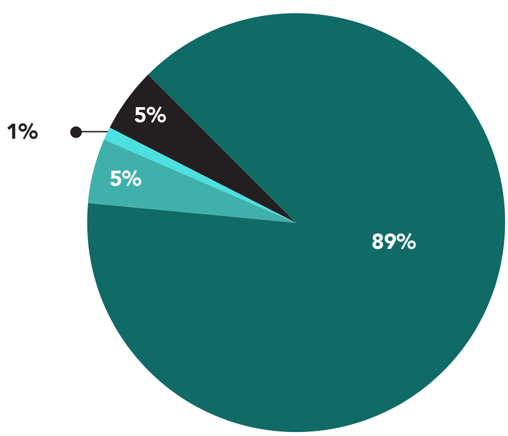
India (FY20)



Indonesia (FY20)



Africa, USA, and Middle East (FY20)



Household insecticides
Personal care
Hair care
Air care
Others

A portfolio of power brands

₹1,000 Crore+

Good knight

DARLING

No.1

₹500-1,000 Crore

HIT

CINTHOL

Godrej expert

₹250-500 Crore

mitu baby

AIR FRESHENER Stella

aer

Top 10 brands contribute ~70 per cent of revenue

Strengthened brand positions across key markets and geographies

#1

Godrej Good knight | Godrej expert | DARLING | INECTO®

Godrej aer | mitu baby | HIT | PROFECTIV Mega Growth

HIT | Godrej Ezee Liquid Detergent | Air Freshener Stella | Millefiori Makes you feel better

#2

Godrej No.1 | CINTHOL | ISSUE | ilicit color | ROBY

>#2

Godrej protekt | BBLUNT Salons+Products+Expertise

India and SAARC

#1 Household insecticides
#1 Hair colour
#1 Air fresheners
#2 Soaps

Source: Management estimates

Range of home care and personal care products, household insecticides, hair colour, liquid detergents, soaps, and air fresheners

Personal Care

Cinthol, built on the high-energy proposition of 'alive is awesome', with premium international fragrances and innovative designs

Godrej No.1, a leading Grade 1 quality soap offers 'Nature's way to beauty'

Godrej protekt, a delightful, differentiated and efficacious range of products across health, wellness, and personal protection

Hair Care

Godrej Expert, India's largest selling hair colour, democratises hair colouring with disruptive products

Godrej Nupur, India's largest Henna brand, offers a great hair colouring experience with the goodness of natural ingredients

Godrej Professional, a range of professional colour, care, and styling products created especially for Indian hair, including revolutionary ammonia-free fashionable shades

BBLUNT's range of shampoos, conditioners, hair colours, and styling products are especially created for Indian hair and weather

Home Care

Goodknight, India's most trusted and highly penetrated mosquito repellent brand, protects happy moments with innovative, affordable products

HIT's powerful and efficacious products kill disease-causing pests that threaten the well-being of your family

Godrej Ezee, India's largest selling liquid detergent, keeps your woollens soft and shiny, ensuring you and your family look your best

Air Care

Godrej aer, a delightful range of air fresheners, enhances spaces and delivers superior fragrances in great designs

Sub-Saharan Africa and USA

#1 Ethnic hair colour (sub-Saharan Africa)
#1 Hair extensions (sub-Saharan Africa)
#1 Hair relaxers (sub-Saharan Africa)
#3 Caucasian hair colour (South Africa)
Leader in wet hair care (USA)

Source: Management estimates

Range of products across hair extensions, hair care, hair colour, personal wash, home care, and household insecticides

Darling, the leader in hair extensions in sub-Saharan Africa, enables the unstoppable African woman to always look trendy and on point

TCB Naturals' everyday hair care gives African women the confidence to go out and shine in life's every moment

MegaGrowth celebrates strong African women whose hair is their crown; makes hair strong from the inside and beautiful from the outside

Just For Me, an expert and the leader in hair care for kids, offers the Curl Peace range of natural ingredient based products for easy care for kinks, curls, and coils

African Pride Moisture Miracle, made with premium natural ingredients and superior formulations, democratises moisture plus care for natural hair

Inecto, South Africa’s number 1 tried and trusted hair colour, with its easy-to-use, affordable, and quality colours, is perfect for every adventure

Renew’s colour-sure technology offers quality and guaranteed colour while nourishing hair

Indonesia

Range of household and personal care products – household insecticides, air fresheners, hair colour, and wet wipes

#1 Household insecticides
#1 Air fresheners
#1 Wet wipes

Source: Management estimates

HIT, the leader in household insecticides, offers peace of mind to health-conscious Indonesian mothers through effective, safe, and innovative solutions to prevent insect-related problems

Stella, the leader in air fresheners, spreads happiness in Indonesian homes with long-lasting, memorable fragrances and irresistible formats

Mitu, the number one player in baby wipes, brings joy to motherhood with its innovative, yet simple and practical solutions

NYU empowers Indonesian women with the freedom to transform without fear through accessible products with tangible results

Latin America

#1 Hair colour (Argentina)
#1 Depilatory products (Chile)
#1 Hair fixing sprays (Argentina)**
#2 Hair styling products* (Argentina)

Source: *Nielsen, **Scentia

Range of hair colour, hair care, depilatory products, and colour cosmetics

Issue is the friend you can rely on for everything; this is a line of innovative hair colour and care products that offers the best quality at the best price

Roby helps you express who you are through high-quality styling products

Ilicit, Chile's leading hair colour, offers a range of high-performing colours, emphasising to Latin American women that they 'deserve to shine'

Millefiori, built on the empowering proposition of 'never stop', has a wide range of innovative, natural ingredient-based products

Pamela Grant, with a legacy of over 70 years in makeup, skincare, fragrances, and hair colour, makes beauty more accessible

Accelerating innovation and building purposeful brands

Inside the R&D labs at our headquarters in Mumbai

Strategic Priorities

- Nurturing memorable, relevant, and purposeful brands
- Strengthening the core, creating new vectors of growth, and entering attractive adjacencies

Capitals Impacted

Intellectual Capital

Financial Capital

Risks

- Competitive market conditions
- New local players gain geographic dominance

Enablers

- Integrated RIDE (R&D + Innovation + Design + Expertise) structure
- Dedicated category experts in a centralised Innovation team
- Investments in R&D
- In-house design lab

Key Focus Areas

- A two-pronged approach to innovation, including democratisation and creating new vectors of growth
- Leveraging our cross-functional RIDE structure
- Investments in design, technology, and skills
- Building global partnerships
- Fostering a culture of innovation

Value Created

Our continued focus on driving innovation and R&D has resulted in the creation of significant **Intellectual Capital**.

Accelerating our innovation pipeline is critical to our success. Therefore, across geographies, we are ramping up new product development and doubling down on strategic priorities. This effort is evident in stronger long-term **Financial Capital** metrics.

India

- Number of **new products** launched in the last two years has **doubled** in comparison with previous years
- Focus on **upgrades and premiumisation** led to the launch of disruptive devices across categories
- Incubated premium portfolios in organic baby care and 100 per cent natural household insecticides, riding on trends of health and wellness
- Growing significance of e-commerce as a channel resulted in new products specifically co-created and launched as **e-commerce first products**

Indonesia

- Injected **new growth levers** in household insecticides with the launch of new roach and rodent solutions as a part of the Other Pests portfolio, in line with strategic priorities

Africa

- New products in wet hair care have **increased two-fold in revenue** this year
- Wet hair **innovation rate** has **more than doubled**
- **New styles** have been brought in dry hair care, led by braids and crochets; this made it fashion-forward, following emerging trends

A two-pronged approach to innovation

Innovation is core to our strategy. As category leaders, we are very focused on driving innovation-led growth and seeking new ways to disrupt our categories. Democratising while making superior-quality, delightfully designed products is particularly important given our focus on emerging markets. At the same time, we are also pursuing attractive adjacencies and creating new engines of growth to broaden our portfolio.

Our central innovation team leads new product development across global categories

We follow a multifaceted process of design thinking, consumer centricity, and market analytics to accelerate, populate, and deliver our innovation pipeline, thereby enabling us to reimagine our brands and create new ones. We are also ramping up capabilities, investing significantly in R&D, and cross-pollinating learning and products across geographies.

Within a two-year period, we have doubled our product launches in India. Our focus on premiumisation has led to embracing cutting-edge technology. With the launch of India's first smart air freshener, we have paved the way for affordable and advanced connected devices in the FMCG domain. Riding on trends in health and wellness, we have incubated premium portfolios in organic baby care and 100 per cent natural household insecticides. The growing significance of e-commerce as a channel, has resulted in new products specifically co-created and launched as e-commerce first products.

In Africa, compared with the previous year, new products in wet hair care have multiplied in revenue, thereby leading to a two-fold increase in the wet hair innovation rates. New styles in dry hair care, as led by braids and crochets, are fashion-forward and draw from emerging trends. Building on strategic priorities, our Indonesia business sharply grew its Other Pests portfolio in household insecticides, with the launch of new roach and rodent solutions.

Applying design-thinking to reimagine brands at our global design lab in Mumbai

Leveraging our cross-functional RIDE structure

RIDE is an integrated platform that brings together key functions involved in new product development. Through this, we are able to drive dynamic innovation and ensure agile execution. Our central innovation team leads new product development in global categories across India, Indonesia, Africa, and the USA.

They also offer strategic thinking input for brand architecture, enable cross-pollination and sharing of product ideas and processes, while constantly keeping tabs on trending patents and new technologies in the consumer goods space globally.

Investments in design, technology, and skills

Our state-of-the-art global R&D centre at our Mumbai headquarters, is supported by local R&D centres in our different geographies. Similar to this, we have global, local, and category-specific R&D teams who partner across geographies and share learning opportunities.

We have built an in-house global design lab to integrate design thinking and transform product capabilities. The lab consists of highly skilled graphic and industrial designers from across geographies who collaborate on projects.

Our global R&D center cross-pollinates learning from across geographies

Experimenting with new styles at our Africa R&D center in Johannesburg

Building global partnerships

We have employed a two-pronged approach to innovation, namely, in-house and collaboration based. The former leverages internal expertise and know-how to deliver high-quality products. The latter capitalises on external, tried-and-tested technologies, which when combined with our in-house expertise, scale, reach, and equity, results in delivering our promise of truly memorable and relevant products to value-seeking consumers.

Through our different strategic global partnerships, we are leveraging various cutting-edge technologies and processes. Some of our key partners include Bayer AG, Sumitomo Corporation, Kanekalon, and Firmenich.

Hosting our global partners from Bayer at our Mumbai headquarters

Upscaling natural product portfolios

Our Goodknight Naturals range has been made using 100 per cent natural active ingredients

We continue to upscale our portfolios of products created primarily with natural ingredients. This includes our leading soap brands in India, Godrej No.1 and Cinthol, which are made with vegetables oils, and natural products in our Household Insecticides range, including Good knight coils, incense sticks, fly spray, liquid vapouriser, and personal mosquito repellent. Our hair colour range in India includes brands such as Godrej Nupur, which is a henna-based hair dye.

Together, these brands contribute close to 45 per cent of sales revenue in India. Our international brands in Africa (TCB, MegaGrowth and African Pride) and Indonesia (Stella and Mitu) have variants that include natural ingredients such as aloe vera and almond. More recently, in fiscal year 2021, we have launched a new brand, goodness.me in India, which is a certified organic baby product range.

Fostering a culture of innovation

Over the last few years, we have sharpened our approach to agile innovation – accelerated our innovation pipeline, ramped up internal capabilities, invested significantly in R&D, and shared learning across geographies to create innovative products. The core RIDE team collaborates with cross-functional teams from across marketing, sourcing, demand planning, and logistics to drive disruptive on-time innovation projects. Being 'whole brained' enables us to leverage contrary approaches, encourage disruptive thinking and create amazing products.

Our focus has been on fostering a conducive environment for continuous experimentation and prototyping to create a culture of thought leadership and lateral thinking. There has been a consistent drive to push entrepreneurial spirit across teams that translates into a culture of innovation.

Following the unprecedented spread of the COVID-19 pandemic, and the need for greater availability of essential hand hygiene products, our teams across the globe cross-pollinated ideas and technology to launch new sanitiser and hand wash ranges in record speed, ranging from 10 days to a month. This completely reimagines our approach to innovation and new product development and will help us rejig our systems. In India and Bangladesh, we launched new alcohol-based protekt hand sanitisers; in Indonesia we launched an entire range of hand sanitisers called Saniter; in Kenya, we added to our Lavik portfolio with hand sanitisers and hand washes; in South Africa, we launched new protekt hand washes; in Argentina, we introduced hand washes and hand sanitisers; and in the USA, we initiated a new range of hand sanitisers.

India and Bangladesh

Ensuring the availability of essential hygiene products through the launch of sanitisers and hand washes

Indonesia

Argentina

USA

South Africa

Kenya

Goodknight Gold Flash

India

- Most powerful liquid vapouriser in India
- Disruptive heat-based technology and visible efficacy through flash vapours
- Redefining the ₹2,200 crore liquid vapouriser market in India
- Upgrading users of formats such as coils and burning solutions such as incense sticks

Goodknight Neem Agarbatti

India

- 100 per cent natural mosquito repellent agarbatti (incense stick)
- Potent natural ingredients, such as neem and turmeric, which can repel mosquitoes and provide effective protection
- Very effective and safe alternative to illegal agarbatti brands

Godrej Expert
Easy 5 Minute Shampoo-based Hair Colour

India

- Innovative hair colouring solution, which makes colouring as easy as shampooing
- Convenient, quick alternative to conventional hair colouring
- Enriched with the benefits of amla and shikakai

aer
Smart Matic

India

- India's first app-controlled smart home fragrance
- The app ensures customised and uninterrupted freshness at your fingertips
- Pre-set spray schedules that can be customised
- Bluetooth enabled to control from anywhere in the house
- Low refill and low battery alerts ensure uninterrupted freshness

HIT
Anti-roach Aerosol

Indonesia

- Highly efficacious and eliminates roaches instantly
- Special nozzle helps reach deep hidden corners

HIT
Anti-roach Gel

Indonesia

- Innovative gel solution
- Unique because it eliminates the roach nest
- Promises long-term relief from roaches up to 45 days

Stella
Fabric Spray

Indonesia

- Indonesia's first air freshener spray that promises to eliminate musty smells
- Odour Fighting Formula kills 99.9 per cent musty odour causing germs and bacteria
- This can be used across fabric surfaces such as carpets, sofas, curtains, and rugs

Darling
Zuri Braid

Africa

- Launched in Kenya; one of the most successful braid launches this year
- Rapid success was achieved, given its superior twist style braids and harder texture
- Its performance has helped Kenya expand its portfolio of braids

Darling
Naturi Braid

Africa

- Part of the expansion of our braid portfolio in South Africa through value-added offerings
- First braid infused with shea and cocoa butter fragrance
- Naturi Anti-bacterial Braid is 99.99 per cent certified: it has an anti-bacterial formula that is developed in-house and coated on the fibre

Afro Sheen

USA

- Enabling inspiration and self-expression through styling versatility
- Multi-benefit/multi-use range for kinky, curly, coily hair, and beard care
- Gender neutral range for men and women
- Multi-generational appeal

Issue Ammonia-free Hair Colour

Argentina

- Ammonia free range; it offers 100 per cent grey coverage with a pleasant fragrance and long-lasting results
- Based on the ‘free from’ and natural products trends
- Includes a post colour treatment with natural oils for better colour
- Available in 16 shades, and kits and sachets

Issue
Crazy Colour

Argentina

- Designed to wow the ever-demanding younger consumers
- Builds Issue as a more on-trend, vibrant brand; in reach yet quirky

Roby Be Prof

Argentina

- New styling brand under the umbrella of Roby, the hair spray leader in mass markets
- Capitalises on the leadership of Roby; extends it to the professional market
- Range of sprays, gels, and waxes
- Improved formulas, which are tested by styling professionals

Roby Gels

Argentina

- Expands the Roby portfolio into gels; gels comprise 75 per cent of the styling category
- Bold, unique, and differentiated designs
- Offers three different fixing levels

Ilicit
Keratin Mask

Chile

- The expertise of Ilicit, which is now available in a hair care treatment for dry, damaged, and frizzy hair
- Benefits of keratin, enriched with natural ingredients, coconut, avocado, and macadamia oil
- Option to use as a styling cream or conditioner too
- Salt, sulphates and paraben free
- 100 per cent cruelty free

Millefiori Detox Mask

Chile

- Merging skin care benefits with the best hair removal offering
- Value-added innovation in the depilatory category; it helps recruit new consumers for waxes
- Offers three different formats: wax can, wax pearls refill, and the microwave formula
- 100 per cent cruelty free

Pamela Grant Skin Food

Chile

- A range of vegan products with natural ingredients for all skin types; provides hydration, purity, and luminosity
- Includes 3-in-1 moisturisers, tissue masks, micellar waters and biphasic make-up removers to clean and tone in-depth
- Cruelty free, vegan, paraben free, and hypoallergenic

Leveraging digital

Building consumer engagement and advocacy
through the Black Hair Hub

Strategic Priority

Building e-commerce competencies, an in-house content creation studio, and a first foray into direct-to-consumer (D2C) retailing

Capitals Impacted

Social and Relationship Capital

Intellectual Capital

Risks

- Nimble e-commerce/digital-first brands
- Impact of economic environments on consumer behaviour

Enablers

- Strong internal, global, and regional structures to support bold ambitions
- Strategic engagement with internationally acclaimed agencies to improve brand awareness
- Smaller performance marketing agencies to focus on conversion
- Bespoke approach: Country roadmaps to reflect brand and regional stages of development
- Agile test-and-learn approach
- Future-proofing the business by spending time with tech giants and start-ups

Key Focus Areas

- Building dedicated digital and e-commerce teams
- Leveraging global partnerships
- Selling D2C
- Ramping up e-commerce
- Investing in content and infrastructure
- Leveraging consumer-generated content
- Doubling down on data

Value Created

We are increasingly integrating digital capabilities with different aspects of our business – how we manufacture, market, and engage with our consumers. Through these efforts, we are building stronger **Social and Relationship Capital** through partnerships and more meaningful consumer connect.

We are also investing in building internal capabilities and **Intellectual Capital** through focused talent, trainings, and infrastructure.

- **77 per cent** increase in e-commerce business
- **81 per cent** increase in our team's digital knowledge
- **Three** D2C websites live
- **Data management platform** live

Building dedicated e-commerce teams

We have equipped our e-commerce teams to take advantage of the rapidly evolving digital landscape. Our Global E-com Cell brings together e-commerce managers from across geographies to share ideas and learning. We have grown our e-commerce business by 77 per cent year-on-year. In addition, we have also equipped our Digi Cell teams to share digital best practices.

Our commitment to education continues with executive training modules for our senior leaders as well as through our online learning tie up with Circus Street. This has led to an 81 per cent increase in digital knowledge of our marketing teams.

A Circus Street training session for our Jakarta team

Leveraging global partnerships

We are building and leveraging global partnerships (such as Google, Amazon, and Shopalyst) to accelerate learning and experimentation. Our strategic partnership with Google has helped us understand digital best practices, which have been useful for our senior team members.

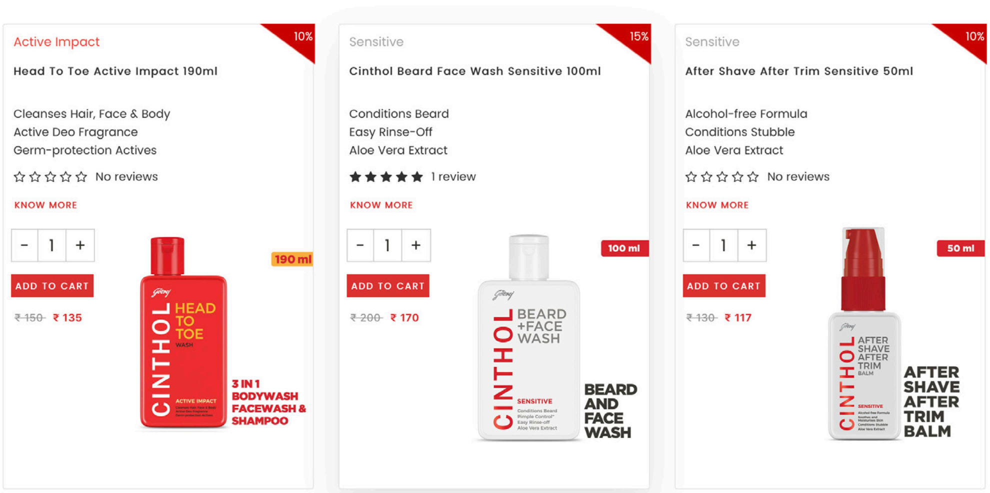
In October 2019, our E-com Cell and Digi Cell participated in an Amazon training conference in London to understand the nuances and levers of the platform. They also met performance marketing agencies that focus on online consumer conversion marketing. Some of these agencies are now our new partners.

Selling direct-to-consumer

D2C selling through our own websites is not without its challenges; however, it provides incredibly rich consumer data. In order to capitalise on this, we have forayed into the world of D2C with three of our India brands (Cinthol, BBLUNT and Godrej aer).

The initial traction has been very encouraging, and we are already applying the data (consumer profiling, purchase frequency habits, and consumer search behaviour) that we have collected. We plan to roll out this approach to other brands that might benefit from closer consumer connect.

Our D2C foray with Cinthol



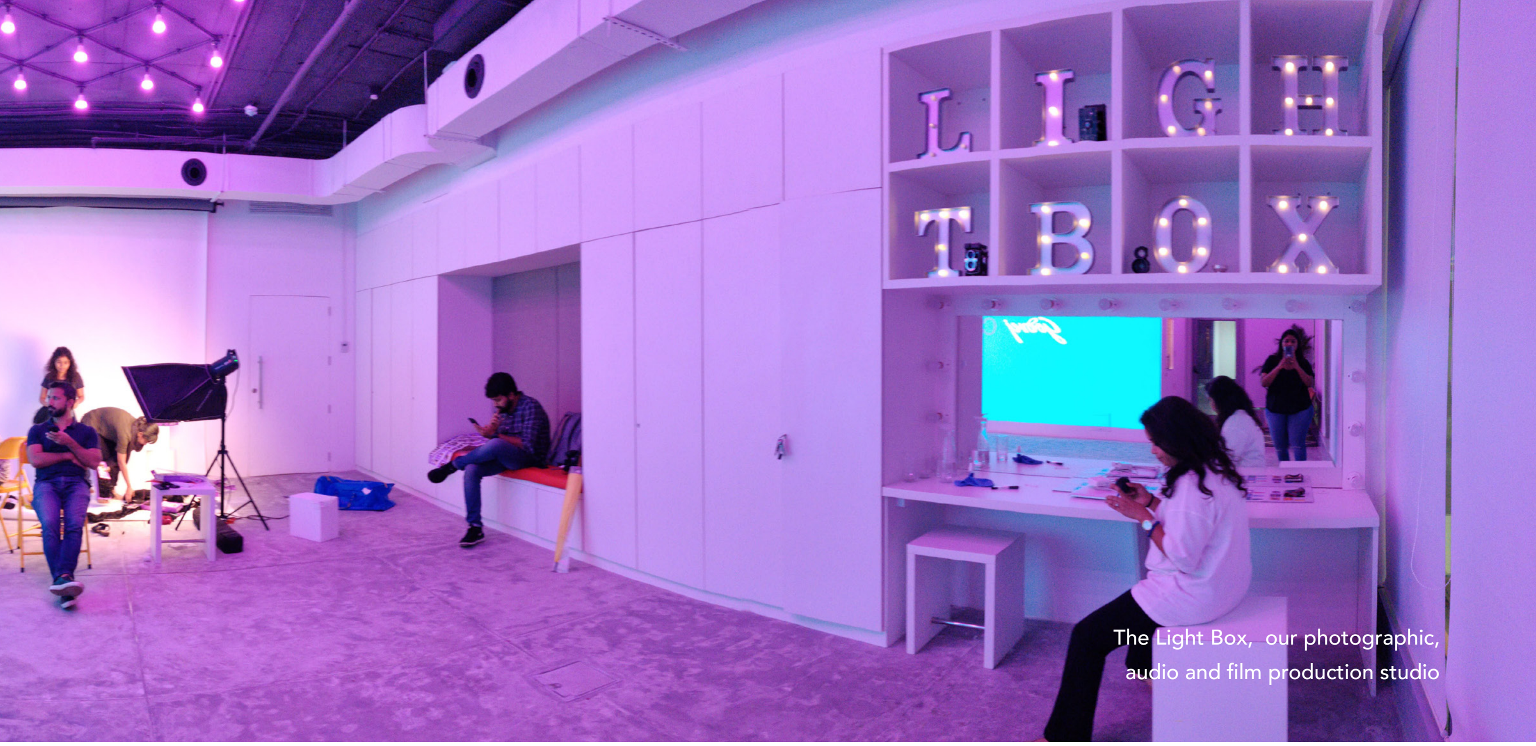
Our E-com Cell and Digi Cell team members at an Amazon training conference in London

Ramping up e-commerce

We have set up an independent e-commerce business unit in India with separate P&L accountability and fully functional capabilities across sales, marketing, innovation, supply chain, and finance. This structure will deliver the agility and consumer focus required to win in this fast-evolving space. The team is now fully operational and has witnessed over 75 per cent year-on-year growth. We have tested exclusive e-commerce variants of our current brands (our Hit Anti-Mosquito Racquet has been a notable success) and have developed digital-first brands that are due to be launched. In parallel to the work on innovation, we aim to build our core brands on e-commerce through superior execution coupled with strong, strategic retailer engagement.

We have created a dedicated e-commerce team in the USA that has shown success over a short period of time (over 125 per cent year-on-year). In Indonesia too, we recorded a 78 per cent increase in our e-commerce business. Our teams share learnings as well as agency partners through our E-com Cell.

The Black Box,
our Digital Command Centre in Mumbai,
measures real-time performance of brands



The Light Box, our photographic, audio and film production studio

Investing in content and infrastructure

We continue to leverage the Black Box, a physical digital command centre at our headquarters in Mumbai, where we monitor live digital activity across our brands. It helps evaluate brand conversations and we use it to respond to issues and gather consumer insights for campaigns and new product development.

This year we launched The Light Box, an in-house photographic, audio, and film production studio. It allows us to quickly create quick high-quality content for digital use (for e-commerce websites, social media pages, and even print media titles) by partnering with external and internal talents.

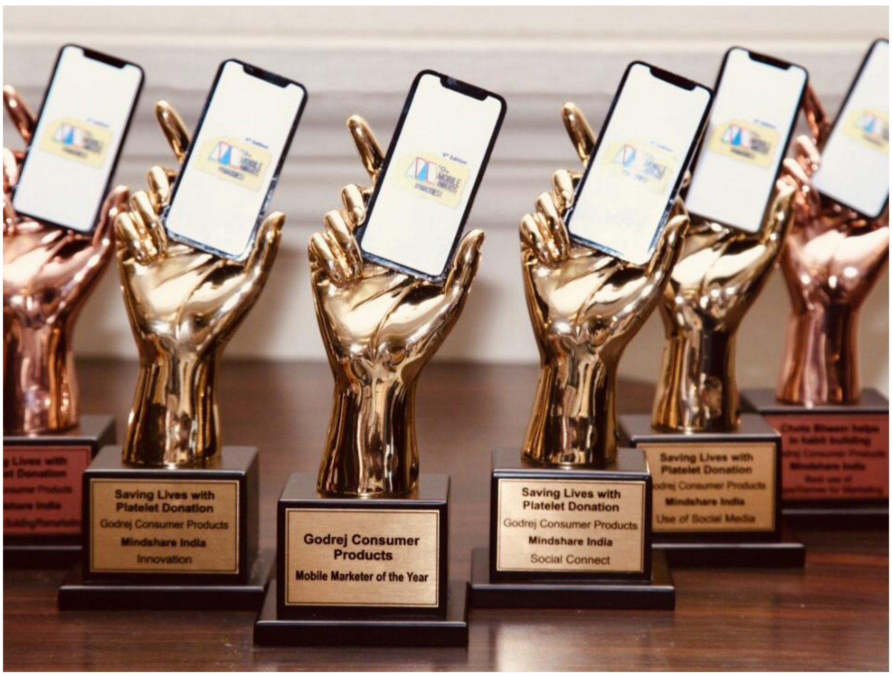
The Black Hair Hub,
our black hair information and
inspiration platform

Leveraging consumer-generated content

We continue to leverage the power of peer-to-peer recommendation through social media. By working with influencers across the world, we ensure that our products are viewed by our target demographic on platforms that they often visit (Instagram, Facebook, and YouTube). The content generated for consumers is authentic and believable, as well as in a tone and language that our consumers connect with. We continue to ramp this up across geographies. A great example is our black hair information and inspiration platform, www.blackhairhub.com. The Black Hair Hub houses African blogger and consumer-generated content on our social media handles and our website. The website had over 1.5 million visits this year, and its social media following is highly engaged. It is the perfect platform to gain consumer insight and promote our products.

Doubling down on data

We must grow our consumer data pool to enable the personalisation of communications at scale. We have launched a data management platform in India to collect first-party consumer data. This data will allow us to deploy marketing campaigns based on detailed consumer preferences, personas, and archetypes.



Since launching our data management platforms, we have managed to collect over 1 million first-party data points, with a good distribution across the country. We will seek to aggressively build on this number so that we can launch meaningful marketing campaigns in fiscal year 2021.

Winning at the Maddies 2019

Enhancing go-to market

Ramping up our
go-to-market approach in India

Strategic Priority

Integrating the go-to-market approach and leveraging technology for strategic decision-making

Capitals Impacted

Intellectual Capital

Manufactured Capital

Social and Relationship Capital

Financial Capital

Risks

- Competitive market conditions
- New entrants into the market
- New online, offline, and omni-channel go-to-market models and channels, such as e-commerce

Enablers

- Brand reputation
- Affordable pricing
- Superior-quality products
- Continuous innovation in products and processes
- Strong long-term partnering focus
- Distribution footprint

Key Focus Areas

- Enhancing our go-to-market strategy
- Laying the foundation for future growth priorities
- Ramping up e-commerce
- Leveraging technology and data analytics
- Fostering win-win partnerships

Value Created

Our agile go-to-market approach, which is tailored to specific geographic contexts, is the backbone of our business. By leveraging technology and analytics, innovating for local contexts, and building more agility in our supply chain, we are able to serve our consumers with greater precision and purpose.

We will continue to invest in enhancing our **Intellectual Capital**, making our **Manufactured Capital** more agile, and creating joint value with our partners to maximise **Social and Relationship Capital**. This, in turn, will translate into stronger **Financial Capital** value.

- Rural direct distribution reach through **8 million outlets** in India across 66,000 villages
- **Cash and carry channel** in India grew by **22 per cent**
- Number of **active outlets in Indonesia** increased by **17 per cent**, resulting in 1,10,000 monthly outlet transactions
- **Ramped up e-commerce** business across countries

Our Godrej Indonesia Sales team at a promotion activity for the HIT Expert Pyramida

Enhancing our go-to-market strategy

We believe there is tremendous potential for long-term growth in emerging markets. This will power global consumption and growth over the next couple of decades. Accordingly, we have centred our growth strategy on targeting these markets and the emergent consuming class. As incomes increase, purchasing power will improve and these markets will mature. The new distribution systems will enable greater reach and, to leverage this, we are ramping up our go-to-market strategy.

In India, we have deepened penetration in traditional trade. Our focus is now on strengthening growth in newly acquired stores through an assortment mix. In urban India, future store expansion will be through opportunity-based micro-segmentation. Rural penetration will continue to be critical. We aim to expand direct presence to 80,000 villages over the next 3 years, focusing on sub-5,000 population villages in key states.

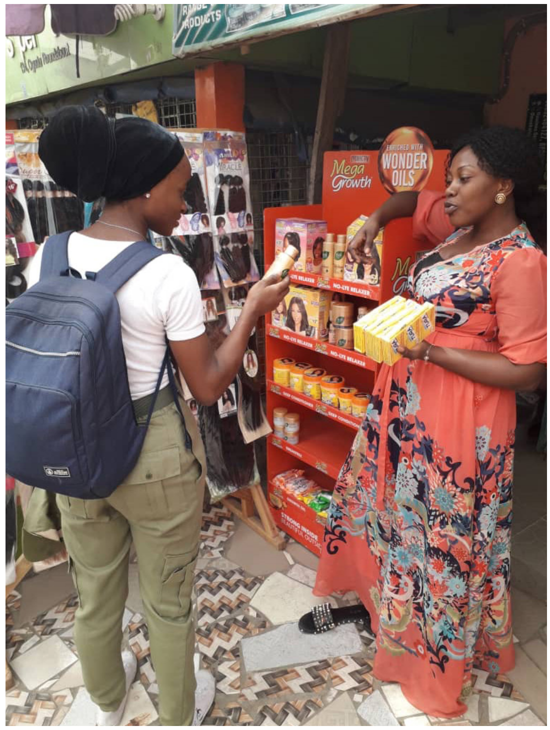
We have a strategic, focused approach to conquer 'micro markets'. Through extensive data and analytics, we have defined and segmented micro markets (usually, a specific cluster of districts) for each of our brands. This helps in prioritising marketing and distribution efforts. We can now track performance and provide actionable insights at granular levels. In modern trade, growth will be enabled through chain state group prioritisation and joint business planning with key customers.

In our SAARC businesses, the Bangladesh team is expanding direct reach to 1,00,000 outlets and driving sales force automation through handheld devices for salespeople. In Sri Lanka, the team is building our own distribution network, which is backed by a distributor management system and sales force automation.

Our Indonesian team continues to build on a go-to-market transformation. Consequently, the number of active outlets has increased by 17 per cent, thereby resulting in 1,10,000 monthly outlet transactions. This was enabled by significant additions to the number of salespeople on ground and, productivity improvements. Through improved collaborations with regional distributor partners, we are enhancing focus on general trade and local modern trade channels. We have shifted the coverage of key accounts in modern trade to third-party logistics partners.

Vivek Gambhir, our Managing Director, visits markets in Jakarta and Kenya with our sales teams

Ramping up
go-to-market activations
in Nigeria



We are ramping up our go-to-market efforts across Africa. In Nigeria, where trade is largely unorganised and wholesale-led, we are scaling up reach through a more intensive redistribution network. The team is also driving higher same-store throughputs with improvements in range and quality of execution. Generating demand through new product seeding models will help initial retail penetration.

Enhancing shopper experience through
the Perfect Store pilot in South Africa

In Kenya, we continued scaling up distribution expansion through a combination of various models (sub-distributor, van sales, and wholesale-assist). We have shifted focus significantly from primary sales to secondary sales, through strong partnerships with distributors and by monitoring the distributor ERP system. For frontline sales in dry hair care, where product knowledge is a key differentiator, we have a ready talent pool from blue collar factory workers.

In South Africa, we piloted a 'Perfect Stores' programme to increase sales by enhancing shopper experience and maximising shopper conversion opportunities. This was done across the top 40 stores that contribute to 80 per cent to our turnover, and it was activated through impactful branded point-of-sale communication and trained beauty advisors.

Our Executive Chairperson,
Nisaba Godrej,
visits a market in South Africa

Laying the foundations for future growth priorities

Improving efficiencies

We are driving efficiency across the value chain and improving sales productivity by leveraging analytics and technology. In particular, improving assortment and reducing sales losses through auto replenishment and enhancing sales force effectiveness through technology will be critical levers of future growth.

Transforming modern trade

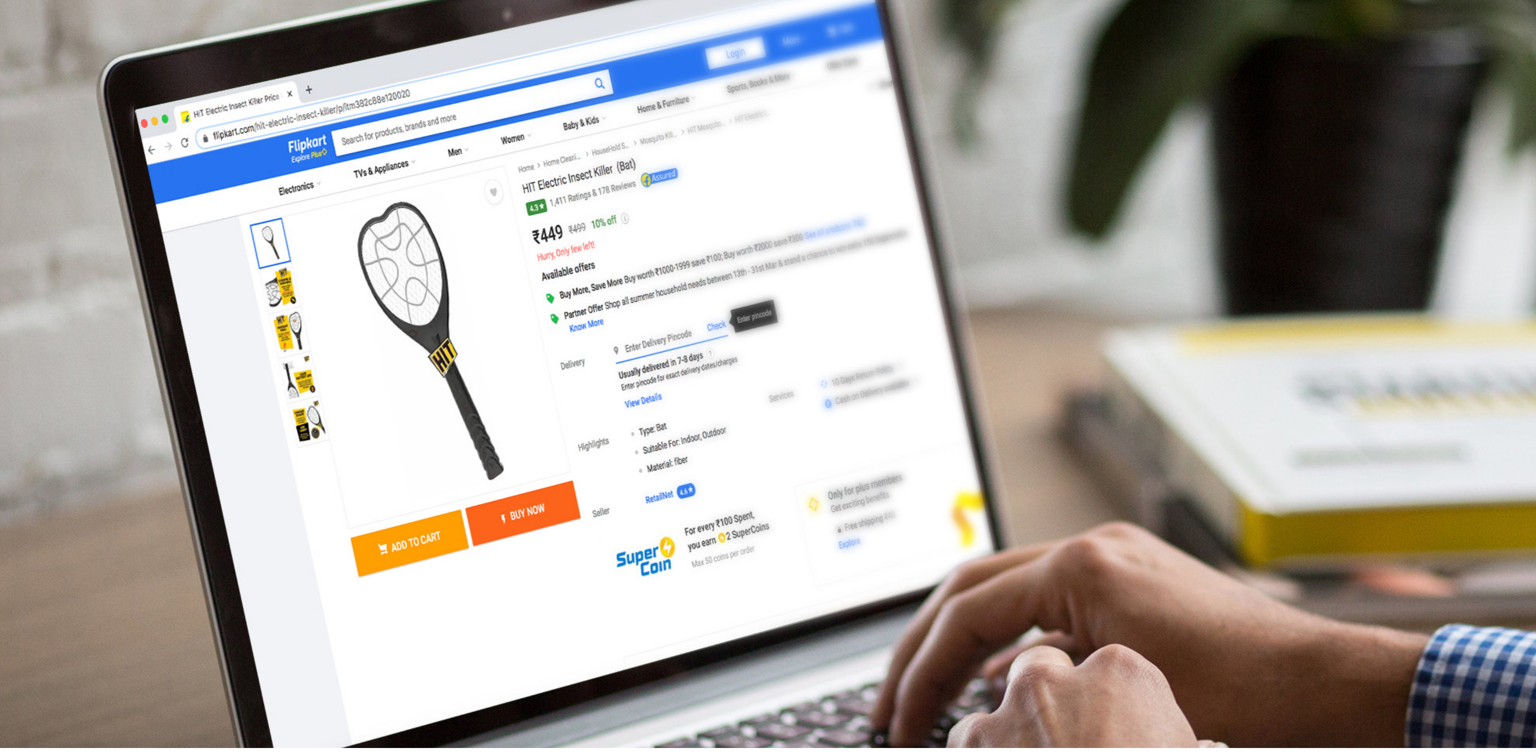
Modern trade has been a key driver of growth in India, and we aim to ramp this up. Building blocks will include account and portfolio prioritisation, chain state group prioritisation, category management, fill rate improvement, and stronger partnerships with customers through joint business planning. We will also invest in developing modern trade-specific analytics and shopper marketing capabilities.

Similarly, in Indonesia, we are using joint business planning to secure key calendar promotion slots.

Modern trade continues to be a critical channel in Nigeria. Hence, we are leveraging continuous visibility, availability, and competitive pricing to build on the opportunity.

Building on the salon channel

The restructuring of our salon channel in Africa will be a big focus. Salon education programmes are key to building influence and generating demand in the dry hair care category. Pilots on the wet hair salon programme in Kenya have shown early success, and we will be scaling this up.



HIT Anti-mosquito Racquet, an e-commerce focused product innovation

Ramping up e-commerce

E-commerce represents a strong opportunity for us to win in a fast-growing channel and leverage the unique reach of this channel for bringing innovative products and brands to market. In order to capitalise on this, we have set up an independent e-commerce business unit in India with separate P&L accountability and fully functional capabilities across sales, marketing, innovation, supply chain, and finance. This structure will deliver the agility and consumer focus required to win in this fast-evolving space. The team is now fully operational and seeing results with over 75 per cent year-on-year growth.

Underpinning this, we are building a strong data backbone in order to leverage the data-rich environment of e-commerce and drive our efficiency and effectiveness across the board. We are targeting growth from e-commerce focused product innovation and digital native brands.

A good example of this is the HIT Anti-mosquito Racquet, which was launched in September 2019 and has shown encouraging sales traction. In parallel to the work on innovation, we aim to drive our core brands more strongly on e-commerce through superior execution coupled with strong, strategic retailer engagement.

Through joint business planning, promotion strategies, and online content, we have made significant upgrades to our capabilities, which are yielding results in terms of on-platform conversion rates and off-takes.

We have created a dedicated e-commerce team in the USA that has shown success over a short period of time (over 125 per cent year-on-year). In Indonesia too, we have recorded a 78 per cent increase in our e-commerce business.

In Africa, our Dry Hair and Wet Hair categories are a natural fit for digital engagement and e-commerce traction. Our black hair information and inspiration platform, www.blackhairhub.com, hosts African blogger and consumer-generated content on our social media handles and our website. It is a perfect medium to gain consumer insight as well as to promote our products.

Going forward, we will be experimenting with two different e-commerce models for the premium hair and hair care categories direct-to-consumer (D2C) platforms (in Nigeria), and brand-managed stores on popular e-commerce platforms (in Kenya and South Africa). This will add to our existing extensive e-commerce platform presence and help increase the online visibility of our brands.

Leveraging technology and analytics

Leveraging micro marketing to launch the Godrej No. 1 Abhyang Snan soap

Innovations and start-up efforts in FMCG last mile distribution have started altering the overall landscape of sales and distribution. To leverage the benefits, we are strengthening internal capabilities. We have integrated different technology solutions across the value chain, starting with our salespeople on ground through to our many channel partners. Predictive analytics enables our urban salespeople to sell the right assortment in a store. At the same time, GPS-enabled hand-held terminals help us track our distribution network and uncover efficiency gaps. We plan to expand this to our rural networks as well for stronger in-market execution. Analytics is also helping us improve distributor replenishment by minimising sales losses due to stock-outs.

Our micro-marketing approach in India helps combat inefficiencies and focuses spending on targeted markets, rather than spreading it thin across larger segments. For example, we had a successful targeted Maharashtra launch for our Godrej No. 1 Abhyang Snan soap range, the first regional soap launch by a leading national brand, which was supported by on-ground and TV/ digital campaigns. For Godrej Expert Rich Crème, we wanted to target consumers during the festive season, so we created #NayaAvatar, a localised Maharashtra campaign during Ganpati festival. Through regionally contextual print ads, a big digital push to crowdsource a #NayaAvatar of the popular Ganesh Arti and a special TVC for the Marathi audience, we were able to build relevance for the category that had a marked rub-off on brand markers in the months ahead. We also invested in focused weighted distribution initiatives in priority micro markets in Uttar Pradesh, Maharashtra, and West Bengal.

In Africa, salesforce automation has helped expand coverage and improve brand visibility across the subcontinent. Following the roll-out across the general trade and salon channels, the focus will now be on scaling up distribution, extracting efficiencies and building accountability.

Technology has played a key role in improving field-force productivity in our Indonesian business. Hand-held terminals guide and track on-ground decision- making, and analytics help drive sharper execution. Regional distributors are connected and serviced through an online portal with simplified e-claim settlements.

Predictive analytics and data-driven decision making play a key role in boosting sales

Fostering win-win partnerships

One of our biggest priorities in India is channel partner engagement through our 'Unnati' and 'Bandhan' loyalty programmes. We also meet and share ideas and feedback at forums such as new product launches and outbound meetings. Going forward, we want to further strengthen these programmes and enable our partners to grow alongside emerging disruptive distribution models. We will continue to seek for more meaningful ways to create shared value for our partners. In modern trade, for example, it will be through joint business planning with key partners. For long-term loyalty programmes such as Parivaar and Golden Club, we will pilot initiatives such as WhatsApp connect forums and direct transfer of pay-outs. Our regional distributor network in Indonesia contributes a significant share to the business. Therefore, we are exploring different ways to enhance these partnerships, including leveraging technology for better efficiencies.

Salons and stylists are our key partners in the hair care category in Africa. In addition to initiating training programmes for stylists, which help them become self- employed, we are scaling up salon connect programmes to drive penetration and usage and build engagement and advocacy.

Engaging with
our salon partners in Africa

Making our supply chain best-in-class

72 per cent of our team members
in Africa are women

Strategic Priorities

- High customer service levels through ready availability of a diverse product range
- Freshness of products supplied to consumers

Capitals Impacted

Financial Capital | Manufactured Capital | Human Capital | Financial Capital | Social and Relationship Capital

Risks

- Potential disruption of operations due to geo-political and geo-medical risks
- Currency fluctuations resulting in uncertainty over viability of imports
- Local competition
- Labour-intensive product portfolios in some geographies
- Regulations

Enablers

- Demand-driven supply chain
- Shop floor employee engagement and the creation of a safe workplace
- Localised manufacturing technology
- Engagement with our business partners and suppliers
- Good & Green vision

Key Focus Areas

- Customer service
- Employee engagement and productivity improvement
- Industry 4.0
- Sustainability of the process

Key Impact Areas

- Top line growth
- Bottom line growth
- Environment
- Community

Value Created

Our future-ready investments are aimed at achieving process efficiencies, leveraging economies of scale, and helping us be more competitive in the market, and directly impacting our **Manufactured Capital**, and consequently strengthening our **Financial Capital**.

We are enhancing **Intellectual Capital** by scaling up technology and capabilities and evolving best practices. Smarter, safer work environments, in line with global standards, enable our team members to deliver more efficiently and improve **Human Capital.**

The resultant impact of reaching a wider consumer base and enhanced employee capabilities, together with close partnership with our suppliers, builds **Social and Relationship Capital**.
All our efforts are grounded in improving sustainability and making a positive impact on **Natural Capital**.

United Nations' Sustainable Development Goals (SDGs)

For more details, refer to the SDG mapping on our website

- Saved over ₹**2.80 crore** in fiscal year 2020 through sustainable manufacturing
- India obsolescence reduced to **0.13 per cent**
- Stock availability in India is **98.04 per cent**

Supply chain strategic priorities

1. Introducing best practices across geographies to become more agile
2. Strengthening supply chain processes in international businesses
3. Extending shop floor employee engagement initiatives to international businesses
4. Building a safe workplace through training and capability building
5. Sustainable manufacturing and supply chain practices, thereby resulting in significant improvements in energy and water consumption, carbon footprint, waste generation and renewable energy
6. Mapping cutting-edge replenishment practices to the Advanced Planning and Optimisation module of SAP
7. Responding to constantly changing consumer demand patterns, thereby leading to high fill rates
8. Improving ‘freshness’ of products at time of sale, better logistics practices, product traceability, and reduced obsolescence
9. Enhancing manufacturing capacity across geographies through fresh investments and de-bottlenecking of capacities
10. Initiating the IoT in manufacturing and logistics

Our state-of-the-art
hair extensions factory at Mozambique

Key focus areas and initiatives

1. Customer Service

Enabled through agile fulfilment initiatives to respond efficiently to changing consumer demands

2. Employee engagement and productivity improvement

Extending best practices and shop floor employee engagement globally

3. Industry 4.0

Making future-ready investments to further improve productivity

4. Sustainability of the process

Driving sustainability initiatives across the supply chain and extending them to key vendors through sustainable procurement policies

1. Customer Service

Introducing agile fulfilment initiatives to respond efficiently to changing consumer demands

We continuously focus on making our manufacturing delivery and logistics operations more agile, to facilitate responses to the constantly changing consumer demand patterns.

We have achieved high fill rates in most of our key geographies, ranging between 92 and 99 per cent.

Fill rates across geographies (%)

India	98.04
Indonesia	98.10
Argentina	98.36
Chile	93.80
Kenya	97.20
South Africa	94.30
Nigeria	92.50
Ghana	95.60
USA	94.40
Tanzania	99.30
Mozambique	97.10

In line with increasing demand patterns, we have enhanced manufacturing capacity across geographies.

We have also increased the number of customised packs for organised trade and improved fill rates for organised trade.

A look inside our Issue hair colour factory in Latin America

Our largest soap factory at Malanpur in India

2. Employee engagement and productivity improvement

Extending best practices and shop floor employee engagement globally

To become more competitive, we have adopted best-in-class manufacturing practices across our global supply chain - from procurement through to manufacturing and shipping, including demand-driven supply chain, Theory of Constraints, total productive maintenance (TPM), lean, six sigma, kaizen, and low-cost automation.

We are constantly exploring new technologies and solutions to improve the utilisation of our assets and materials and ensure improved freshness of our products.

A. Total quality management

We drive total quality management through shop floor employee engagement initiatives across geographies. As part of this, we train all shop floor employees in TPM, lean, quality circles, task force, and kaizen.

B. Productivity improvement

In fiscal year 2020, we engaged with over 22,000 shop floor employees to improve manufacturing process, productivity per person, and employee connect and relations.

Productivity improvement across locations

Country	Product	Improvement (%)
India	Godrej aer pocket	20.5
	Godrej Expert Rich Crème	6
	Goodknight Fast Card	3.7
Tanzania	Braids	4.44
Uganda	Crochet (Afro kinky)	15.71
Kenya	PC Weaves	23.53
	N. Abuja Braids	4.65
Mozambique	Weaves	104.76
Nigeria	Crochet (Wet Wave)	87.81
	Braids	4.43
Ghana	Natural twist	29.67
	Braids	7.91
Indonesia	Mitu Mega 1	0.64

All team members are encouraged to suggest changes to improve process efficiencies. We ran an employee suggestion scheme and got over 12,269 suggestions, 63 per cent of which were implementable. So far, we have implemented 69 per cent of the implementable suggestions and the others are in process.

Our team members also registered 92 kaizens for performance improvement across our African and Indonesian manufacturing plants. All 92 have been implemented. Shop floor employees across Indonesia and Africa are helping solve problems related to their own jobs through quality circles, a participatory management technique. Currently, we run 32 quality circles in Indonesia, Kenya, Ghana, and Mozambique.

Shop floor engagement activities at our Kenya and Mozambique factories

3. Industry 4.0

Making future-ready investments to further improve productivity

We are making future-ready investments in Industry 4.0 technologies and processes to improve productivity and quality.

In fiscal year 2020, we implemented IoT at our refill lines at our new Conso unit in Guwahati, North East Cluster. This helped improve line productivity by 18 per cent. In the North Cluster, we implemented IoT at the soap line at our Katha and Thana unit. The real-time monitoring of different machines helped us in de-bottlenecking, thereby improving productivity by 3 per cent.

We implemented IoT at our Lokhra unit in the North East Cluster at our hair crème lines. In the South Cluster, we implemented IoT at our coil line, at our Coil 9 plant. Both these initiatives have significantly improved line productivity.

We have also piloted the implementation of digital twins at two of our plants. At our Coli 9 plant, we implemented a digital twin for our coil drying system to improve throughput and reduce energy consumption. At Lokhra 2 plant, a digital twin was implemented for plant layout optimisation to maximise production lines and increase GST benefits.

To address ongoing inflation and deprecation of local currency, we are constantly exploring ways to maintain and improve product costs. We have recently rolled out a value engineering workshop for the Southern Africa business to identify opportunities, mitigate inflation, and increase the value of our products. We are also developing our local team to incorporate this technique in our production process.

4. Sustainability of the process

Driving sustainability initiatives across manufacturing processes and the supply chain

Manufacturing

As part of our Good & Green vision, we have identified five environmental sustainability goals to be achieved by fiscal year 2021 – we aim to be carbon neutral, achieve water positivity, send zero waste to landfill, reduce specific energy consumption by 30 per cent, and have 30 per cent of total energy from renewable sources. Our performance is guided and tracked by the Sustainability Team at the corporate centre and driven by manufacturing cluster heads and team members at each location.

We track emissions and data calculations for all locations where we have 100 per cent operational control.

We are in the process of adopting carbon and water pricing to capture the financial implications of our emissions and water use, and further our focus on sustainable growth.

Supply chain

Since 2015, we have defined our sustainability commitment expectations for suppliers, linked to our Good & Green goals. This is detailed in the GCPL Sustainable Procurement Policy. All our key suppliers are expected to align with this. The current ESG parameters are also applicable to our existing suppliers.

We are committed to helping our suppliers make their operations more sustainable through the following:

- We assist in reducing specific energy and specific water consumption, waste to landfill and specific CO_2 emissions
- We encourage them to identify and mitigate ESG concerns
- We help enhance process efficiency, reduce use of hazardous and toxic materials and responsibly dispose toxic waste, if any
- We recommend the use of renewable sources of energy, wherever possible

We work with over 600 suppliers. As a part of supplier assessments, we have evaluated 132 suppliers so far (accounting for 67 per cent of our procurement spends) on being quality centred, ethically driven, green inspired, and socially focused. Eighty-seven of these vendors who had historical scores showed 61 per cent improvement. None of the vendors showed any non-compliances towards ethical policies. We have per cent of the evaluated suppliers in sustainability risk zone.

To drive continuous adherence, we have shared industry best practices and suggested actions. Additionally, sustainability assessment through a self-declared questionnaire has become part of our new vendor initiation protocol.

In Indonesia, we are in the process of evaluating 18 of our exclusive vendors (accounting for 65 per cent of our purchases). In Chile, we are covering 13 exclusive vendors (accounting for 40 per cent of our purchases). In Argentina, we are assessing 13 exclusive vendors (accounting for 47 per cent of our purchases).

Engaging with our supplier partners at our annual Global Business Partner Conference 2019

As part of our process, we collate qualitative and quantitative data, and develop a composite score on the basis of the responses. To drive continuous adherence, we have scheduled self-declarations from suppliers, as well as external audits, identified category-wise targets, and are sharing industry best practices and suggested actions.

At the National Convention on Quality Concepts (NCQC) 2019, our North East cluster won 9 awards, North cluster won 16 awards, and Central cluster won 16 awards.

We are deeply committed to fostering an inclusive Godrej

Fostering an inclusive, agile, and high-performance culture

Strategic Priority

Attracting, developing, engaging, and retaining high-quality talent

Capitals Impacted

Human Capital

Intellectual Capital

Social and Relationship Capital

Risks

- Competitive market conditions and new entrants leading to attrition enablers

Enablers

- The Godrej Way: Our purpose and values
- Our Employee Value Proposition (Tough Love, Whole Self and Your Canvas)
- Our leadership behaviours anchored in the Godrej Capability Factors
- An entrepreneurial and inclusive culture backed by enabling people practices
- Our global footprint and the option to build global careers in emerging markets in three continents
- Competitive remuneration based on the principle of sharing value created

Key Focus Areas

- Living 'The Godrej Way'
- Building a culture of agility and experimentation
- Fostering a diverse and inclusive GCPL
- Investing in leadership development
- Creating a strong talent pipeline for the future
- Prioritising safety
- Being among the best companies to work for in all our geographies

Value Created

We are committed to building an inspiring place to work, grounded in The Godrej Way. Our culture aims at fostering diversity, agility, and experimentation. Through our people, policies, and processes, we are empowering our team members, enhancing capabilities in line with business ambitions, and thereby creating more impactful **Human Capital** and **Intellectual Capital**.

A lot of our engagement translates through **Social and Relationship Capital** - partnerships and enhanced employee connect, especially in the context of our multi-geography presence.

- **11,257** direct team members
- **36** nationalities
- Team members in **23** countries
- **76 per cent** of team members based outside India
- Average age of team members (white collar) is **39.9** years
- **25 per cent** of white-collar and **56.5 per cent** of blue-collar team members are women
- **21 per cent** women in senior leadership roles (Vice President and above)
- Consistently ranked in the top quartile of best employers in internal employee engagement survey scores
- **5,816** training man-hours in fiscal year 2020
- Workplace by Facebook helps engage and connect **2,950** people across geographies

Our Indonesia team explores personal and brand purpose at their *Winning with Purpose* workshop in Jakarta

Living 'The Godrej Way'

A culture around 'The Godrej Way'

The Godrej Way, our purpose and values, is the cultural cornerstone that guides our choices and actions. As we grow and become more global, we need to ensure that the current and future generations of Godrejites fully embrace and live our distinctive purpose and values. Over the last couple of years, we have integrated our values with key people policies and processes. We are also exploring ways to bring our purpose alive and build a more meaningful Godrej for all our stakeholders.

Our Employee Value Proposition

We take much pride in fostering an inspiring workplace with an agile and high-performance culture to attract, develop, and retain the best global talent.

Your Canvas

Our exciting and ambitious growth plans allow us to offer unparalleled career opportunities relatively early on.

Tough Love

We expect a lot from our team members, differentiate on the basis of performance and potential through career opportunities and rewards, and lay particular emphasis on developing, mentoring, and training.

Whole Self

We believe that passionate, well-rounded individuals with diverse interests make for better Godrejites. We understand that our team members play multi-faceted roles. Therefore, not only do we encourage them to explore their whole selves, but also create an enabling space for them to do so. Our commitment to being an equal opportunities employer and have flexible working policies around part-time work, work from home, flexible working hours, employee self-help resources, and professional counselling, are designed to enable better productivity and effectiveness.

Sharing business updates at our *#JoshToJeet* town hall in Mumbai

Godrej Capability Factors

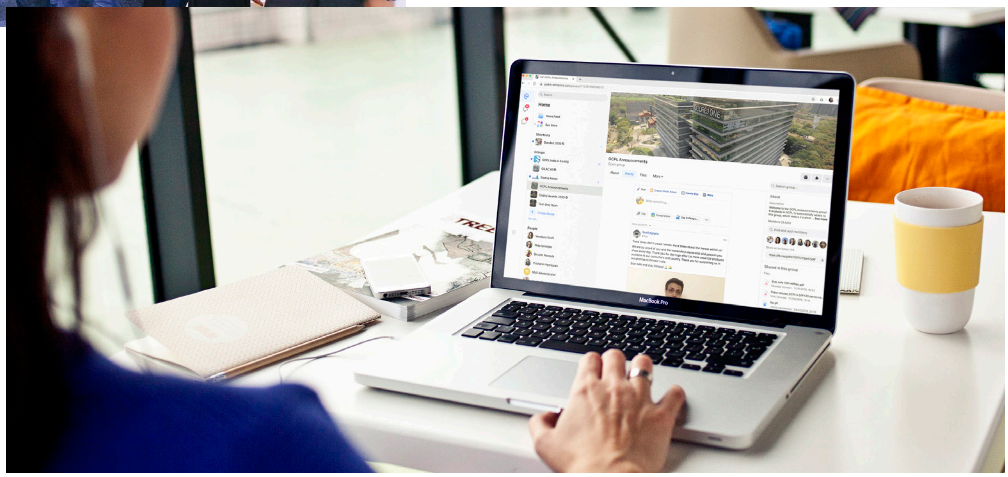
All our people policies and practices are founded on the leadership capability factors of 'Leading Self', 'Leading Others', and 'Leading Business'.

Authentic conversations

Our senior leadership engages through different platforms, including town halls and one-on-one conversations.

We are making a shift from static point-in-time conversations and surveys to a culture of continuous listening. The aim is to understand the pulse of our company in real-time and take immediate action. Earlier this year, we introduced Amber, a chat bot, to interact with team members across geographies. Over 1,300 people were engaged with as part of the first wave of interactions.

(Left) Our Indonesia team reinforces their commitment to excel at the *#MakeItHappen* town hall in Jakarta,
(Down) At our *Talk to the Management Committee Members* breakfast session in Latin America



(Left) Introducing Amber, our chatbot, to teams across Africa,
(Down) Connecting our global teams on Workplace by Facebook, our in-house social media platform

Building a culture of agility, ownership, and experimentation

Our unique multi-local operating model

Our international growth has been through acquisitions. Unlike traditional multi-nationals, we have a multi-local operating model centred on value-based partnering and operational autonomy at the local level. This helps sustain the agile, entrepreneurial spirit that made these companies successful while providing the benefits of strong processes and scale that Godrej brings. Striking a balance between our global identity and the ability to appreciate the local flavour and respond to changing consumer needs is our competitive advantage.

Cluster-function ways of working

In line with our operating model, we are building stronger collaboration across geographical clusters and function teams through shared accountability and clearly defined ways of working.

Teams and projects

'Project Nimble' is a self-managed team of young leaders who work on ideas across functions to make GCPL more agile. As part of the '10xers Programme', cross-functional teams work on challenging business-critical projects sponsored by senior leadership team members.'Project Nimble' is a self-managed team of young leaders who work on ideas across functions to make GCPL more agile. As part of the '10xers Programme', cross-functional teams work on challenging business-critical projects sponsored by senior leadership team members.

Fostering a diverse and inclusive GCPL

As a global conglomerate, delighting over a billion consumers, becoming more inclusive isn't just in our DNA and the right thing to do – it makes excellent business sense. We take pride in being an equal opportunities employer. We recognise merit and encourage diversity.

We do not tolerate any form of discrimination on the basis of nationality, race, colour, religion, caste, gender identity or expression, sexual orientation, disability, age, or marital status and ensure equal opportunities for all our team members.

Diversity Council

The Diversity Council of the Godrej Group, which comprises business leaders and senior team members who champion diversity and inclusiveness, meets every quarter to strategise and discuss initiatives to further drive our diversity and inclusion agenda.

Diversity champions in Africa

Sub-Saharan Africa is a key geographic cluster for us. Given the diversity in gender, nationality, race, and educational background, we percieve see tremendous opportunity in leveraging synergies.

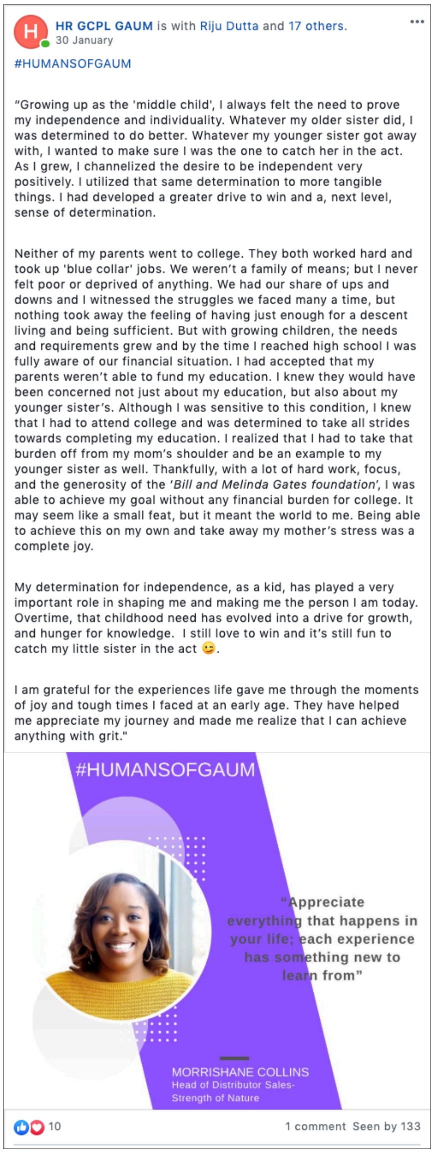
We have a representative council that spearheads targeted interactive sessions, online and offline, to build appreciation and awareness around diversity. Based on the recommendations of this council, we have refreshed our people policies and processes.

Women and leadership

We foster a holistic, supportive workplace for women. As a result of these efforts, the percentage of women in GCPL has increased to approximately 25 per cent, and the percentage of women in senior leadership (Vice President and above) to approximately 21 per cent, today.

Apart from our maternity benefits and daycare facilities, we have a Caregiver Travel Policy, which enables new mothers to bring a caregiver and children up to 1 year of age, for necessary work-related travel.

Through Careers 2.0, our second careers programme, we provide women who have taken a career break a chance to return to the workplace. It offers aspirational and challenging projects across sectors and functions with added flexibility to help women balance their careers and personal needs.



HR GCPL GAUM is with Riju Dutta and 17 others.
30 January

#HUMANSOFGAUM

"Growing up as the 'middle child', I always felt the need to prove my independence and individuality. Whatever my older sister did, I was determined to do better. Whatever my younger sister got away with, I wanted to make sure I was the one to catch her in the act. As I grew, I channelized the desire to be independent very positively. I utilized that same determination to more tangible things. I had developed a greater drive to win and a, next level, sense of determination.

Neither of my parents went to college. They both worked hard and took up 'blue collar' jobs. We weren't a family of means; but I never felt poor or deprived of anything. We had our share of ups and downs and I witnessed the struggles we faced many a time, but nothing took away the feeling of having just enough for a descent living and being sufficient. But with growing children, the needs and requirements grew and by the time I reached high school I was fully aware of our financial situation. I had accepted that my parents weren't able to fund my education. I knew they would have been concerned not just about my education, but also about my younger sister's. Although I was sensitive to this condition, I knew that I had to attend college and was determined to take all strides towards completing my education. I realized that I had to take that burden off from my mom's shoulder and be an example to my younger sister as well. Thankfully, with a lot of hard work, focus, and the generosity of the *'Bill and Melinda Gates foundation'*, I was able to achieve my goal without any financial burden for college. It may seem like a small feat, but it meant the world to me. Being able to achieve this on my own and take away my mother's stress was a complete joy.

My determination for independence, as a kid, has played a very important role in shaping me and making me the person I am today. Overtime, that childhood need has evolved into a drive for growth, and hunger for knowledge. I still love to win and it's still fun to catch my little sister in the act 😉.

I am grateful for the experiences life gave me through the moments of joy and tough times I faced at an early age. They have helped me appreciate my journey and made me realize that I can achieve anything with grit."

10 · 1 comment · Seen by 133

(Left) #HumansOfGAUM is a powerful platform to build appreciation for diversity across Africa,
(Down) We have day care facilities in Indonesia, Africa, and India

Participating in recruiting drives for Project Rainbow

LGBT+ inclusion

Our well-defined equal opportunity policy and a gender-neutral anti-harassment policy protect the rights of our lesbian, gay, bisexual, transgender, queer, and intersex team members.

We have extended medical benefits, such as hospitalisation cover, to domestic partners of Godrejites. We offer a choice to any team member to choose a spouse/domestic partner as a dependent. This also covers same-sex dependents, AIDS patients, and fertility treatments. Our adoption policy too is designed with a gender-neutral primary caregiver in mind. We have a Gender Affirmation Policy to support team members who wish to undergo gender transition. Godrejites can claim reimbursements towards non-cosmetic surgeries and hormone replacement therapy.

We are reviewing amenities and infrastructure facilities for LGBT+ team members. As a first step, we have set up two gender-neutral washrooms at our headquarters, Godrej One, in Mumbai. On December 13, 2018, we launched a 'Manifesto for Trans Inclusion in the Indian Workplace'. Through this, we aim to highlight the position and circumstances of trans people in the Indian society and steps corporate India can take to improve them.

The recently introduced Project Rainbow is a focused platform to empower people from the LGBT+ community to join Godrej.

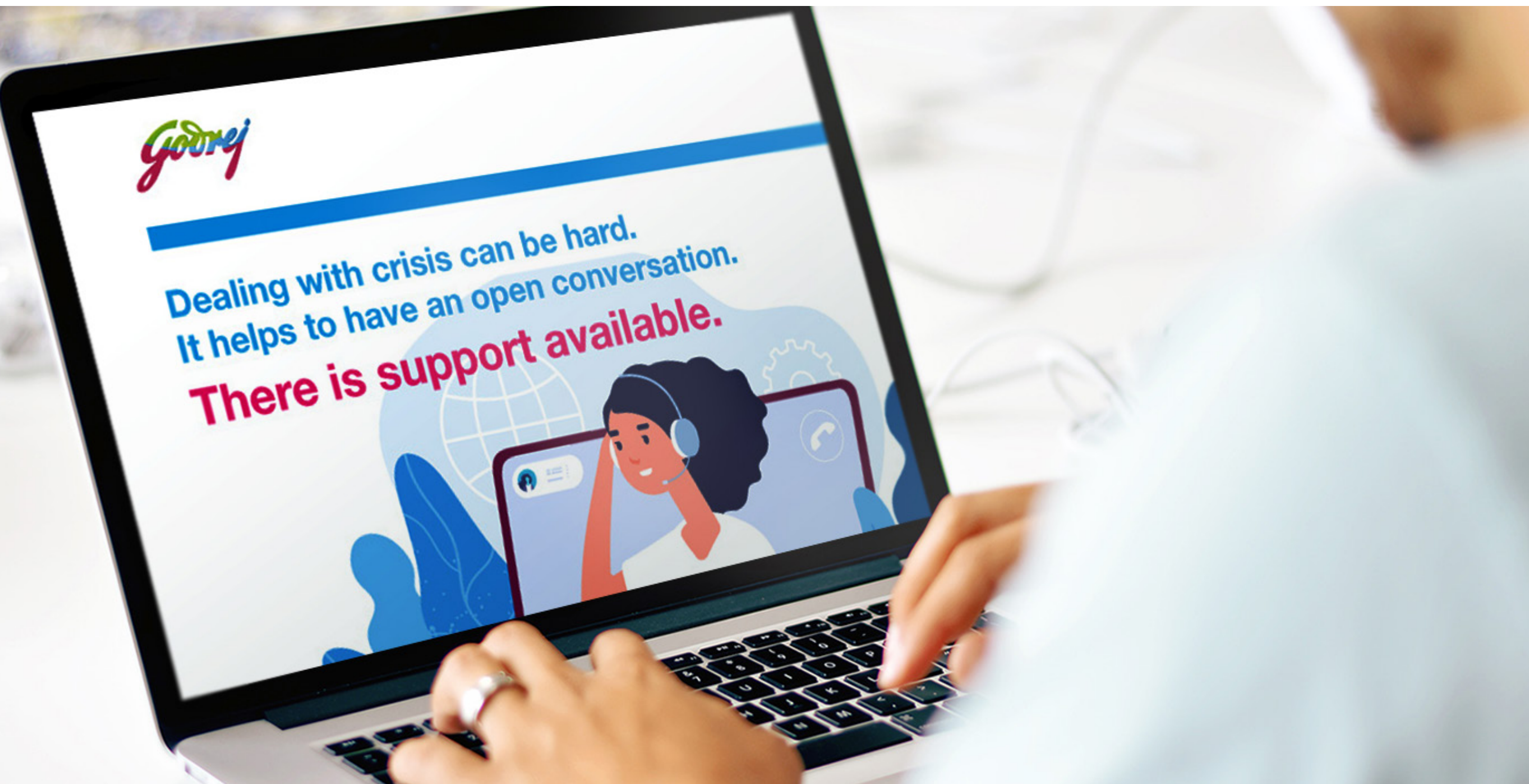
Prevention of sexual harassment

We are committed to creating a workplace where everyone feels respected and included. We ensure that our team members are protected against sexual harassment while prioritising the redressal of all complaints in connected matters. To build awareness, we organise compulsory prevention of sexual harassment sensitisation sessions at regular intervals and have an e-learning module available for ready reference.

Mental wellness

Our Employee Assistance Programme offers a confidential service to enable mental wellness. We have partnered with 1to1help and have a mix of reliable self-help resources and personalised counselling sessions to choose from.

Building awareness and communication around mental wellness



Investing in leadership development

We believe that learning is a continuous process and happens on-the-job, through a combination of challenging assignments and a variety of roles. Our approach to leadership development is built around the Godrej Capability Factors. We are investing in high-quality learning through a mix of programmes led by world-class faculty from Harvard Business School and the Indian School of Business, as well as a host of internal Godrej trainers. In total, 5,816 training man-hours were recorded in fiscal year 2020.

Managerial capabilities

Leading Self

Much of our success depends on whether we are able to unleash the unique and powerful individual potential of each Godrejite. An in-house programme built around our Godrej Capability Factors called the pillar of Leading Self enables people to introspect and better understand and channelise personal drive.

Leading Teams

Leading Teams is an important skillset that both helps drive performance, and organisational growth. This year, we focused on building people management capabilities through an in-house programme, 'Leading Teams for Impact'.

Leading Business

Strategic orientation and execution are emerging learning needs at middle management levels. We enable this through a blended learning approach with on-the-job implementation.

Leading Teams for Impact workshop

Enterprise leadership

Our global programme on sharpening P&L leadership capabilities involves a multi-phase learning journey of 18 months. The fiscal year 2020 focused on facilitating on-the-job projects and enabling tailored career and development journeys.

Women leadership

We are committed to building a strong pipeline of women leaders. 'Accel', a comprehensive leadership development programme, created an intensive immersive learning experience for 20 high potential women team members across geographies. The year-long leadership journey used multiple learning mediums such as classroom sessions, on-the-job projects, senior leadership interactions, and digital learning modules. Participants are also mentored by key women leaders on the basis of individual learning needs.

Godrej Indonesia also hosted a 6-month leadership programme designed for new women managers.

Continuous learning through high impact e-content

We have partnered with Harvard Business School Online to offer access to Harvard's case study content on areas such as strategy, innovation, and leadership, as part of a targeted learning investment for 100 team members.

Building coaching skills at a leadership programme for women in Jakarta

Bringing together high potential women team members from across geographies to train at Accel

The Game of Thrones themed induction for
our summer intern batch in India

Creating a strong talent pipeline for the future

Future-ready functional capabilities

We are building capabilities around new and emergent skillsets and focus areas. Frontline sales managers play an important role in driving business growth. To ramp up focused capabilities across our sales organisation, we hosted tailored sales capability trainings across India, Indonesia and Africa. In India, the focus was on data-based decision-making and people management. In Indonesia, we partnered with Kantar Singapore for training in account management. In Africa, the modules covered basic selling essentials and team management.

Similarly, we are ramping up our digital and analytics capabilities and investing in new channels of growth, such as e-commerce, consumer marketing intelligence, and the professional salon business. In India, we run an expert series to build digital and consumer marketing intelligence capability inputs. In Indonesia, we partnered with the Marketing Institute of Singapore to train in enhancing marketing capabilities.

Launching Godrej LOUD at business schools in India

Innovative approach to recruitment

Godrej LOUD (Live Out Ur Dream), our radically different approach to business school recruitment, encourages students to live out their unfulfilled personal dreams and offers sponsorship and internships with Godrej. LOUD has been hosted successfully across India, Indonesia, and Africa.

Visit the Godrej LOUD website

Occupational health and safety

As part of the Godrej Group, we foster a strong culture of continuous improvement in training, health, and safety. Our people are the key to building a strong safety culture, and we regularly strive to connect with all of our team members to enable this.

As part of training initiatives, we host practical sessions, role plays, and safety competitions. Over the last few years, we have focused on improving safety awareness among all team members, including our contractual workforce. Quality Circles are one of our most impactful initiatives in driving safety and improving productivity. They give our team members a platform to showcase their ideas and solutions to the Management Committee, and have helped us transform operations across our factories.

At Malanpur - our largest factory in India - approximately 400 team members (93 per cent of the team) participate in Quality Circles. Across our international geographies, we have 40 Quality Circles, contributing to an annual saving of approximately ₹1.74 crore. Of these, 14 have participated in and won various regional and national awards.

Key priorities	2018-19	2019-20
Number of people trained on safety (global data for employees + contractors)	65,842	73,039
Injury rate (global data)	0.541	0.35
Lost-time injury frequency rate (LTIFR)	0.149	0.103
Disabling incidents (global data)	0	0
Number of fatalities (global data)	0	1*
First aid/medical kits (global data)	511	434
Number of LTIs (global data)	15	15
Safe man-hours	54.61 Million	64.99 Million
Increase in near-miss reporting	-37%	18%

*In FY 2019-20, we witnessed one fatal incident involving a contract worker. We offered mental, social, and financial help to the family of deceased, and we carried out a thorough investigation of the incident and implemented all the corrective actions across all the manufacturing sites. We are in process of completing all the preventive actions. We have further strengthened our systems and process to prevent such issues in future.

Our factory teams following essential safety protocols amidst the COVID-19 pandemic

Being among the best companies to work for in all our geographies

We have consistently been recognised among the best companies to work for across our geographies. We were also recognised on *Great Place to Work® Institute (India)'s 'Best Workplaces in Manufacturing – 2020'* list, and awarded the *Best Employer Brand Award* at Indonesia's 14th *Employer Branding Awards 2019.*

Godrej In Tune, our engagement survey, hosted in partnership with Aon Hewitt, measures engagement levels across teams and geographies against identified parameters. We use the insights generated to co-create targeted interventions with specific teams.

Godrej Indonesia is awarded the 'Best Employer Brand Award' at Indonesia's 14th Employer Branding Awards 2019

Building a more inclusive and greener world

A view of the 2,100 acres of mangrove forests that the Godrej Group maintains and protects in and around Vikhroli, Mumbai

Strategic Priority

Building an inclusive and greener world

Capitals Impacted

- Intellectual Capital
- Manufactured Capital
- Human Capital
- Natural Capital
- Social and Relationship Capital

Risks

- Regulatory compliance
- Social license to operate
- Community unrest

Enablers

- Godrej purpose
- Good & Green vision
- Godrej values
- Godrej legacy of philanthropy

Key Focus Areas

- Ensuring judicious use of natural resources
- Innovating for sustainable packaging
- Enhancing employability
- Partnering with the Indian Government to eliminate malaria by 2030
- Enabling sustainable communities
- Fostering volunteerism

Value Created

We are conscious of both our dependence on and responsibility towards our communities and the environment, across the value chain and lifecycle of our products.
We remain committed to innovating, exploring new technologies, and improving our processes to become more sustainable through enhanced **Manufactured Capital** and **Intellectual Capital**.

We are working closely with our communities and investing in social programmes to achieve our goals. We are also leveraging our **Human Capital** through employee engagement and volunteering efforts to maximise **Natural Capital** and **Social and Relationship Capital**.

United Nations' Sustainable Development Goals (SDGs)

For more details, refer to the SDG mapping on our website

Godrej Trusts

Approximately 23 per cent of the promoter holding of the Godrej Group is held in trusts that invest in the environment, healthcare, and education.

Environment

We are proud to protect, develop, and maintain the largest privately managed belt of mangrove forests in Mumbai since the 1940s.

Education

The Godrej Udayachal pre-primary and primary schools focus on the all-round development of children. The Udayachal High School has been accredited with the International School Award in recognition its global education curriculum and innovative in-classroom teaching.

We also support Teach For India, a nationwide movement involving outstanding college graduates and young professionals, who commit two years to full-time teaching in under-resourced schools and become lifelong leaders working towards the pursuit of equity in education.

Healthcare

The Godrej Memorial Hospital aims to provide high-quality healthcare at affordable costs. One such initiative is our partnership with Smile Train, a US-based NGO, which helps in performing corrective cleft lip and palate surgery in children from low-income families. We offer surgery and hospitalisation to these children free of cost.

Inside the Godrej Udayachal school in Mumbai

Know more about our CSR policy

Good & Green

Sustainability at GCPL is guided by the Godrej Group's Good & Green vision of creating a more inclusive and greener world.

We have a comprehensive CSR policy that outlines programmes and projects to create a positive impact on our stakeholders. Our CSR committee reviews, monitors and provides strategic inputs on our sustainability efforts.

Over the years, we have aligned our initiatives with the United Nations' SDGs, the Government of India's social development priorities, and the needs of our local communities to deliver high-impact programmes.

Key focus areas and corresponding initiatives

Ensuring judicious use of natural resources
Driving environmental sustainability initiatives at manufacturing plants through Green projects

Innovating for sustainable packaging
Incorporating sustainable packaging initiatives through innovation and technology upgradation to minimise the impact of our packaging on the environment

Enhancing employability
Implementing economic empowerment efforts to build inclusive and prosperous communities

Partnering with the Government of India to eliminate malaria by 2030
Through Project EMBED (Elimination of Mosquito Borne Endemic Diseases) that supports the Government's efforts to eradicate insectborne diseases

Enabling sustainable communities
Implementing a range of environmental sustainability and community development initiatives

Fostering volunteerism
Initiatives for Godrejites to connect more meaningfully with our communities

I. Ensuring judicious use of natural resources

As part of our Good & Green vision, we have established five environmental sustainability goals to be achieved by fiscal year 2021. The standards, methodologies, and assumptions used for our calculations were obtained from the 'IPCC Guidelines for National Greenhouse Gas Inventories, 2006' and the 'IPCC AR5 Assessment Report'.

Our overall approach and process is detailed in our FY 2018-19 report: **Building a more inclusive and greener world > Good & Green > Optimum use of natural resources**

Our goals and performance

1. Energy

- Reduce specific energy consumption by 30 per cent
- Increase renewable energy portfolio to 30 per cent

Approach

- Improvements in processes and increase in efficiency of systems
- Adopting green energy sources such as solar and biomass

Performance*#

- Reduced our specific energy consumption by 27.7 per cent
- Increased renewable energy portfolio to 30 per cent

2. Water - Become water positive

Approach

- Innovative water management systems and technological improvements

Performance**

- Reduced our specific water consumption by 32 per cent

3. Waste - Achieve zero waste to landfill

Approach

- Judicious and innovative use of materials, including reuse and recycling

Performance***

- Reduced our specific waste to landfill by 99.5 per cent

4. Emission - Become carbon neutral

Approach

- Adopting cleaner fuels such as biomass

Performance*####

- Reduced our specific GHG emissions by 37 per cent

Notes:

* Performance as on March 2020 against fiscal year 2010-11 baseline

Energy use is calculated by specific energy consumption per tonne of production

Water usage is calculated by specific water consumption per tonne of production

Waste generated is calculated by specific waste to landfill per tonne of production

Emissions are tracked for Scope 1 and 2 and calculated by specific GHG emissions per tonne of production

1. Energy

In fiscal year 2020 we have undertaken 70 energy efficiency initiatives to reduce our energy consumption and dependence on conventional energy sources, in relation to our manufacturing scale.

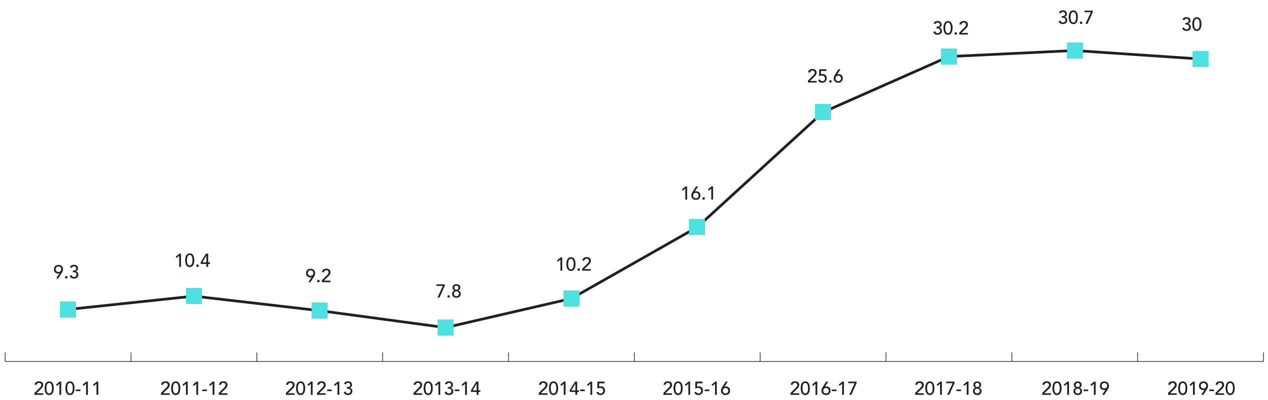
Key initiatives in India in fiscal year 2020:

- Malanpur:
  - Installed water-based vacuum system to replace a steam based vacuum system that helped reduce fuel consumption by 48 metric tonne.
  - Replaced the old chiller with a new, efficient one that helped save 1.4 lakh kWh.
  - Installed a new energy efficient compressor that reduced energy consumption by 2.8 lakh kWh.
- North cluster:
  - Replaced old motors with new IE4 motors that helped save 82,000 kWh.
  - Reduced roll mill frequency that saved 27,000 kWh.
- North East cluster:
  - Installed VFDs and capacitor banks at the Meghalaya coil plant that helped save over 1 lakh kWh.
  - Optimised compressed air pressure and installed limit switch, motion sensor, and timer control saved 35,000 kWh.
- South cluster:
  - Replaced pneumatic cylinders with servo motors that saved 1.5 lakh kWh.
  - Installed energy saving devices for air conditioning.

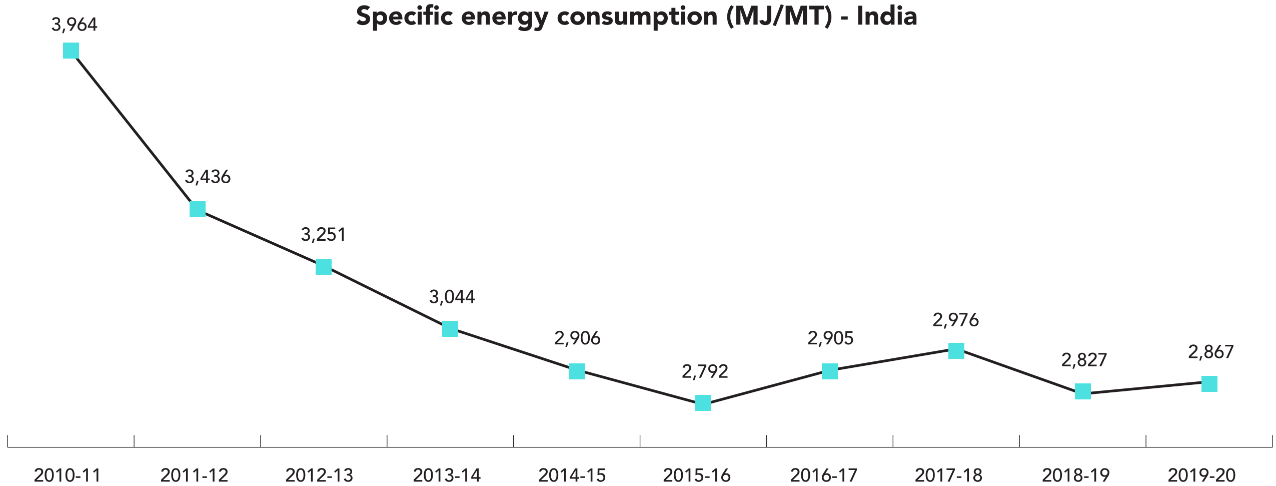
Reasons for rise in specific energy consumption in fiscal year 2020 include the following:

- Increased fat splitting activity in-house, which has consumed additional 250 metric tonne of fuel and 188,750 kWh of electricity. This has resulted in 1.4 per cent increase in specific energy consumption, and 1.3 per cent increase in specific GHG emissions.
- In Malanpur, due to high production demand, we ran our old FSP1 and FADP 1 plants. This resulted in 210 metric tonne of additional fuel consumption. We have already made investments to improve these plants' energy efficiency.

Share of renewable enery in energy mix (%) - India

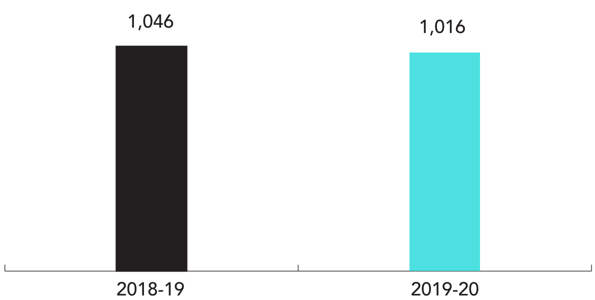


Specific energy consumption (MJ/MT) - India

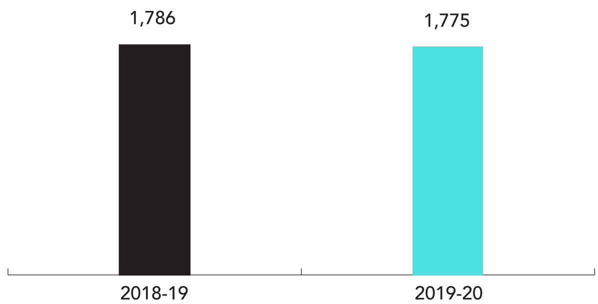


Energy report - Global

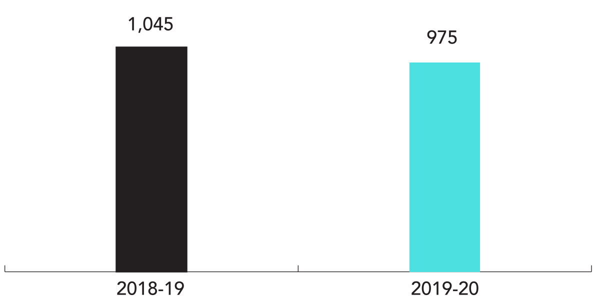
Indonesia - Specific energy by product [MJ/t]



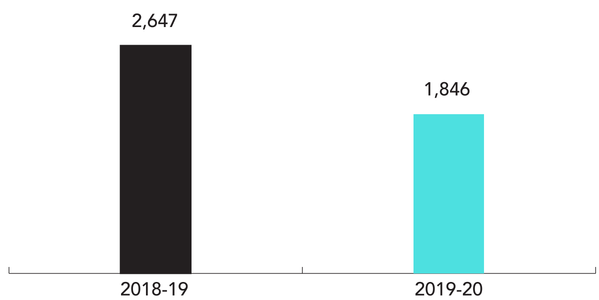
Africa - Specific energy by product [MJ/t]



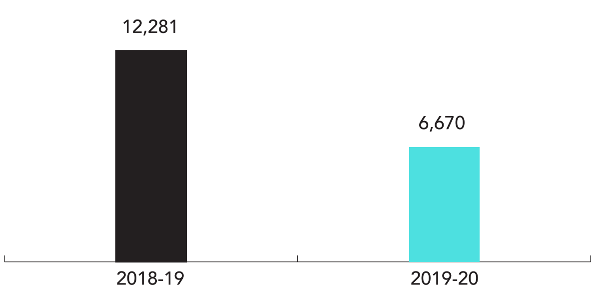
Latin America - Specific energy by product [MJ/t]



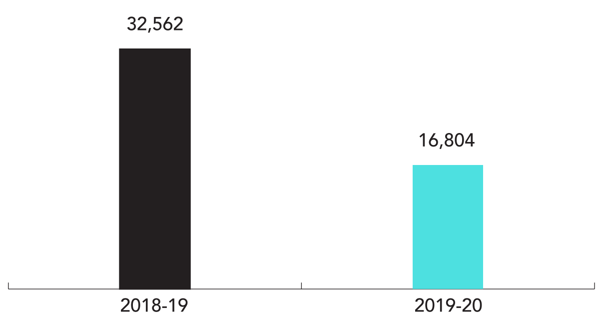
USA - Specific energy by product [MJ/t]



Bangladesh - Specific energy by product [MJ/t]



Sri Lanka - Specific energy by product [MJ/t]



2. Water

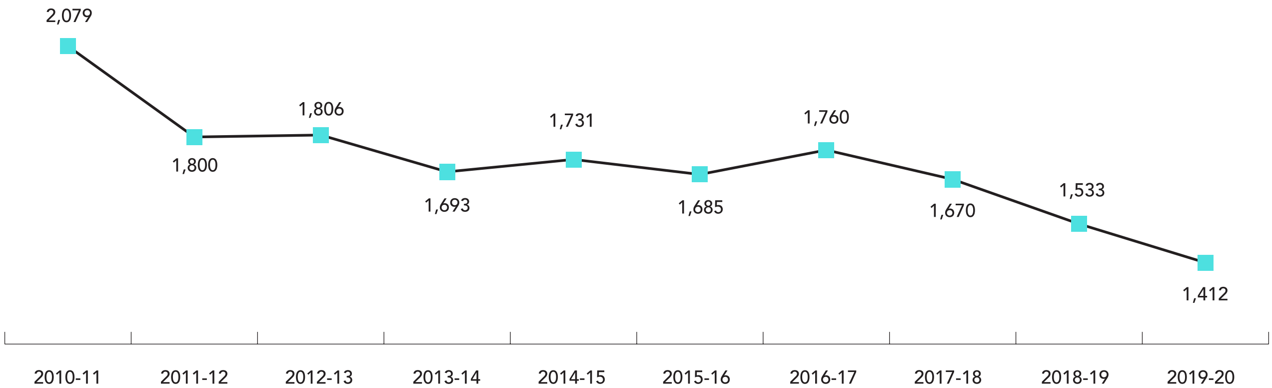
We continually evaluate and implement innovative projects to reduce specific water consumption. We continue to source our water from sustainable sources. We have also supported integrated watershed projects to replenish groundwater levels.

To know more about our watershed programme, refer to our FY 2018-19 report: **Building a more inclusive and greener world > Good & Green > Enabling sustainable communities**

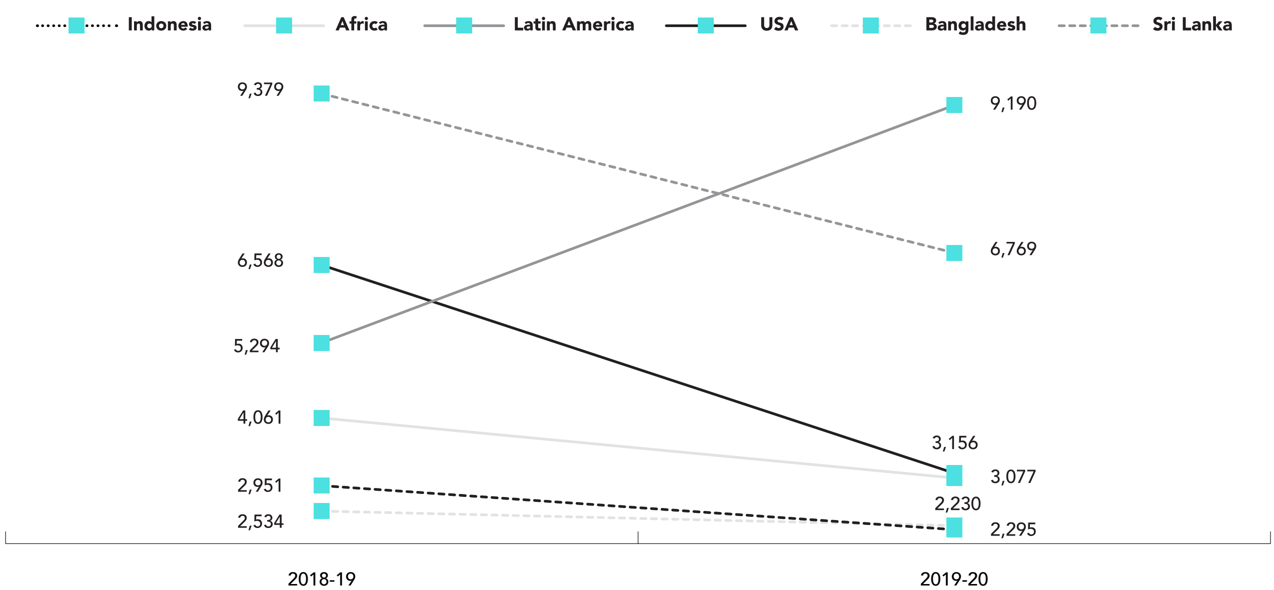
Key initiatives in India in fiscal year 2020:

- In India, installed rainwater harvesting and load men bath water treatment at Coil units in the South cluster that saved 2,700 kL of water/annum
- In Indonesia, we implemented a 30 kLD effluent treatment plant and a rainwater harvesting system in 1,451 sq. meters of roof that provides 1.3 kL of water/annum of rainwater
- In Chile and USA, we improved effluents treatment systems

Specific water withdrawal per metric tonne of production (litre/MT) - India



Specific water withdrawal per tonne of product (litre/MT) - Global



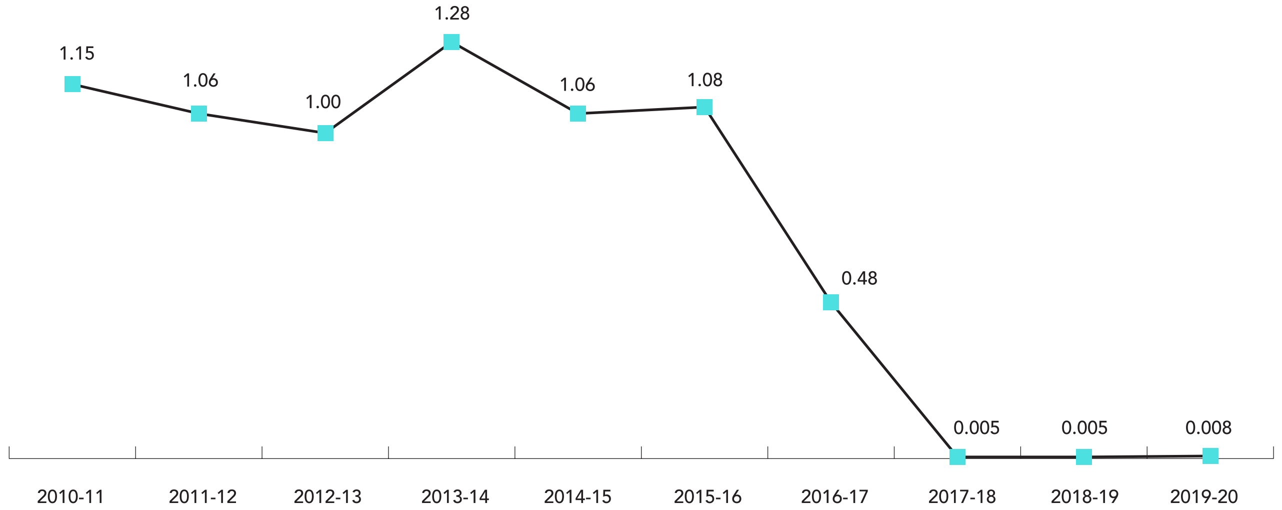
3. Waste

We have undertaken several initiatives to reduce waste generation and divert the waste from landfills to gainful applications. We continue to divert our Malanpur plant's ETP sludge from landfills to co-processing at a cement plant. As a result, we have already achieved over 99 per cent reduction in waste to landfill. We are also on track with our extended producer responsibility (EPR) commitment.

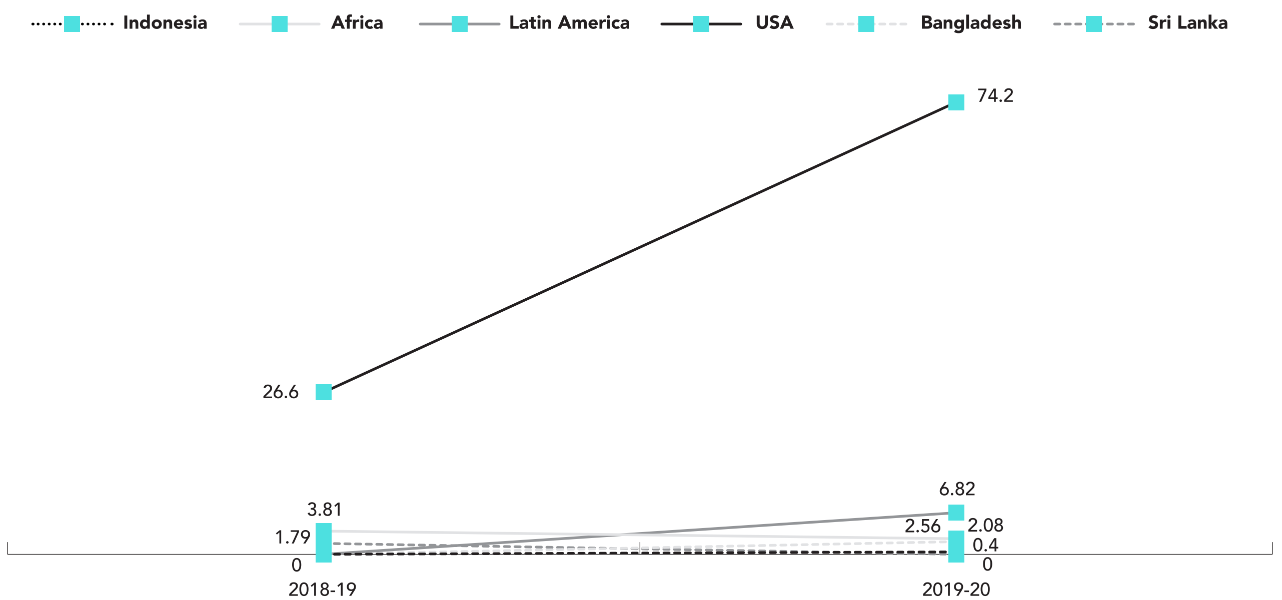
Key initiatives in fiscal year 2020:

- In Chile, close to 100 per cent of non-hazardous waste is recycled and hazardous waste is sent for co-processing
- In India, collected 8,000 metric tonne of plastic waste, which is equivalent to 73 per cent of our post-consumer plastic packaging

Specific waste to landfill (kg/MT) - India



Specific waste to landfill (kg/MT) - Global



4. Emission

All our manufacturing units monitor their GHG emissions, and we have set short-term targets to reduce emission and achieve carbon neutrality. Our energy efficiency initiatives contribute to GHG emission reductions. They include switching to renewable biomass for boilers, procurement of renewable energy, flue gas heat recovery from boilers and utilisation in the process, and installation of energy-efficient equipment.

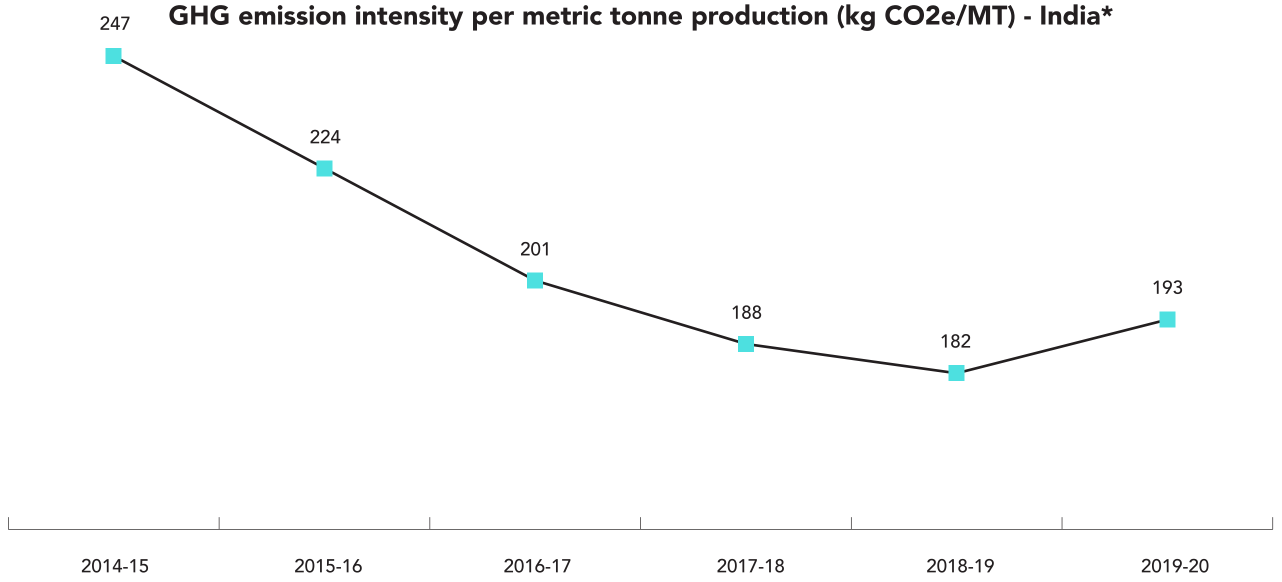
In fiscal year 2020, we reported a higher emission trend. The main reason for this was:

- India's prolonged monsoon, which led to solar power generation of less than 18 lakh units

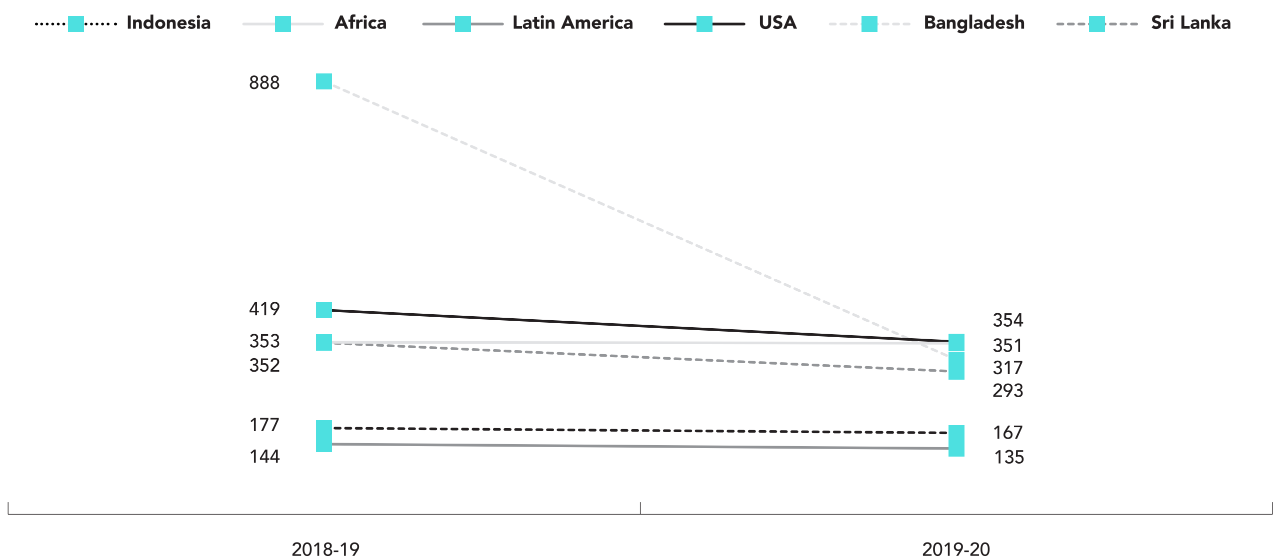
We are undertaking different measures to address this, including the following:

- Increasing the share of solar-based electricity
- Installing a water jet vacuum system in FADP 1 to reduce fuel consumption (this has been completed)
- Continuing to invest in energy efficiency initiatives to reduce our specific GHG emissions

GHG emission intensity per metric tonne production (kg CO2e/MT) - India*



Specific GHG emissions per tonne production (kg CO2e/MT) - Global



* Emission calculated from energy consumption within our operations

II. Innovating for sustainable packaging

In a FMCG business, packaging plays a very important role in maintaining product integrity. We use delightful design and packaging as a way to differentiate our products - and we aim to do this in an eco-friendly way. A number of our products are known for unique packaging, which balances utility and recyclability.
In addition to our Good & Green targets, at a company level, we have identified sustainable packaging targets for fiscal year 2025.

Our goals

1. Reduce packaging consumption per unit of production by 20 per cent from the base year of fiscal year 2018

Approach

- Process improvements to make packaging more efficient

2. Ensure that 100 per cent of the packaging material is recyclable, reusable, recoverable, or compostable

Approach

- Upgrade to newer technologies and innovate packaging raw materials

3. Use at least 10 per cent post-consumer recycled (PCR) content in plastic packaging

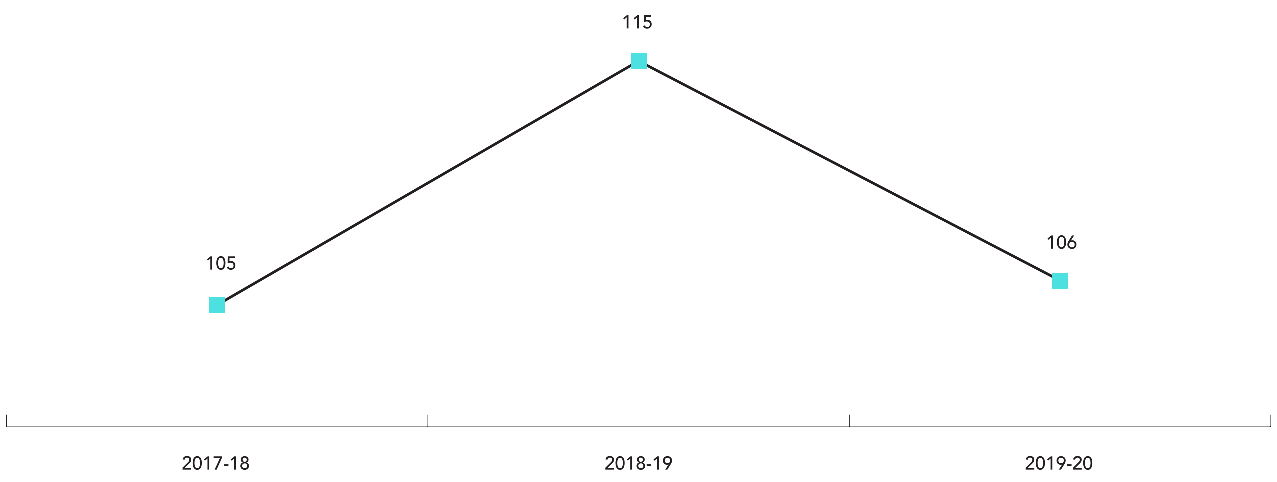
Approach

- Partner with research organisations and start-up enterprises to develop packaging materials as alternatives to plastic and enable the use of recycled plastic instead of virgin material

Key initiatives in fiscal year 2020:

- Efficient packaging of Expert Powder Hair Dye helped saved 9 metric tonne annum of material
- We saved 19 metric tonne of material by reducing the thickness of our Cinthol soap wrapper.
- Redesigned the Cinthol Deo spray cap from a 3-piece cap to single-piece cap that helped save 8 metric tonne per of material

Specific packaging consumption (kg/tonne)



III. Enhancing employability

Our livelihood programmes focus on economic empowerment and are a part of our CSR initiatives. They are guided by our Good & Green vision and our CSR policy, and are reported under Schedule VII, Section 135 of the Companies Act, 2013 in the Directors' Report.

We follow a shared value approach that addresses critical economic needs of marginalised and underprivileged sections of society, while strengthening our competitive advantage.

> To know more about the need for women employability, details of our trainees, our approach, and our journey, refer to our FY 2018-19 report: **Building a more inclusive and greener world > Good & Green > Building inclusive and prosperous communities > Livelihood**

1. Salon-i and Beautypreneur in India

Salon-i

Overview:

Our flagship social initiative, Salon-i, is a vocational training programme for women. It is designed entirely in-house to train young women in basic cosmetic skills, skin and hair care, and mehendi application. In addition, life skills and entrepreneurship development modules enable women to take up jobs or pursue self-employment, depending on their unique skillsets and circumstances. Compared with the country's overall need, Salon-i's employability goal is small; however, the programme is unique as it specifically aims at employability, entrepreneurship, and empowerment of women. Since fiscal year 2013, we have trained over 2,27,094 young women and continue to invest in their initiatives.

Impact:

Our third-party impact assessment of Salon-i showed a three-fold increase in our trainees participating in paid work – from 14 to 45 per cent, of which 78 per cent were first time entrants in the workforce. Our trainees contributed between 15 and 50 per cent of their household income, depending on nature and location of their work. The median monthly salary for salon workers was ₹4,000 and ₹2,500 for those working at home. This income was nearly three times higher than what the trainees earned before the training. Forty per cent of the trainees also reported saving a part of their income for their financial security and purchase of assets. Qualitatively, the majority of the trainees attributed a sense of selfworth and confidence to face challenges as a key benefit of training. Trainees with difficult circumstances at home were more appreciative of the life skills curriculum that helped them negotiate social barriers

Beautypreneur

Overview:

As an extension of Salon-i, we reached out to women micro-entrepreneurs in the beauty and wellness sector in various parts of the country and set up the Beautypreneur platform. Beautypreneur aims at incubating beauty and wellness entrepreneurship in women, thereby enabling them to train other women. This is in addition to their regular salon business and therefore, helps them expand their enterprise. Since fiscal year 2017, we have supported over 4,210 women entrepreneurs and continue to expand our reach.

Impact:

A third-party Social Return on Investment (SROI) study of Beautypreneur showed an overall social return of ₹6 .46 on the programme for every ₹1 invested. Beautypreneurs reported a 50 per cent increase in their revenue after training, achieved with a mix of lower expenses and higher sales of their services.

We have trained over
2,27,094 young women
through our Salon-i programme

Priyanka Chalke, Mumbai

“Priyanka had to drop out school and start working as a teenager to support her family. From being a domestic help to working as a caterer to being a security guard – she's done all that she could find, and tried to balance the needs of her family on a small wage. At 23, she got married and found support from her husband. However, her husband's health deteriorated, and monetary issues grew. This time around, Priyanka was on the lookout to skill herself and find an opportunity to gain a steady income. She came across the Salon-i beauty and wellness training course and enroled for it. After completing the course, she began home services and building her clientele. Her dedication stood out, and our non-profit partner offered her a full-time job as a beauty trainer. She is now able to manage the needs of her family, and is training young girls to build their skills and confidence.”

Sadhna Tilvania, Indore, Madhya Pradesh

“Sadhna, a mother of two, is a beautician by profession, and runs a small beauty parlour in a slum, while her husband works in a local clothing shop. She managed to earn only ₹2,000-₹3,000 per month, and it was becoming a challenge to run her business. In 2018, our non-profit partner met Sadhana and briefed her about the Beautypreneur programme with Godrej Expert Rich Crème. She enroled and found the training immensely useful. Armed with new-found knowledge and renewed confidence, she built new income sources such as organising seminars in her area and utilising the leaner business months to focus on training students. Both strategies boosted her income by three-fold to ₹8,000 per month.”

Our Beautypreneur programme works
with micro-entrepreneurs in the beauty
and wellness sector

We are stepping up efforts through hairdressing training in Kenya

2. Darling hair and beauty skills training in Kenya

Overview:

We run hairdressing training for young women from underprivileged backgrounds at 34 training centres in Kenya, of which 30 centres are run in partnership with local county polytechnics.

Output:

We have trained over 4,200 women in five years. We are motivated by the successes so far reported by our alumni, several of whom have gone on to set up their own businesses (salons). We would like to facilitate the same for many more.

Mercy Hamisi, Nairobi

"Like many other Kenyan youth, Mercy too had no formal training, and no source of income, which made her vulnerable to exploitation. A neighbour told her about the Darling hairdressing training programme and she enrolled with the hope of securing a steady income source. She trained for three months at the Likoni centre, where she learned technical hair dressing skills, and communication and client engagement. After training, she landed a job at the Lucky Salon in Nairobi, and has been able to meet the financial needs of her and her family. Today, she is able to provide for her food, pay school fees for her siblings, and also support her parents, including paying for rents at her family home. She has become an organic brand ambassador for our programme and has inspired 10 girls from her hometown to enrol for training."

IV. Partnering with the Government of India to eliminate malaria by 2030

Elimination of Mosquito-Borne Endemic Diseases (EMBED)

Overview:

EMBED is a great example of a CSR initiative built on the principle of shared value. It was initiated in Madhya Pradesh in 2015 in partnership with the Ministry of Health and Family Welfare's National Vectore Borne Disease Control Programme (NVBDCP); we have also recently expanded to Uttar Pradesh and Chhattisgarh.

Through EMBED, we collaborate with non-profit organisations and the state government to run intensive behaviour change programmes in seven districts of Madhya Pradesh, and two districts each in Uttar Pradesh and Chhattisgarh.
The focus is on building awareness in households for people at the bottom of the pyramid and for vulnerable and marginalised groups in tribal, hilly, and hard-to-reach areas. The programme has achieved full coverage in 830 villages across these 11 districts.

Project EMBED aims to eliminate malaria by creating awareness and driving behaviour change

Impact:

- An independent SROI study of the programme revealed that every ₹1 invested in the programme created social impact worth ₹8.38.
- Close to 63 per cent of the community is taking steps to prevent malaria after increasing their awareness by participating in sessions.
- Around 75 per cent of the community healthcare workers reported an increase in their knowledge and diagnosis and treatment of malaria.
- Post malaria treatment, a 32 per cent improvement in overall health was reported that resulted in 17 per cent increase in productivity and 22 per cent decrease in school/work absenteeism.

Dukhiram Yadav, Chindwara Ryat, Mandla

“Dukhiram Yadav is a 50-year-old farmer and daily wage labourer. Like many in his village, he was diagnosed with malaria in 2015. Being a daily wage earner, his productivity and income took a hit. Soon after, his wife caught the disease, quickly followed by the children, and soon the whole household was suffering together. They had almost no awareness about the disease, the causes of disease, or how it could be prevented. Dukhiram mentioned that the workers spreading awareness about malaria in his village by visiting households helped him to be better protected against mosquito-borne diseases that he feels much safer with their precautionary measures. He now regularly uses bed nets provided by the village panchayat and keeps his surroundings clean. Since then, there has not been any malaria incident in their home.”

V. Enabling sustainable communities

A significant focus of our CSR programmes is to work towards the sustainable development of communities, ensuring that current needs are met without compromising future requirements. We aim to address the challenges of climate change, urbanisation and economic growth.

To know more about the need and approach of our waste management and watershed programmes, please refer to our FY 2018-19 report: **Building a more inclusive and greener world > Good & Green > Building inclusive and prosperous communities**

1. Waste management

Overview:

Our efforts towards solid waste management extend beyond our manufacturing plants and immediate areas of operations. As part of our CSR efforts, we run community waste management projects using circular economy principles. In the past, we have collaborated with the Hyderabad and Kalyan-Dombivali Municipal Corporations. Most recently, we have partnered with the Pondicherry Municipal Corporation to implement a community waste management project. We are working with a social enterprise in Guwahati to covert plastic waste into fuel. We are partnering with another enterprise in Assam that recycles forest and agricultural residue to produce briquettes to be used as biofuel. Together, through these projects, we aim to process and divert up to 50 metric tonne of waste from landfills per day.

2. Watershed management

Overview:

Our integrated watershed development project is helping restore the ecological balance in the drought-prone district of Siddipet in Telangana. Currently, groundwater levels are lower than 400 ft in many areas, and as a result, farmers are under acute pressure. In partnership with NABARD and a local NGO, we are treating land to replenish groundwater levels, improve irrigation, develop plantations, and ensure sustainable agriculture practices.

Output:

We have treated 870 hectares of land and carried out plantations through 3 lakh direct seedings and over 38,000 direct saplings. We have worked with over 300 farmers to diversify their livelihood and build their capacity on sustainable farming. We have also captured about 1 million kL of water in the region in fiscal year 2020.

3. Community initiatives

Overview:

We work closely in communities around our manufacturing plants, implementing community development initiatives that focus on improving education, health, and sanitation, access, and availability of water, and skill building. Through this, we reach out to and directly impact over 6,500 people annually.

Key initiatives in India:

- In the North cluster, we partner with government schools in Himachal Pradesh and Jammu. In Baddi, we have provided a sanitary napkin vending machine in a senior secondary school and supported the complete flooring of the assembly area. We have also supported the construction of a playground in the Himachal Pradesh Police Line. In a Thana senior secondary school, we have supported the repairs of toilets and installed a sanitary napkin vending machine. In Kathua, we have supported the repairs and maintenance of the Chack Ram Singh government primary school, installed a reverse osmosis system, and provided utensils for mid-day meals. In Bari Brahmana, we have renovated two classrooms of the government girls middle school and installed a water filter.
- In the North East cluster, we are working with schools in Sikkim. We have provided computers to the Mamring high school, supported construction of bio-toilets in Pasi LP school, and constructed a fence around the school to ensure safety of the children.
- In the Central cluster, we are working with the community around our flagship plant in Malanpur. We have supported painting and leveling work at the local middle school. We have supported the local community hospital for plumbing, lighting, painting, and furniture. We are also implementing a 'Youth ki awaaz' programme, which is a water, health, and sanitation behaviour change programme that works with young people to drive change.

Donations:

Every year, we make strategic donations to support skill development, employability, sports, arts and culture, and critical cancer ailment support. For more details, please refer to the Director's Report.

Volunteers from our Indonesia team on Godrej Global Volunteering Day

Pledging to eliminate single use plastic as part of Godrej Global Volunteering Day

VI. Fostering volunteerism

Our multi-faceted volunteering platform provides a range of opportunities for Godrejites to contribute their time and skills to community activities.

1. Godrej Global Volunteering Day

This is our annual day of community service. In 2019, close to 1,700 of our team members across the globe volunteered their time to eliminate single use plastic from their workplaces and lives. Godrejites participated in awareness sessions and clean-up drives in their offices and public places. Across Godrej Industries, we collected over 15.5 metric tonne of solid waste, which is equivalent to the waste generated by 11,000 people in a day. Of this, they sorted 9 metric tonne of plastic waste, and sent it for recycling.

2. Brighter Giving

These are long-term volunteering opportunities to help make a meaningful impact. Every year, volunteers take up projects that provide mentorship to students. We partner with iVolunteer to connect these students with our team members. Our volunteers provide career counselling, academic mentoring, and even sports coaching.

Godrejites run for Teach For India at the Tata Mumbai Marathon

3. Mumbai Marathon

In January 2020, 53 Godrejites completed the Tata Mumbai Marathon in support of Teach for India and raised over ₹14,00,000 to bring quality education to children from low-income families across India.

4. World Environment Day

Every year, on World Environment Day, our team members host celebrations and spread awareness about the effects of our actions on the environment. We organise tree plantation drives around the communities of our manufacturing plants, cleanliness drives in collaboration with local panchayat and municipal corporations, and awareness sessions in local schools, among other activities. In fiscal year 2020, over 2,350 Godrejites participated in these activities and planted over 6,200 saplings around the globe.

Spreading awareness around World Environment Day in 2019

5. Payroll Giving

Our team members support our three non-profit partners directly through payroll giving. In fiscal year 2020, 132 Godrejites across the Group registered for the first time, and 149 continued their support. Together, they contributed over ₹9,00,000 in support of education, health and safety of children, and environment preservation and conservation.

As a part of our disaster relief efforts, we provide support to areas affected by natural disasters through contributions from Godrejites and matching grants from the Group. In 2019, we provided support for flood relief efforts.

Awards and Recognition

We were recognised on the Dow Jones Sustainability Index 2019

Dow Jones Sustainability Index for Emerging Markets 2019

Efficiency in Energy Usage in Chemical sector, FICCI Chemicals and Petrochemicals Awards 2019

Board's Report

Dear Members,

Your Directors, with great pleasure, present the Annual and Integrated Report for the year ended March 31, 2020.

1. Results of Our Operations

The financial performance of your Company for the fiscal year under review is given below.

An overview of the performance of the Company's subsidiaries in various geographies is given separately in the Board's Report.

The shareholders may also refer to the Management Discussion and Analysis section that gives more details on the functioning of the Company.

₹ (Crore)

Financials: Abridged Profit and Loss Statement	Consolidated		Standalone	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Total revenue from operations	**9,910.80**	10,314.34	**5,474.45**	5,679.31
Other income	**112.30**	108.76	**91.26**	94.45
Total income	**10,023.10**	10,423.10	**5,565.71**	5,773.76
Total expenses, including depreciation and finance costs	**8,182.46**	8,590.96	**4,166.08**	4,300.68
Profit/loss before exceptional items, share of profit of equity accounted investees, and tax	**1,840.64**	1,832.14	**1,399.63**	1,473.08
Exceptional items	**(81.05)**	252.56	**-**	-
Share of profit of equity accounted investees (net of income tax)	**0.81**	0.63	**-**	-
Profit/loss before tax	**1,760.40**	2,085.33	**1,399.63**	1,473.08
Tax expense	**263.82**	(256.20)	**219.74**	(281.90)
Profit/loss after tax	**1,496.58**	2,341.53	**1,179.89**	1,754.98
Other comprehensive income	**223.20**	138.51	**(0.97)**	(0.17)
Total comprehensive income attributable to owners of the Company	**1,719.78**	2,480.04	**1,178.92**	1,754.81

2. Appropriation

Your Directors recommend appropriation as given below:

Appropriation	Fiscal Year 2019-20	Fiscal Year 2018-19
	₹ (Crore)	₹ (Crore)
Surplus at the beginning of the year	**3,258.64**	2,982.46
Less: Transition impact of lease as per IND AS 116 (net of tax)	**1.20**	-
Restated balance at the beginning of the year	**3,257.44**	2,982.46
Add: Net profit for the year	**1,179.89**	1,754.98
Less: Remeasurements of defined benefit plans (net of tax)	**0.97**	0.17
Available for Appropriation	**4,436.36**	4,737.27
Less: Interim dividends	**817.82**	1,226.52
Less: Tax on distributed profits	**168.11**	252.11
Surplus Carried Forward	**3,450.43**	3,258.64

3. Dividend

A. Dividend Declared

During the fiscal year 2019-20, the following interim dividends were declared on shares of face value of ₹ 1 each:

Declared at the Board Meeting Dated	Dividend Rate Per Share on Shares of Face Value of ₹1 Each	Record Date
May 3, 2019	2	May 13, 2019
August 1, 2019	2	August 9, 2019
November 6, 2019	2	November 15, 2019
January 29, 2020	2	February 6, 2020

B. Dividend Distribution Policy

The Board of Directors adopted the Dividend Distribution Policy pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), which requires the top 500 listed companies (by market capitalisation) to formulate the same. The Company's Dividend Distribution Policy may also be accessed through the following link [1].

4. COVID-19

The novel coronavirus outbreak in the last quarter of fiscal year 2020 has significantly affected the consumer goods industry across the globe. We at Godrej Consumer Products Limited (GCPL), have been working on a safety first principle,

[1] https://godrejcp.com/sustainability/codes-and-policies

ensuring that our employees and business partners are safe, and taking all necessary precautions to control the spread of Coronavirus. In view of the lockdown in many of the States/Union Territories across India, operations in many of the Company's locations (manufacturing, warehouses, offices, etc.) had to be scaled down or shut down from the second half of March 2020. The operations at several of the overseas locations were also shut down/scaled down over various periods and are being operated as per the local guidelines complying with the required social distancing and high hygiene standards. While this has adversely impacted the sales performance in various geographies, we continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per our current assessment, other than the impairment recorded in the financial statements, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of the financial statements.

From a risk management perspective, we are monitoring and acting against the outbreak in line with our internal crisis management plan, which is overseen by the Risk Committee. More details regarding our response is available in the 'Risks and Opportunities' section and in the message from our Executive Chairperson.

5. Board of Directors

A. Number of Meetings

Four Board meetings were held during the year. The details of the meetings and the attendance record of the Directors are given in the Corporate Governance section of the Annual Report.

B. Changes in the Board of Directors

At the Board meeting held on January 29, 2019, Mr Sumeet Narang was appointed as an Independent Director with effect from April 1, 2019, for a period of 5 years, and the shareholders approved his appointment through postal ballot held on March 20, 2019. In the opinion of the Board of Directors, he possesses the requisite integrity, expertise, and experience to guide the Company's growth strategy.

Mr Bharat Doshi's tenure of 5 years ended on September 25, 2019, and he had expressed his desire to not offer himself for reappointment for another term. The Board places on record its sincere appreciation of the contribution made by Mr Doshi during his tenure on the Board. Ms Ireena Vittal was appointed to act as the Lead Independent Director in place of Mr Bharat Doshi.

After the end of the financial year, Mr Vivek Gambhir tendered his resignation as Managing Director of the Company with effect from the close of business hours of June 30, 2020 for personal reasons. His resignation was accepted by the Board of Directors at their meeting held on June 9, 2020. The Board has requested Mr Vivek Gambhir to continue as a Whole-time Director up to September 30, 2020. The Board members place on record their sincere appreciation for Mr Gambhir's contributions to the Company's growth during his tenure as the Managing Director.

At the meeting held on June 9, 2020, the Board approved the appointment of Ms Nisaba Godrej as the Managing Director of the Company, subject to approval of the shareholders at the Annual General Meeting (AGM). The Board of Directors also requested her to continue as the Chairperson of the Board till March 31, 2022 and accordingly, designated her as the Chairperson and Managing Director.

In the forthcoming AGM, Mr Pirojsha Godrej and Ms Tanya Dubash will retire by rotation, and being eligible, they will be considered for reappointment.

C. Audit Committee of the Board of Directors

Your Company has an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The Committee consists entirely of the Independent Directors, viz., Mr Aman Mehta, Chairman of the Committee, and, Mr Narendra Ambwani, Dr Omkar Goswami, Ms Ireena Vittal, Ms Ndidi Nwuneli, Ms Pippa Armerding, Mr Sumeet Narang, all being members of the Committee.

D. Declaration from Independent Directors

All the Independent Directors have given their declaration confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and the Listing Regulations, and the same has been noted by the Board of Directors.

E. Enrolment of Directors in Independent Directors Data Bank

The Ministry of Corporate Affairs (MCA) vide its notification dated October 22, 2019, has amended Rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, and accordingly, every individual appointed/to be appointed as an Independent Director is required to enrol his/her name for inclusion in the 'Independent Director's Data Bank' to be maintained by the Indian Institute of Corporate Affairs, Manesar. All the Independent Directors of your Company have successfully registered their names for inclusion in the said 'Independent Director's Data Bank'.

F. Familiarisation Programmes

Several familiarisation programmes for the Independent Directors were conducted during the year, covering topics such as the Annual Operating Plan for the fiscal year 2019-20, update on key amendments to the SEBI Listing Regulations, and actionables for the Company arising out of the amendments. Additionally, at all the Board meetings, detailed presentations covering business performance and financial updates were made. The number of hours of the familiarisation programmes conducted may be accessed through the following link[2].

G. Board Diversity Policy

The Company has in place a Board Diversity Policy, which is attached as **Annexure 'A'**. The criteria for determining qualification, positive attributes, and independence of Directors are as per the Board Diversity Policy, Listing Regulations, and the Companies Act, 2013.

H. Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel (KMP), and other employees is attached as **Annexure 'B'**. The Company's total rewards framework aims at holistically using elements such as fixed and variable compensation, long-term incentives, benefits and perquisites, and non-compensation elements (career development, work–life balance, and recognition). The Non-Executive Directors receive sitting fees and commission in accordance with the provisions of the Companies Act, 2013.

I. Remuneration to Directors

The remuneration of Directors is in accordance with the Remuneration Policy formulated in accordance with various rules and regulations for the time being in force. The disclosure on the details of remuneration to Directors and other employees pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given under **Annexure 'C'**. The information required under

[2] https://godrejcp.com/investors/stock-exchange-filings

Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not being sent along with this report. Members interested in obtaining these particulars may request the same by sending an email to the Company at investor.relations@godrejcp.com from their registered email ID, quoting their name and Folio No.

Mr Adi Godrej, Chairman Emeritus; Ms Nisaba Godrej, Executive Chairperson; and Mr Vivek Gambhir, Managing Director and CEO, receive remuneration from your Company.

J. Performance Evaluation of the Board of Directors, its Individual Members, and its Committees

We conducted a formal Board effectiveness review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement in order to enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The Corporate HR team of Godrej Industries Limited and Associate Companies worked directly with the Chairperson and the Nomination and Remuneration Committee of the Board to design and execute this process. It was later adopted by the Board.

Each Board Member completed a confidential online questionnaire, sharing vital feedback on how the Board currently operates and how its effectiveness could be improved. This survey included four sections on the basis of which feedback and suggestions were compiled:

- Board Processes
- Individual Committees
- Individual Board Members
- Chairperson

The criteria for Board processes included Board composition, strategic orientation and team dynamics. Evaluation of each of the Board Committees covered whether they have well-defined objectives and the correct composition, and whether they achieved their objectives. The criteria for Individual Board Members included skills, experience, level of preparedness, attendance, extent of contribution to Board debates and discussion, and how each Director leveraged their expertise and networks to meaningfully contribute to the Company. The criteria for the Chairperson's evaluation included leadership style and conduct of Board meetings. The performance evaluation criteria for Independent Directors included a check on their fulfilment of the independence criteria and their independence from the management.

The following reports were created as part of the evaluation:

- Board Feedback Report
- Individual Board Member Feedback Report
- Chairperson's Feedback Report

The overall Board Feedback was facilitated by Ms Ireena Vittal with the Independent Directors. The Directors put forth their views regarding the Board functioning effectively and identified areas that showed scope for improvement. Feedback from the Committees and Individual Board Members was shared with the Chairperson. Following her evaluation, a Chairperson's Feedback Report was compiled.

K. Directors' Responsibility Statement

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due inquiry, confirm the following points:

a) In the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.

b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the fiscal year and of the profit of the Company for that period.

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) They have prepared the annual accounts on a going concern basis.

e) They have laid down internal financial controls to be followed by the Company, and such internal financial controls are adequate and operating effectively.

f) They have devised a proper system to ensure compliance with the provisions of all applicable laws, and this system is adequate and operating effectively.

6. Transfer to Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules), all unclaimed dividends are required to be transferred by the Company to the IEPF after completion of 7 years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly, ₹ 1,07,15,412 of unpaid/unclaimed dividends were transferred during the financial year 2019-20 to IEPF.

The Company has appointed a Nodal Officer under the provisions of IEPF Regulations, the details of which are available on the Company website and can be accessed through the following link[3].

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2019 on the Company website, which can be accessed through the following link[4]. The details of unpaid and unclaimed amounts lying with the Company as March 31, 2020 will be available on the same link within 60 days of the AGM.

7. Finance

A. Loans, Guarantees, and Investments

The details of loans, guarantees, and investments as required by the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder are set out in the Notes to the Standalone Financial Statements of the Company.

B. Related Party Transactions

In compliance with the Listing Regulations, the Company has a Policy for Transactions with Related Parties (RPT Policy). During the year, the Company has revised its Policy on dealing with Materiality of Related Party Transactions, in accordance with the amendments to the applicable provisions of the Listing Regulations. The RPT Policy is available on the Company website and can be accessed through the following link[5].

Apart from the Related Party Transactions in the ordinary course of business and on arm's length basis, the details of which are given in the Notes to Financial Statements,

[3] https://godrejcp.com/investors

[4] https://godrejcp.com/investors/unclaimed-dividend

[5] https://godrejcp.com/sustainability/codes-and-policies

no other related party transactions require disclosure in the Board's Report for complying with Section 134(3)(h) of the Companies Act, 2013. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

8. Subsidiaries, Associates and Joint Venture

During the year, the following companies ceased to be the subsidiaries of your Company:

- Godrej Household Insecticide Nigeria Limited on account of its dissolution with effect from March 19, 2020
- Godrej Consumer Products Malaysia Limited on account of its dissolution with effect from October 7, 2019

Post the completion of financial year 2019-20, the following companies ceased to be the subsidiaries of the Company:

- Godrej Hair Care Nigeria Limited on account of its dissolution with effect from April 15, 2020
- Godrej Hair Weave Nigeria Limited on account of its dissolution with effect from April 24, 2020

During the year, Godrej Africa Holdings Limited, a wholly owned subsidiary of your Company acquired additional 5 per cent stake in the Darling Group Holding Company, namely Godrej West Africa Holdings Limited, which is a 100 per cent holding Company of Subinite (Pty) Limited and Weave Mozambique LDA. Post this acquisition, the total stake of your Company in Godrej West Africa Holdings Limited increased from 90 per cent to 95 per cent.

Similarly, Godrej Mauritius Africa Holdings Limited, a wholly owned subsidiary of your Company acquired additional 5 per cent stake in the Darling Trading Company Mauritius Limited which is a 100 per cent holding Company of Godrej Consumer Products International FZCO. Post this acquisition, the total stake of your Company in Darling Trading Company Mauritius Limited increased from 90 per cent to 95 per cent.

A. Report on the Performance of Subsidiaries and Associates

The brief details of the cluster-wise performance is given below:

Indonesia

Our Indonesia business posted a strong performance in the fiscal year 2019-20, growing the top line by 8 per cent in constant currency terms, continuing strong momentum from the previous year with a 2-year CAGR of 10 per cent. Our growth this year was led by HIT and Mitu. HIT continued a strong share momentum, backed by at-scale media investments, break-the-clutter communication, and strategic trade spends. We continued the strong momentum on innovation—we had 8 launches this year, all aimed at category development and with strong product differentiation. In household insecticides, we strengthened our foray into other pests by launching Roach Gel, a DIY solution with an impact similar to professional pest services and a mechanical rat trap, a first-to-market non-invasive rat trap. In air care, we launched "Minimatic", a premium fragrancing solution for smaller spaces at an affordable price and renovated our fragrance portfolio by launching strongly differentiated fragrances. We bolstered our play in the functional air care space by launching Stella Fabric Spray and Disinfectant to create the category for fabric disinfection, increasingly relevant in the post-COVID new normal. Q4 was challenging due to COVID. We responded with unprecedented agility by launching "Saniter", a hygiene brand from scratch in record 30 days. We also launched a no-ammonia hair colour bleach solution, a first ever to the market, to gain share in the fast-growing fashion colouring space. We backed all our new products with strong media and trade investments and made strong inroads in strengthening our channel fundamentals in both Modern Trade & General Trade.

We also continued our focus on cost savings through direct cost and fixed overhead optimisation to enable strong investments in brand and channel building. Our margins expanded this fiscal, with the bottom line growing well ahead of the top line. We continue to focus sharply on category development with breakthrough innovation, strong brand building, and driving balanced growth across our portfolio.

Africa, Middle East and USA

The fiscal year 2020 continued to be challenging for our Africa, Middle East, and US business cluster. The overall business top line declined 1 per cent in constant currency terms. We faced adverse currency movement due to which the rupee translation was weaker, making the top line decline by 6 per cent. Most countries faced challenges, given strong macro headwinds, culminating in the COVID blow in Q4. However, South Africa recovered strongly from the previous year, growing at 10 per cent in constant currency terms. Our margins expanded due to trade spend and fixed overhead rationalisation. Despite a challenging year, we focused on strengthening the fundamentals for future. We established a braid portfolio across markets to address key portfolio gaps, which enabled share gain. We also accelerated our fast fashion model that delivered strong innovation rates on non-braids across markets. We strengthened our category leadership by strengthening our back end on technical and consumer understanding. Going forward, our focus would be to continue improving margins, strengthening our portfolio by addressing whitespaces in dry hair, accelerating Wet Hair and FMCG in the post-COVID new normal, and strengthening GTM.

Latin America

Our Argentina business recovered strongly this year despite continued macroeconomic challenges. The business grew 67 per cent in constant currency terms, while the currency devaluation impacted the rupee translation, reducing the top line growth to 13 per cent. Our top line growth was driven by our focus on value growth and price growth ahead of inflation and improved distribution. We turned around the business profitability through strategic cost rationalisation.

Our Chile business, however, faced challenges due to continued competitive intensity and political unrest, resulting in share loss. As a result, our top line declined 1 per cent in constant currency terms with further erosion in margins, driven by increased trade spends to counter competition and working capital requirements.

Looking ahead, we will continue focusing disproportionately on margin improvement and working capital management to strengthen our Latin America businesses.

B. Policy on Material Subsidiaries

In compliance with the Listing Regulations, the Board has adopted a policy for determining material subsidiaries. This policy is available on the Company website and can be accessed through the following link[6].

C. Financial Performance

A statement containing the salient features of the financial statements of subsidiary/joint venture /associate companies, of the Company in the prescribed Form AOC-1 forms a part of consolidated financial statements (CFS) in compliance with Section 129(3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014.

[6] https://godrejcp.com/sustainability/codes-and-policies

The said form also highlights the financial performance of each of the subsidiaries and joint venture companies included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

9. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of the Internal Committee in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to consider and resolve all sexual harassment complaints reported by women. During the year, in-person and e-learning workshops were conducted to create awareness regarding sexual harassment among employees. No complaint was reported during calendar year 2019, and hence, the Committee has not filed any complaint report with the concerned authorities, in accordance with Section 22 of the aforementioned Act.

10. Talent Management and Succession Planning

Your Company has the talent management process in place with an objective of developing a robust talent pipeline for the organisation, which includes the senior leadership team. As part of the talent process, we identify critical positions and assess the succession coverage for them annually. During this process, we also review the supply of talent, identify high-potential employees, and plan talent actions to meet the organisation's talent objectives. We continue to deploy leadership development initiatives to build succession for key roles.

11. Extract of Annual Return

In compliance with the provisions Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as per Section 92(3) of the Act is available on the Company website, which can be accessed through the following link[7].

12. Risk Management

The Company has a well-defined process in place to ensure appropriate identification and mitigation of risks. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of identification and mitigation plans for the 'Risks that Matter'.

Elements of risks to the Company are listed in the Management Discussion and Analysis Section of the Annual and Integrated Report.

13. Vigil Mechanism

Your Company has adopted a Whistle Blower Policy as a part of its vigil mechanism. The purpose of the policy is to enable any person (employees, customers, or vendors) to raise concerns regarding unacceptable improper practices and/or any unethical practices in the organisation without the knowledge of the management. All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud, or violation of any law, rule, or regulation. This policy is also applicable to the Directors of the Company.

Mr V Swaminathan, Head Corporate Audit and Assurance, has been appointed as the 'Whistle Blowing Officer', and his contact details have been mentioned in the policy. Furthermore, employees are free to communicate their complaints directly to the Chairman/Member of the Audit Committee, as stated in the

[7] https://godrejcp.com/public/uploads/reports/2019-20/AnnualReturn_201920.pdf

policy. The policy is available on the internal employee portal as well as the Company website and can be accessed through the following link[8]. The Audit Committee reviews reports made under this policy and implements corrective actions wherever necessary.

14. Annexures

A. Disclosure on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings, and Outgo

Annexure 'D' of this Report provides information on the conservation of energy, technology absorption, foreign exchange earnings, and outgo required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, which forms a part of the Board's Report.

B. Corporate Social Responsibility

Your Company has a well-documented Corporate Social Responsibility (CSR) Policy, which is available on the Company website under the following link[9]. The CSR Report, along with details of CSR projects, are provided in **Annexure 'E'** to this report.

C. Employee Stock Option Scheme

The Company has a stock option scheme named as 'Employee Stock Grant Scheme, 2011'. The number and the resulting value of stock grants to be given to eligible employees are decided by the Nomination and Remuneration Committee, which are based on the closing market price on the date of the grants. The grants vest in one or more tranches as per the decision of the Nomination and Remuneration Committee with a minimum vesting period of 1 year from the grant date. Upon vesting, the eligible employee can exercise the grants and acquire equivalent shares of face value of ₹ 1. The difference between the market price at the time of grant and that on the date of exercise is the gross gain/loss to the employee. The details of the grants allotted under the Godrej Consumer Products Limited Employee Stock Grant Scheme, 2011 and the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 and Section 62 1 (b) read with Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in **Annexure 'F'**. Your Company has not given loan to any person under any scheme for or in connection with the subscription or purchase of shares in the Company or the holding Company. Hence, there are no disclosures on voting rights not directly exercised by the employees.

15. Listing

The shares of your Company are listed at the BSE Limited and National Stock Exchange of India Limited. The applicable annual listing fees have been paid to the stock exchanges before the due dates. Your Company is also listed on the Futures and Options Segment of the National Stock Exchange of India.

16. Business Responsibility Report

Pursuant to Regulation 34 of the Listing Regulations, the Business Responsibility Report highlighting the initiatives taken by the Company in the areas of environment, social, economic, and governance is available on the website of the Company and can be accessed through the following link[10].

17. Auditors and Auditors' Report

A. Statutory Auditors

In accordance with Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. B S R and Co.,

---

[8] https://godrejcp.com/sustainability/codes-and-policies

[9] https://godrejcp.com/sustainability/codes-and-policies

[10] https://godrejcp.com/public/uploads/reports/2019-20/GCPL_BRR_FY_201920.pdf

LLP, Chartered Accountants (Firm Regn. No. 101248W/W-100022) have been appointed as the statutory auditor to hold the office from the conclusion of the 17th AGM on July 31, 2017 until the conclusion of the 22nd AGM in the year 2022 at a remuneration as may be approved by the Board.

B. Cost Auditors

The Company is maintaining requisite cost records for the applicable products of the Company. Pursuant to directions from the Department of Company Affairs, M/s. P. M. Nanabhoy and Co., Cost Accountants, were appointed as cost auditors for the applicable products of the Company for the fiscal year 2018-19. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

C. Secretarial Auditors

The Board had appointed M/s. A. N. Ramani and Co., Company Secretaries, Practising Company Secretary, to conduct a secretarial audit for the fiscal year 2019-20. The Secretarial Audit Report for the fiscal year ended March 31, 2020 is attached herewith as **Annexure 'G'.** The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

18. Corporate Governance

Your Company continues to enjoy a Corporate Governance Rating of CGR2+ (pronounced CGR 2 plus) and a Stakeholder Value Creation and Governance Rating of SVG1 (pronounced SVG one). The '+' sign indicates a relatively high standing within the category indicated by the rating. The aforementioned ratings are on a scale of 1 to 6, where 1 is the highest rating. The two ratings indicate whether a company is being run on the principles of corporate governance and whether the practices followed by the company lead to value creation for all its shareholders. The CGR2 rating is on a scale of CGR1 to CGR6, where CGR1 denotes the highest rating. The CGR2+ rating implies that according to ICRA's current opinion, the rated company has adopted and follows such practices, conventions, and codes that would provide its financial stakeholders a high level of assurance of the quality of corporate governance. The SVG1 rating is on a scale of SVG1 to SVG6, where SVG1 denotes the highest rating.

The SVG1 rating implies that according to ICRA's current opinion, the company belongs to the highest category of the composite parameters of stakeholder value creation and management as well as corporate governance practices.

Pursuant to the Listing Regulations, the Report on Corporate Governance is included in the Annual and Integrated Report. The Practicing Company Secretary's Certificate certifying the Company's compliance with the requirements of corporate governance, in terms of the Listing Regulations, is attached as **Annexure 'H'**.

19. Management Discussion and Analysis

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming a part of this Annual and Integrated Report. The details pertaining to internal financial control and their adequacy are also part of the Annual and Integrated Report.

20. Confirmations

- Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

- There have been no material changes and commitments affecting the financial position of the Company that have occurred between March 31, 2020 and the date of this Board's Report.

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

- The Company has not accepted any deposits from public, and as such, no amount on the account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

- During the Financial Year 2019-20, there were no significant and material orders passed by the regulators or Courts or Tribunals that can adversely impact the going concern status of the Company and its operations in future.

21. Appreciation

Your Directors wish to extend their sincere thanks to the employees of the Company, central and state governments, as well as government agencies, banks, customers, shareholders, vendors, and other related organisations that have helped in your Company's progress, as partners, through their continued support and co-operation.

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson

Mumbai, June 9, 2020

ANNEXURE 'A'

BOARD DIVERSITY POLICY

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age, or marital status. The Company recognises merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for an effective corporate governance, the Board should have the appropriate balance of skills, experience, and diversity of perspectives. Board appointments will be made on merit basis, and candidates will be considered on the basis of objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders. The Board will regularly review this policy to ensure its effectiveness.

ANNEXURE 'B'

GCPL TOTAL REWARDS POLICY

GCPL's Total Rewards Framework aims at holistically using elements such as fixed and variable compensation, long-term incentives, benefits and perquisites, and non-compensation elements (career development, work–life balance, and recognition).

Highlights

The rewards framework offers employees the flexibility to customise different elements based on need. The framework is also integrated with GCPL's performance and talent management processes and is designed to ensure sharply differentiated rewards for our best performers.

The total compensation for a given position is influenced by three factors: position, performance, and potential. As a broad principle, for high performers and potential employees, GCPL strives to deliver total compensation at the 90th percentile of the market.

Total Cash Compensation

The employees' total cash compensation has the following three components:

1. 'Fixed Compensation' comprising the basic salary and retirement benefits such as the provident fund and gratuity

2. 'Flexible Compensation' comprising a fixed predetermined component

of employees' compensation. The employees can allocate this amount to different components, as per their grade eligibility, defined at the start of each fiscal year.

3. 'Variable Compensation (Performance-Linked Variable Remuneration)' comprising employee rewards for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without a cap for overachieving business results. It has a 'Collective' component, linked to the achievement of specified business results, measured by 'Economic Value Added' or other related metrics, relative to the target set for a given fiscal year, and an 'Individual' component, based on an employee's performance, as measured by the performance management process.

Long-Term Incentives (Employee Stock Grant Scheme)

This scheme aims at driving a culture of ownership and focus on long-term results. It is applicable to Godrej Leadership Forum members. Under this scheme, performance-based stock grants are awarded. The value of the stock grant is proposed by the management and approved by the Nomination and Remuneration Committee.

ANNEXURE 'C'

INFORMATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the fiscal year 2019-20; the percentage increase in the remuneration of each Director, Chief Financial Officer, and Company Secretary during the fiscal year 2019-20; and the comparison of remuneration of each KMP against the performance of the Company are as follows:

A. Whole-Time Directors, Chief Financial Officer, and Company Secretary

Sr. No.	Name of the KMP	Designation	Per Cent Increase/ (Decrease) in Remuneration in the Fiscal Year 2019-20	Ratio of Median Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2019-20
1	Adi Godrej	Chairman Emeritus	9.00	157.91
2	Nisaba Godrej	Executive Chairperson	(11.00)	109.87
3	Vivek Gambhir	Managing Director and CEO	(19.00)	253.64
4	V Srinivasan	Chief Financial Officer and Company Secretary	(11.00)	Not applicable

In case of Mr Vivek Gambhir and Mr V Srinivasan, the remuneration includes the actual performance-linked variable remuneration payable for the fiscal year on the basis of performance, profitability, and optimum utilisation of capital. Ms Nisaba Godrej has voluntarily waived the PLVR for the financial year 2019-20 due to the grave situation caused by the outbreak of the COVID 19 pandemic and suspension of business activities due to the lockdown imposed by the Government of India and the likely impact of the same on the Company's performance.

B. Non-Executive Directors

Sr. No.	Name of Director	Per Cent Increase/(Decrease) in Remuneration in the Fiscal Year 2019-20	Ratio of Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2019-20
1	Jamshyd Godrej	4.35 %	5.71
2	Nadir Godrej	4.17 %	5.95
3	Tanya Dubash	-	5.71
4	Pirojsha Godrej	-	5.71
5	Narendra Ambwani	-	9.75
6	Pippa Armerding	(17.50 %)	7.85
7	Bharat Doshi*	-	-
8	Omkar Goswami	21.21 %	9.51
9	Aman Mehta	-	9.51
10	Ndidi Nwuneli	-	9.51
11	Ireena Vittal	5.26 %	9.51
12	Sumeet Narang **	-	---

* In the current financial year, Mr Bharat Doshi was on the Board till Sep 25, 2019. For FY 2018-19, he was on the Board for the full financial year. Hence per cent change is not comparable.

** Mr Sumeet Narang's appointment in the Board is from April 1, 2019. Also, he has voluntarily waived the remuneration receivable from the Company.

Note:

(i) The median remuneration of all the employees of the Company for the fiscal year 2019-20: ₹ 4.21 lakh.

(ii) The percentage decrease in the median remuneration of employees in the fiscal year 2019-20: 0.12 per cent.

(iii) The number of permanent employees on the payrolls of the Company as on March 31, 2020: 2768

(iv) The average percentile increase already made in the salaries of the employees, other than the Managerial Personnel, in the last fiscal year and its comparison with the percentile increase in the managerial remuneration and justification thereof: Total managerial remuneration comprises the remuneration of the Whole-Time Directors and commission paid to Non-Executive Directors. The Whole-Time Directors' remuneration is as per the resolution approved by the shareholders and will not exceed 10 per cent of the Company's net profits as permitted by the Companies Act, 2013. The Non-Executive Directors are also eligible for a sitting fees of ₹ 1 lakh per Board meeting attended and ₹ 20,000 per Committee meeting attended. The shareholders at the AGM held on July 30, 2018, has authorised the payment of commissions on profits to the Non-Executive Directors at the rate not exceeding 1 per cent of net profits of the Company with authority to the Board to determine the manner and proportion in which the amount be distributed among the Non-Executive Directors. The Board has authorised a base commission of ₹ 20 lakhs per annum to each Non-Executive Director. All the Independent Directors are paid an additional commission linked to their attendance at the Audit Committee meeting, Nomination & Remuneration Committee meeting, and Independent Directors' meeting. There is no change in the base amount of the commission on profits or sitting fees payable to Non Executive Directors for attending meetings of the Board/ Committee thereof.
The per cent change in remuneration represents change in the payout based on actual attendance at meetings of the Board or Committee thereof for each of the Non Executive Directors, compared to the previous year.
The average change in the salary of employees other than the Managerial Personnel is a decline of 9.12 per cent whereas that in salary of the Managerial Personnel is a decline of 10.08 per cent. The decline is largely on account of performance-linked variable remuneration.

(v) The remuneration is as per the Remuneration Policy of the Company.

ANNEXURE 'D'

INFORMATION PURSUANT TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014, WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO

A. Conservation of Energy
Steps taken or impact of initiatives for conservation of energy, and steps taken by the Company to use alternate sources of energy.

I. North East Cluster
The total capital investment on energy saving initiatives is ₹ 22 lakh. The energy conservation initiatives undertaken are as follows:

- Installation of a screw conveyor in stamping machine Line 1: It reduced the wet dough moisture content hence increased the drier efficiency at Meghalaya coil, which resulted in briquette savings of 100 t per annum.

- Capacitor installation in 2 radiator motors of 30HP to improve the power factor and reduction in current at the Meghalaya unit. Annual energy savings—45,792 KWh.
- Condensate recovery in a packaged baby boiler at the New Conso unit with a huge saving of HSD 8616 L/annum.
- Drive installation with an ID fan motor of 50 HP to improve the load factor as well as result in energy savings at the Meghalaya coil, resulting in saving of 36,000 KWh.
- Few small modifications in ARG and Crème line and switching from pneumatic to mechanical (low energy-intensive), such as wick pressing in refill line, leading to a reduction in compressed air pressure setting from 7.5 bar to 6.5 bar at the New Conso unit, resulting in saving of 18,163 KWh.
- Regulating running hours of exhaust fans and few ACs through the Arduino board at the New Conso unit, resulting in saving of 57,870 KWh.
- Eco 365 valve installation in wash basins at New Guwahati, New Conso, and AER units, leading to a water saving of around 2,600 KL/annum.

CSR Project

This year, we invested ₹ 8.66 lakh on community projects in the North East Cluster. As there was huge pressure from the Sikkim Government and other local bodies from the last few years, this year we decided to conduct all our projects in Sikkim. The Community projects conducted in Sikkim are as follows:

- Donation of 4 desktops to Mamring High School: Because of the insufficient number of desktops, the school authorities are unable to properly conduct computer classes for students. This project cost is around ₹ 63,340.
- Improvement in the sanitisation facility of LP School at Pasi by constructing 2 separate biotoilets for girls and boys. The total cost of the project is ₹ 2,50,000.
- Construction of boundary fencing throughout LP School to secure the school campus and kids. The total investment for the project is ₹ 5,53,550.

National Convention on Quality Concepts (NCQC)

We received the following awards in NCQC where around 500 companies had participated, with around 10,000 participants, and where more than 1600 case studies were presented with great enthusiasm and competitive spirit.

- Par Excellence awards—3
- Excellence awards—4
- Best model awards in (awards in the best project category) model presentation—2.

II. North Cluster Energy Conservation

The total capital investment on energy saving initiatives is ₹ 63 lakh, and savings in energy consumption is 6.84 lakh KWh/annum, which is equivalent to ₹ 53 Lakh per annum. The energy conservation initiatives undertaken are as follows:

- Replacement of high-load motors with energy-efficient IE4
- Downsize of the heater assembly in a wrapping machine
- Automation in the BOPP tape machine
- Downsize of TRM and the stamping machine motor
- Interlocking of the BOPP taping machine
- Unification of chiller plants
- Two-pole station to minimise DG usage

Water Conservation

The total capital investment on water conservation initiatives is ₹ 2.5 lakh, and savings in water consumption is 750 KL/annum. The water conservation initiatives undertaken are as follows:

- Softner rejected water re-routed through flush in toilet
- Reuse of condensate water in Boiler
- ETP treated water using gardening and toilet

Awards Won

- Thana unit received the 'National Safety Council appreciation certificate'
- Par excellence award for 7 teams and excellence award for 9 teams during NCQC 2019

III. Central- West Cluster Energy Conservation

The total capex utilised for energy conservation measures is ₹ 126 lakh. The energy conservation measures undertaken are as follows:

Power Saving

- Installation of an energy-efficient air compressor resulted in saving in power consumption by 289,407 KWh/annum
- Installation of an energy-efficient chilling compressor in soap finishing lines, which lead to saving in power consumption by 79,200 KWh/annum

Fuel Saving

- Installation of a water-based vacuum system in FADP1 for reducing steam consumption, which lead to saving of fuel by 58MT/annum
- Installation of a vapour–liquid separator for improving noodle productivity, which will reduce energy consumption

Water Conservation

- Installation of a water treatment tank with an agitator for coagulating dissolved soap particles in the cooling water of soap driers, thus reducing fresh water intake and saving by 24 KL/day.
- Installation of an automatic level control system for reducing water wastage during makeup in cooling tower, which results in saving of water by 100 KL/annum
- Provision of 3 rainwater harvesting pits covering a roof surface area of 2,600 sq m, which results in the recharging of a borewell by 1,350 KL/annum
- Usage of effluent-treated water in dirty cooling towers and process pump cooling, which results in a reduction in freshwater consumption by 2,000 KL/annum

Awards won by the Malanpur unit

- GOLD award at SEEM National Energy Management Awards 2019 held at New Delhi
- FICCI award for efficiency in energy usage—chemicals—in a summit on 'Global Chemicals & Petrochemicals Award 2019' held at Mumbai
- Successfully cleared the certification of IMS ISO 9001/14001/45001

IV. South Cluster

The total CAPEX utilised for energy conservation measures is ₹ Rs.50.8 lakh. The energy conservation measures undertaken are as follows:

- Reduction in energy consumption by the installation of energy-efficient LED lightings, solar-based lightings, Encon devices in ACs and by using servo-based coil stamping cylinders has resulted in saving of 4,25,611 KWh/annum, covering 5 factories in Pondicherry, Karaikal, and MM Nagar

- Use of biowaste fuels in our hot air generators to the extent of 4,331 MT instead of furnace oil in our Pondicherry coil factory

Awards

1. 5S Award from QCFI and Union of Japanese Scientist Engineers (JUSE), received by the MMN unit

2. The CONSO unit, which won the QCFI JUSE 5S Award last year, successfully completed the surveillance audit by the official team.

3. CII EHS Excellence Audit—one 4-star rating and three 3-star rating awards won

4. National Safety Councils Safety Award 2019—4th level 'PRASHANSHA PATRA' award won by the CONSO unit

5. All our 5 units are certified for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards and have completed 2 surveillance audits with NIL non-conformance in this year.

6. South cluster won the Godrej Safety Awards 2019 for the best celebration of National Road Safety Week in 2019

B. Technology Absorption

The R&D function of our organisation played a key role in ensuring the successful launches of the following products during the year 2019-20:

1. Good Knight – Gold Flash LV

2. Natural House Hold Insecticides.

3. AER Smart Matic Room Freshener

4. Premium AER Fresheners

5. Expert Crème – re launch

6. Cinthol Charcoal Soap

7. Shampoo Hair Colour

8. Keratin Range under Godrej Professional

9. Protekt Hand Sanitiser

10. E-commerce led products

The current year, like previous years, also saw a sharp focus on consumer-centric and relevant design-led innovations. The company has placed a lot of focus on innovation in new technologies, which gives value for money to the consumer.

I. R&D product categories initiated by the Company:

1. Hair Care

2. Skin Care

3. Household Insecticides

4. Customer Centricity

5. Packaging Development

6. Fabric Care

7. Health & Hygiene Products

8. Air Care

9. Dry Hair

II. Benefits derived as a result of the aforementioned R&D efforts

R&D has played pivotal role in developing new technologies in AER, Hair Colours, Personal Wash and HI areas. Strong R&D led initiatives with innovative projects have led to successful launches of several new products in the marketplace in the current financial year. The Company has launched break through Innovation first of its kind in HI category, Good Knight Gold Flash LV. This is first of its kind in terms of design and product delivery. R&D is continuously protecting its Innovations through Design and Product patents. R&D has played a pivotal role in improving cost optimization across product categories by contributing through both product and process related innovations and improvements.

We believe that the three key pillars of consumer centricity, new product Innovation & Development and training-led skill up-gradation will continue to propel your Company ahead of competition in its strategy of innovation led value creation.

III. Future plan of action

R&D shall continue to play a key role in the advancement and successful execution of newer innovations in the marketplace for both domestic and international businesses. Our R&D team shall constantly endeavour to deliver superior innovative products, thereby delighting domestic and international customers by—

1. Ensuring successful commercial launches within Hair Care, Household Insecticides, Room Freshener and Personal Care categories for the coming year;

2. Engaging in providing support on global innovation strategies for various product categories within our international businesses and extending support on relevant product development for international markets;

3. Focusing on newer consumer relevant product experiences within all categories such as Skin Care, Household Insecticides, Hair Care, Air Care, Fabric Care and Health & Hygiene;

4. Maintaining a strong focus on R&D training needs and people development;

5. Partnering collaborations with external stakeholders and leading institutions.

IV. Expenditure on R&D

₹ Crore

	Fiscal Year 2019-20	Fiscal Year 2018-19
Capital	**0.09**	0.12
Recurring	**18.12**	16.38
Total	**18.21**	16.50
Total R&D expenditure as a percentage of total sales turnover	**0.34 per cent**	0.30 per cent

C. Foreign Exchange Earnings and Outgo

₹ Crore

	Fiscal Year 2019-20	Fiscal Year 2018-19
I. Foreign exchange used	**458.39**	448.53
II. Foreign exchange earned	**204.22**	219.82

ANNEXURE 'E'

CSR REPORT

A brief outline of the Company's CSR Policy, including an overview of projects or programmes proposed to be undertaken, with a URL to the CSR Policy and initiatives

GCPL is committed to the Godrej Group's 'Good & Green' vision of creating a more inclusive and greener India. The Good & Green CSR policy focuses on addressing the critical social, environmental, and economic needs of the marginalised and less privileged sections of society. Through our Good & Green CSR Policy, we align our CSR strategy with the Godrej Group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategy of the Company to benefit communities at large and deliver social and environmental impacts. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The policy as well as projects and programmes under the CSR Policy are available on the Company website and can be accessed through the following link.[11]

[11] https://www.godrejcp.com/sustainability

An overview of the projects or programmes undertaken during the fiscal year 2019-20 is given below. We have aligned our programmes to national missions and priorities, and they are categorised as follows.

A. National Skills Mission

I. Employability and Livelihoods

At Godrej, we collaborate with non-profit organisations and social enterprises to design and run several employability training programmes for youth from low-income sections of society. We aim to improve the earning potential of our trainees by building their skills and by empowering them. Apart from core domain skills, our programmes also focus on life skills training, entrepreneurship development, and postplacement support.

As of March 2020, we have trained over 4,33,435 young people in skills that will enhance their earning potential. Our projects include the following factors:

- Salon-i—our beauty and hair care training
- Beauty-preneur and Homepreneur platform for micro entrepreneurs in beauty industry

Salon-i trains young girls and women in beauty and hair care. In the fiscal year 2019-20, over 9000 women have been trained across India. The curriculum is integrated with life skills and entrepreneurial modules to equip the candidates in starting their own enterprise if they are interested. The curriculum has been digitised through the learning management system (LMS). The LMS enables blended learning by using multimedia formats, such as audio, video, PDFs, and presentations.
We have developed a life skills curriculum for all our employability programmes across our businesses. The life skills curriculum supplements the current employability courses. The modules equip our trainees with financial literacy, work readiness, and critical skills, which will enable them to build stronger and more productive careers and lives. Interactive games and activities have been developed for different target audiences under this project.

Our learnings from CSR programmes in skills and livelihoods development report revealed that after the Salon-i training, the proportion of women in paid work has increased from 14 per cent to 45 per cent, of which 78 per cent were first time entrants in the workforce. The trainees also increased their earnings by three-fold although from a lower base.

Our beauty-preneur platform reaches out to women micro entrepreneurs in the beauty and wellness industry across India. This programme promotes entrepreneurship and enables women to start training other girls as well as empowers these women entrepreneurs through life skills and entrepreneurship modules. In the fiscal year 2019-20, 2665 women have been supported through our beauty-preneur programme, which supports those who run micro salons as well as those who provide home services.

II. Community Development

Sustainability is an integral part of our business and value chain, and it helps us provide high-quality and affordable goods to our 1.1 billion people globally who use our products on any given day. Our stakeholders are also the communities that border our plant locations. To align our CSR activities with community needs and our Good & Green strategy, we conducted third-party community needs assessments at our priority plant locations.

On the basis of valuable stakeholder input, we are now implementing a range of high-impact community development programmes primarily to improve the quality of education in government schools around our manufacturing sites. We have primarily invested in education, water, sanitation, and skill building initiatives across 8 villages in and around our manufacturing facilities. Our interventions help to improve the infrastructure in schools as well as the overall teaching–learning environment. Following are our key initiatives in the fiscal year 2019-20:

- In the north cluster, we have partnered with government schools in Himachal Pradesh and Jammu. In Baddi, we have provided a sanitary napkin vending machine in a senior secondary school and supported the complete flooring of assembly area. We have also supported the construction of a playground in the Himachal Pradesh Police Line. In Thana senior secondary school, we have supported the repairs of toilets and installed a sanitary napkin vending machine. In Kathua, we have supported the repairs and maintenance of Chack Ram Singh government primary school, installed a reverse osmosis system, and provided utensils for mid-day meals. In Bari Brahmana, we have renovated 2 classrooms of government girls middle school and installed a water filter.

- In the North East cluster, we are working with schools in Sikkim. We have provided computers to the Mamring high school, supported construction of biotoilets in LP school at Pasi, and constructed a fence around the school to ensure safety of the children.

- In the central cluster, we are working with the community around our flagship plant in Malanpur. We have supported painting and levelling work at local middle school. We have supported the local community hospital in plumbing, lighting, painting, and furniture. We are also implementing a 'Youth ki awaaz' programme, a water, health, and sanitation behaviour change programme, that works with young people to drive change.

B. Swachh Bharat Mission

I. Elimination of Vector-Borne Endemic Diseases

Elimination of Vector-Borne Endemic Diseases (EMBED) is an intensive community awareness and behaviour change communication programme to combat malaria in regions that report high annual parasite index (API). Under the EMBED programme, we collaborate with NGOs and governments in an effort to reduce morbidity and mortality due to malaria. The approach towards this project is as follows:

- Implement community need-based behaviour change communication interventions at the village and household levels to spread awareness and encourage appropriate healthcare-seeking behaviour for prevention and control of mosquito-borne diseases

- Strengthen links with public and private health services in the prioritised blocks to improve access to preventive, diagnostic, and curative services

- Evaluate data to support scalability and replicability of the project in other geographies

- In the fiscal year 2019-20, we expanded our footprint to 11 districts across Madhya Pradesh, Uttar Pradesh, and Chhattisgarh and are currently covering 830 villages and close to 10,00,000 people. We have signed MoUs with the governments of UP and Chhattisgarh and are supporting them in their endeavour to eliminate malaria by 2030.

Impact:

- An independent social return on investment study of the programme has revealed that every ₹ 1 invested in the programme created social impact worth ₹ 8.38.

- Close to 63 per cent of the community is taking steps to prevent malaria after increasing their awareness by participating in sessions.

- Around 75 per cent of the community healthcare workers reported an increase in their knowledge and diagnosis and treatment of malaria.

- Post malaria treatment, a 32 per cent improvement in overall health was reported, which resulted in a 17 per cent increase in productivity and 22 per cent decrease in school/work absenteeism.

II. Waste Management

We have initiated various community waste management projects across India. Some of these projects are as follows:

In the past, we have collaborated with Hyderabad and Kalyan-Dombivali municipal corporations for urban waste management. We are working with a social enterprise in Guwahati to covert plastic waste into fuel. Further, we are partnering with an enterprise in Assam that is recycling forest and agri-residue into briquettes for biofuel. Altogether, through these projects, we aim to process up to 150 MT of solid waste per day.

C. Watershed Management

Our integrated watershed development project will help restore the ecological balance in the drought-prone district of Siddipet in Telangana. Our efforts are designed to recharge groundwater and make more water available for irrigation over a total area of more than 3,300 hectares by the fiscal year 2022. As of March 2020, we have treated 880 hectares of land and carried out over 3,00,000 plantations through seed dibbling and over 38,000 plantations through direct saplings. We have worked with over 300 farmers to build their capacity on sustainable farming and livelihood diversification.

D. Donations

I. Green chemistry: With the funding from GCPL, the Institute of Chemical Technology, Mumbai, has proposed to set up a skill development centre. The proposed centre has the following three objectives:

- To develop training programmes for the characterisation of biologics and biopharmaceuticals

- To establish a state-of-the art centre for biophysical and biochemical analysis for skill development for training students and provide a resource to the Indian biotechnology industry

- To develop back-to-school programmes for industrial participants to hone their skills

II. Olympic Gold Quest: The project aims to support 49 senior Indian athletes aspiring to participate in commonwealth games, Asian games, and Olympics by funding their training and sport equipment purchase as well as by providing them medical support

III. Promote culture and music among children: GCPL supports the National Centre for Performing Arts in Mumbai to run school programmes to promote Indian music and dance

IV. Support ARMMAN for their Kilkari programme to improve national maternal and child health indicators

V. Support SEEDS for Kerala flood relief by building shelters for tribal families in Wayanad

VI. Support Shrimati Pushpa Wati Loomba Memorial Foundation to train youth in hospitality, tourism, tailoring, and retail sector skills

VII. Support Rotary Club Bombay to set up solar-powered irrigation and water facilities for rural households in Palghar, Maharashtra

VIII. Support the Corbett Foundation to provide skill development training to forest-dependent communities and to empower and encourage them to lead a sustainable and environment-friendly lifestyle with minimum dependency on forest resources in the Raigad district of Maharashtra

IX. Support Dream Girl foundation to provide medical services for children suffering from cancer

X. Support Aamcha Ghar to provide education for underprivileged children

XI. Support Operation ASHA to provide tuberculosis treatment for underprivileged communities

XII. Support Sharda education society to support HIV/AIDS-affected people in commercial sex work and transgender communities

E. Composition of CSR Committee

The composition of the CSR Committee is as follows:

1. Mr Nadir Godrej, Chairman of the Committee
2. Ms Tanya Dubash, Director
3. Ms Nisaba Godrej, Executive Chairperson
4. Mr Vivek Gambhir, Managing Director and CEO
5. Mr Narendra Ambwani, Independent Director

F. Average net profit of the company in the last 3 fiscal years: ₹ 1,267 crores.

G. Prescribed CSR expenditure (2 per cent of the amount as in item F above): ₹ 25.34 crores.

Details of CSR expenditure for the fiscal year

a)	Total amount to be spent for the fiscal year	A total of ₹ 19.49 crore was spent, against the mandated amount of ₹ 25.34 crore.
b)	Amount unspent, if any	₹ 5.85 crores Projects worth this amount had been sourced and committed, with signed MoUs and deliverables agreed during the financial year itself. In order to ensure proper utilisation of funds and high-quality results from our CSR initiatives, we believe in funding projects on tranche basis. The whole grant is not given upfront in advance and is instead given in stages when certain milestones are achieved. This led to an underspend of Rs.5.85 crore during the financial year. The Company is committed to spend the unspent funds specifically for the selected projects in FY 20-21. The CSR Committee has approved that the unspent funds be carried forward to FY20-21 in addition to the prescribed 2% CSR budget for FY 20-21.
c)	Manner in which the amount is spent during the fiscal year	As given below in Table 1

Table -1 Details of CSR expenditure for the fiscal year 2019-20

Sr. No.	CSR Project/Activity Identified	Sector in which the Project is Covered	Projects/Programmes 1) Local Area/Other 2) Specify the District and State Where the Project/Programme was Undertaken	Amount Outlay (Budget) Project/ Programme wise	Amount Spent on the Project/Programmes		Cumulative Expenditure Up to the Reporting Period	Amount Spent (Direct/ Implementing Agency)
					Direct Expenditure on Projects/ Programmes	Overheads		
1	Project Salon-i: skill training for employability and entrepreneurship, leading to women empowerment	Schedule VII (ii) livelihood enhancement projects	States in India, namely Gujarat, Maharashtra, Uttar Pradesh, Bihar, Chhattisgarh, Assam, Nagaland, Manipur, Mizoram, and Delhi	8.70	8.70	0.32	9.02	Multiple Agencies: Saath, Yuva, Dhriiti, DDJF, Don Bosco Tech Society, Pratham, Save the Children India, Youthnet, Vrutti, Delhi Council of Child Welfare, Collective Good Foundation, QUEST Alliance
2	Behaviour change communication on malaria and vector-borne diseases	Schedule VII (i) promoting preventive healthcare	Dindori and Mandla districts of Madhya Pradesh	4.64	4.64	0.17	4.81	Multiple agencies: Family Health India, CIDS, Sustainable Square
3	Community development around factories	Schedule VII(x) rural development projects	Jammu, Himachal Pradesh, Madhya Pradesh, Sikkim, Pondicherry, and Tamil Nadu	0.31	0.31	0.01	0.32	Direct intervention
4	Waste management	Schedule VII (iv) environment sustainability	Guwahati and Assam	1.26	1.22	0.05	1.27	Maa Kamakhya Disposable Works

Sr. No.	CSR Project/Activity Identified	Sector in which the Project is Covered	Projects/Programmes 1) Local Area/Other 2) Specify the District and State Where the Project/Programme was Undertaken	Amount Outlay (Budget) Project/ Programme wise	Amount Spent on the Project/Programmes		Cumulative Expenditure Up to the Reporting Period	Amount Spent (Direct/ Implementing Agency)
					Direct Expenditure on Projects/ Programmes	Overheads		
5	Carbon mitigation project	Schedule VII (iv) environment sustainability	Assam and Meghalaya	2.10	0.48	0.02	0.50	Dharthi Sustainables Private Limited
6	Watershed management	Schedule VII (iv) environment sustainability	Siddipet district, Telangana	0.70	0.46	0.02	0.48	Peoples Action for Creative Education
7	Disaster relief in response to Kerala floods	Schedule VII (i) promoting preventive healthcare and sanitation and making available safe drinking water	Wayanad, Kerala	0.20	0.20	0.01	0.21	Sustainable Environment and Ecological Development Society
8	Support to train fellows to teach in government-funded schools across India	Schedule VII (ii) promoting education	PAN India	1.00	1.00	0.00	1.00	Teach to Lead
9	Green chemistry	Schedule VII (ii) promoting education	Institute of Chemical Technology	0.60	0.60	0.00	0.60	Donation to Institute of Chemical Technology
10	Promotion of sports	Schedule VII(vii) promoting nationally recognised sports	PAN India	0.35	0.35	0.00	0.35	Foundation for promotion of sports and games
11	Promotion of Indian music and dance by training children in government schools	Schedule VII (v) promoting traditional arts	Mumbai, Maharashtra	0.30	0.30	0.00	0.30	National Centre for Performing Arts
12	Awareness raising and training of young mothers to improve maternal and child health through technology	Schedule VII (i) promoting preventive healthcare	PAN India	0.25	0.25	0.00	0.25	ARMMAN

Sr. No.	CSR Project/Activity Identified	Sector in which the Project is Covered	Projects/Programmes 1) Local Area/Other 2) Specify the District and State Where the Project/Programme was Undertaken	Amount Outlay (Budget) Project/ Programme wise	Amount Spent on the Project/Programmes		Cumulative Expenditure Up to the Reporting Period	Amount Spent (Direct/ Implementing Agency)
					Direct Expenditure on Projects/ Programmes	Overheads		
13	Training youth and young women in job skills	Schedule VII (ii) livelihood enhancement projects	West Bengal, Maharashtra, Bihar, Madhya Pradesh, and Delhi	0.15	0.15	0.00	0.15	The Shrimati Pushpa Wati Loomba Memorial Foundation
14	Solar-powered irrigation and water facilities for rural households	Schedule VII(x) rural development projects	Palghar, Maharashtra	0.10	0.10	0.00	0.10	Rotary Club Bombay Charities Trust
15	Skill development training to youth and women in forest-dependent communities	Schedule VII (ii) livelihood enhancement projects	Raigad, Maharashtra	0.05	0.05	0.00	0.05	The Corbett Foundation
16	Medical services for children suffering from cancer	Schedule VII (i) promoting healthcare	Mumbai, Maharashtra	0.04	0.04	0.00	0.04	Dream Girl Foundation
17	Support education for underprivileged children	Schedule VII (ii) promoting education	Mumbai, Maharashtra	0.02	0.02	0.00	0.02	Amcha Ghar
18	Support tuberculosis treatment for underprivileged communities	Schedule VII (i) promoting preventive healthcare	PAN India	0.01	0.01	0.00	0.01	Operation ASHA
19	Support HIV/AIDS-affected people in commercial sex work and transgender communities	Schedule VII (i) promoting preventive healthcare	Mumbai, Maharashtra	0.01	0.01	0.00	0.01	Sharda Education Society
	Total			**20.79**	**18.89**	**0.60**	**19.49**	

The implementation and monitoring of this CSR policy is in compliance with the CSR objectives and policy of the Company.

Nadir Godrej
Chairman of the CSR Committee

Vivek Gambhir
Managing Director and CEO
(Member of the CSR Committee)

ANNEXURE 'F'

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER THE SEBI (SHARE-BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND SECTION 62 (1) (B) OF THE COMPANIES ACT, 2013 READ WITH RULE 12 (9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES), RULES, 2014, THE FOLLOWING INFORMATION IS DISCLOSED IN RESPECT OF EMPLOYEE STOCK BENEFIT PLANS:

Sr. No.	Particulars	Godrej Consumer Products Limited Employee Stock Grant Scheme
1	Date of shareholders' approval for the options granted under the scheme	March 18, 2011
2	Total number of options approved for grants under the scheme	25,00,000
3	Vesting requirements	As specified by the Nomination and Remuneration Committee, subject to minimum 1 year from the date of grant
4	Exercise price or pricing formula	₹. 1 per share
5	Maximum term of options granted	As may be decided by the Nomination and Remuneration Committee as per the prevalent regulatory provisions
6	Source of shares	Direct allotment
7	Variation of terms of options	None
8	Number of options outstanding as on April 1, 2019	2,95,015
	Number of fresh options granted during the year	1,62,917
9	Number of options lapsed during the year	17,543
	Number of options vested during the year	1,50,256
	Number of options exercised during the year	1,50,256
	Number of shares arising as a result of exercise of options	1,50,256
	Money realised by exercise of options	₹. 1,50,256
18	Number of options outstanding and exercisable at the end of the year	2,90,133
20	Method used to account for the options	The company has calculated the employee compensation cost using the fair value of stock options, in accordance with IND AS
21	Weighted-average exercise prices and weighted-average fair values of options (shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock)	Exercise price: ₹ 1.00 per share Fair value: ₹ 660.17
22	Employee-wise details of options granted to—	
	i) Senior Managerial Personnel	As per Note 1 below
	ii) Any other employee who receives a grant in any one year of option amounting to 5 per cent or more of the option granted during that year	Nil
	iii) Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	

Sr. No.	Particulars		Godrej Consumer Products Limited Employee Stock Grant Scheme
23	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'EPS'		₹ 11.54 per share (standalone) ₹ 14.64 per share (consolidated)
24	Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:		The fair value of the options granted has been calculated using the Black–Scholes Options pricing formula, and the significant assumptions made in this regard are as follows:
	i)	Risk-free interest rate	6.44 per cent
	ii)	Expected life	2 years
	iii)	Expected volatility	28.16 per cent
	iv)	Expected dividends	2.28 per cent
	v)	The price of the underlying share in the market at the time of option grant	₹ 658.45

Note 1: Employee-wise details of options granted to Senior Managerial Personnel and details of options granted more than 5 per cent in 1 year

Name and Designation of Senior Managerial Personnel to Whom Stock Options Have Been Granted	Granted in Fiscal Year 2017-18 and Outstanding as on March 31, 2020	Granted in Fiscal Year 2018-19 and Outstanding as on March 31, 2020	Granted in Fiscal Year 2019-20 and Outstanding as on March 31, 2020	Total Outstanding Options as on March 31, 2020
Vivek Gambhir, Managing Director and CEO	12,042*	21,940*	37,946*	71,928
V Srinivasan, Chief Financial Officer and Company Secretary	2,031	3,510	6,071	11,612
Akhil Chandra, Business Head—ASEAN	2,676	4,388	7,589	14,653
Naveen Gupta, Cluster Head—Africa	2,676	4,388	7,589	14,653
Sunil Kataria, Business Head—India	3,213*	6,004*	10,382*	19,599*
Omar Momin, Business Head Darling and M&A	3,213	5,266	3,036	11,515
Rahul Gama, Head—Human Resources	1,605	2,950	5,100	9,655
Sunder Mahadevan, Head—R&D	1,605	2,897	5,009	9,511
Darshan Gandhi, Head—Design	642	2,633	4,554	7,829
Anirban Banerjee, Head—Innovation	642	1,054	1,821	3,517
Jishnu Batabyal, Head—Strategy & Planning	-	878	1,518	2,396

*Option granted was more than 5 per cent of the options granted in 1 year

The above disclosures can also be accessed through the Company website—http://godrejcp.com/annual-reports.aspx

ANNEXURE 'G'

Form No MR – 3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

The Members,
Godrej Consumer Products Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Consumer Products Limited (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company as well as the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner reported and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    (d) The Securities and Exchange Board of India (Share based Employee Benefit) Regulations, 2014;

    (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable)

    (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; (not applicable)

    (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable) and

    (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable)

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited.

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

The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are:

a. Insecticide Act, 1968 and rules made thereunder.

b. Legal Metrology Act and rules made thereunder.

c. Drugs & Cosmetics Act, 1940.

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the above laws applicable specifically to the Company.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings; the agenda and related detailed notes on agenda were sent at least seven days in advance. Furthermore, a system for seeking and obtaining further information and clarifications on the agenda items before the meeting exists for meaningful participation at the meeting.

All the decisions were passed by majority in the meetings of the Board and there were no dissenting views from the Board members

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

We further report that during the audit period the company has:

i. issued shares on exercise of options under the Employee Stock Grant Scheme.

ii. issued and listed commercial papers with National Stock Exchange of India Limited.

For A. N. Ramani & Co.,
Company Secretaries
Unique Code - P2003MH000900

Ashok N. Ramani
Partner
FCS - 6808, COP –5342

UDIN - F006808B000274526

Place: Thane
Date : 24th May 2020

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

Annexure to the Secretarial Audit Report

The Members
Godrej Consumer Products Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of Accounts of the company. We have relied on the report of the Statutory Auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.

4. In view of lockdown due to COVID 19, we have conducted part of our audit on the basis of details / documents provided by company through email and/ or other digital mode.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The Company is following a system of obtaining reports from various departments to ensure compliance with applicable laws. The company is following an electronic compliance management system for compliance management to ensure compliance with applicable laws, rules, regulations and guidelines.

7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

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

For A. N. Ramani & Co.,
Company Secretaries
Unique Code - P2003MH000900

Ashok N. Ramani
Partner
FCS - 6808, COP –5342

UDIN - F006808B000274526

Place: Thane
Date : 24th May 2020

ANNEXURE 'H'

Practising Company Secretary's Certificate on Corporate Governance

To the members of
Godrej Consumer Products Limited

We have examined the compliance of conditions of corporate governance by Godrej Consumer Products Limited ('the company') to the year ended on March 31st 2020, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulation')

Management Responsibility

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management including the preparation and maintenance of all relevant supporting records and documents.

PCS Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable during the year ended March 31, 2020.

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.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable any other purpose.

For A. N. Ramani & Co.,
Company Secretaries
Unique Code - P2003MH000900

Ashok Naran Ramani
Partner
FCS - 6808, COP –5342

Place : Thane
Date : 24th May 2020

UDIN: F006808B000274548

GODREJ CONSUMER PRODUCTS LIMITED

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

A. List of employees employed througout the Financial Year 2019-20 and was in receipt of remuneration which in the aggregate was not less than Rs. 1,02,00,000

Sr No	EMPLOYEE NAME	Designation	Qualification	Total Remuneration Rs	Date Of Employment	Age	Last Employment
1	Vivek Gambhir	Managing Director & CEO	MBA	12,34,32,634	01-08-2009	51	Godrej Industries Ltd
2	Nisaba Godrej	Executive Chairperson	BSC from Wharton School, University of Pennsylvania. MBA, Harvard Business School	5,24,19,278	01-10-2001	42	Godrej Industries Ltd
3	A B Godrej	Chairman	B.S., M.S.Engg.& Industrial Management	6,63,80,148	18-02-1964	78	Godrej Soaps Ltd
4	Sunil Kataria	Chief Executive Officer - India & SAARC	MBA	7,56,32,336	04-02-2011	52	Idea Cellular
5	Robert Menzies	Business Head - India E-commerce	Masters Degree – Engineering	2,79,38,917	01-04-2019	41	Godrej Industries Ltd
6	V. Srinivasan	Chief Financial Officer & Company Secretary	B.com, ACA, ACS	2,78,70,078	03-07-1989	55	Godrej Properties Ltd
7	Omar A Momin	Head - M&A	B.Chem.Engg, P.G.D.Mgt, ISB (Hyderabad)	2,37,02,938	01-06-2001	40	Godrej Industries Ltd
8	Sunder Nurani Mahadevan	Head - R&D	PHD, MSC, BSC	2,25,57,745	04-09-2006	57	Dabur Research Foundation
9	Rahul Gama	Head - Human Resources	B.Com, MBA	2,20,45,837	01-07-2009	46	Godrej Household Products Ltd
10	Jishnu Batabyal	Head - Strategy & Planning	MBA	1,95,09,064	03-11-2014	34	Godrej Industries Ltd
11	Sameer Shah	Head - Finance (India & SAARC)	CA, CTM	1,79,51,145	06-02-2006	41	M/s General Mills India Ltd
12	Darshan Gandhi	Head - Design	NID- Design	1,60,75,230	08-06-2009	40	Godrej Industries Ltd
13	Pallavi Wad	Head - PSO (India & SAARC)	Masters in Management Studies	1,60,34,540	02-06-1997	50	Steel Authority of India
14	Subrata Dey	Head - Information Technology	BSC, PGDCA	1,58,58,965	16-12-1998	55	Godrej Household Products Ltd
15	Anirban Banerjee	Head- Innovation	PGDM- SCMHRD	1,53,71,331	19-09-2005	45	Godrej Agrovet Ltd
16	Mahnaz Shaikh	Head - Human Resources (India & SAARC)	Master of Arts	1,48,70,774	02-01-2017	39	Procter and Gamble
17	Somasree Bose	Head Marketing - Cinthol, Godrej No 1, Aer & Protekt (India Business)	PGDM - Xaviers Institute of Mgmt, Bhubaneshwar	1,47,48,363	02-06-2003	42	Godrej Household Products Ltd
18	Saurin Shah	Head - CMI	Master in Management	1,37,93,354	16-04-2016	46	Narsee Monjee Institute of Management Studies
19	Pradeep Kumar M	Head - Sales (India Business)	MBA	1,34,74,235	04-05-2001	49	Dabur
20	Milind Korgaonkar	Head - Information Technology (India & SAARC)	Middle Management Program, IIM-A	1,34,09,857	03-08-2011	50	Godrej Household Products Ltd
21	R. S. Gopalakrishnan	Head - Sourcing & Procurement	B.Com, MBA	1,23,77,981	01-08-1987	57	Godrej Household Products Ltd
22	K Suryanarayan	Head -Treasury and FP&A	B.Com, CA	1,21,75,039	25-06-2001	47	RPG Spencers
23	Venkateswara Rao Yadlapalli	Head - R&D (Product Development)	Post Graduate Diploma	1,20,69,996	19-11-2014	51	Wipro
24	Subha S. Iyer	Head - Group Media	Post Graduate Diploma (Media Planning from Mudra Institute of Communication)	1,18,38,106	16-09-2002	49	Mindshare WPP Marketing
25	Pankaj Parihar	Head - Digital Marketing	MBA	1,17,46,469	03-03-2014	42	Godrej Industries Ltd
26	Anirudh Singh	Head - Exports (India & SAARC)	Post Graduation	1,09,59,373	03-06-1996	47	Godrej Soaps Ltd
27	Radhakrishna Jagannath	Head - PSO Projects	Post Graduation (Master of Management from Indian Institute of Technology, Bombay),	1,06,91,355	14-03-2012	45	E&Y Pvt Ltd.

B. Employed for a part of the financial year 2019-20 and was in receipt of remuneration for any part of the year at a rate which in the aggregate was not less than Rs. 8,50,000 p.m.

Sr No	EMPLOYEE NAME	Designation	Qualification	Total Remuneration Rs	Date Of Employment	Age	Last Employment
1	Dr.R K SINHA	Head - Supply Chain, Manufacturing & IT	B.Tech.(Mech.); P.G.D.I.E; A. I C .W .A; C F A	5,21,89,759	01-06-2001	62	Godrej Soaps Ltd
2	Rajesh Tiwari	Head - Product Supply Organization (India & SAARC)	CA	2,01,36,418	21-03-1990	61	Godrej Soaps Ltd
3	Parveen Dalal	Head - Sales (India Business) & SAARC	P.G.D.M.M, IIM (Lucknow)- MBA	52,17,934	28-05-2012	48	Bunge India Ltd
4	Jatin Panchal	Divisional Head - East	MBA	1,11,78,994	25-02-2013	41	Marico India Ltd
5	Meghna Apparao	Head - Marketing	Master of Business Administration	1,85,81,867	14-05-2019	42	Amazon
6	Ramesh Iyer	Associate Vice President - Finance	CA	83,45,529	15-11-1999	42	Godrej Household Products Ltd
7	Rajan Raghavachari	Head - R&D, GAUM	Doctorate Degree – Chemical Engineering	98,36,830	31-05-2019	50	Next Big Innovation Labs
8	Ravin Mody	Head - Finance (India & SAARC)	Chartered Accountant	30,48,613	03-02-2020	40	Future Consumer Limited

Notes

1 None of the above-mentioned employees hold more than 2% of Equity Shares either by themselves or along with their spouse/dependent children.

2 Nature of Employment whether contractual or otherwise

a) The appointments of all the employees is contractual in nature and terminable by three month's notice from either side.

b) The appointment of Mr. Adi Godrej, Chairman Emeritus, Ms. Nisaba Godrej, Executive Chairperson, and Mr. Vivek Gambhir, Managing Director & CEO is further subject to the terms and conditions as may be stated in the resolution

3 Relation with directors

(a) Mr Adi Godrej is brother of Mr Nadir Godrej, and father of Ms Tanya Dubash, Ms Nisaba Godrej and Mr Pirojsha Godrej.

(b) Ms Nisaba Godrej is daughter of Mr Adi Godrej and sister of Ms Tanya Dubash and Mr Pirojsha Godrej.

(c) Other employees are not related to any director of the company.

4 Remuneration includes salary, allowances and various elements of flexible compensation, company's contribution to Provident Fund and taxable value of perquisites as per Income Tax Act, 1961

5 The designations represent the nature of duties performed by the employees.

6 In the case of all the employees, the age shown is as of last birth date and the particulars of previous employment pertain to the immediate past employment.

Report on Corporate Governance

Company's Philosophy On Corporate Governance

Corporate governance refers to the framework of rules and practices through which the board of directors ensures accountability, fairness, and transparency in a company's relationship with all its stakeholders.

The Company is a part of the 123-year- old Godrej Group, which has established a reputation for honesty, integrity, and sound governance. The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and interactions with its stakeholders, including shareholders, employees, lenders, and the government. The Company is committed to achieve and maintain the highest standards of corporate governance. The Company believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period.

Every year, since the fiscal year 2002-03, the Company has subjected itself to a voluntary review of its corporate governance practices by an external rating agency, namely the Investment Information and Credit Rating Agency (ICRA). The Company continues to enjoy the Corporate Governance Rating of CGR2+ (pronounced CGR two plus) and the Stakeholder Value Creation and Governance Rating of SVG1 (pronounced SVG one).

The two ratings evaluate whether a company is being run on the principles of corporate governance and whether the practices followed by the company lead to value creation for all its shareholders.

The CGR2+ rating is on a rating scale of CGR1 to CGR6, where CGR1 denotes the highest rating. The CGR2+ rating implies that according to ICRA's current opinion, the rated company has adopted and follows such practices, conventions, and codes that would provide its financial stakeholders a high level of assurance on the quality of corporate governance.

The SVG1 rating is on a rating scale of SVG1 to SVG6, where SVG1 denotes the highest rating. The SVG1 rating implies that in ICRA's current opinion, the Company belongs to the highest category on the composite parameters of stakeholder value creation and management as well as corporate governance practices.

1. **Board of Directors**
   Godrej Consumer Products Limited's (GCPL) corporate governance practices are shaped by its Board of Directors. The Board is committed to protect the long-term interests of all our stakeholders, and considering this, it provides objective and prudent guidance to the management. Information related to the procedures, composition, committees, and several other factors of the Board is provided below.

A. **Board procedures**
   GCPL currently has a 14-member Board, with 7 Independent Directors who are eminent professionals from diverse fields, with expertise in finance, information systems, marketing, and corporate strategy. None of the Independent Directors have had any material association with the Godrej Group in the past. The Board of Directors also confirms that Independent Directors fulfil conditions specified in Listing Regulations and are independent of management. In line with the accepted best practices, to strengthen the focus and quality of discussion at the Board, GCPL's Board has appointed Ms Ireena Vittal as the lead Independent Director.

The Board meets at least once in a quarter to review the Company's quarterly performance and financial results. The Board meetings are governed with a structured agenda. The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company.

Before the commencement of the Audit Committee meeting, the members of the Audit Committee—which entirely consists of Independent Directors—have a discussion with Statutory Auditors, in the absence of the management team and Whole-time Directors. For all major items, comprehensive background information is provided to the Board members to enable them to take an informed decision.

Once a year, the Board members participate in a strategy meeting, in which they also interact with the management team of the Company. The Independent Directors also have a meeting among themselves, after which they provide their insights to the entire Board and the management team.

Several familiarisation programmes for the Independent Directors were conducted during the year, covering topics such as the Annual Operating Plan for the fiscal year 2019-20, update on key amendments to the SEBI Listing Regulations, and actionable for the Company arising out of the amendments. Additionally, at all the Board meetings, detailed presentations covering business performance and financial updates were made. The programmes were conducted by the members of Company management. The details of the same are available on the website of the Company and can be accessed through the following link.[1]

B. Matrix on skill sets possessed by the Board of Directors

At GCPL, we recognise the importance of having a Board comprising of directors who have a range of experiences, capabilities, and diverse viewpoints. This helps us create an effective and well-rounded board. The capabilities and experiences sought in our Directors are outlined here:

- **Strategy and Business–**Is or has been the Chief Executive Officer (CEO) or Chief Operating Officer, or has held any other leadership position in an organisation, leading to significant experience in strategy or business management. Brings the ability to identify and assess strategic opportunities and threats in the context of the business.

- **Industry Expertise**–Has expertise with respect to the sector the organisation operates in. Has an understanding of the 'big picture' in the given industry and recognises the development of industry segments, trends, emerging issues, and opportunities.

- **Market Expertise – **Has expertise with respect to the geography the organisation operates in. Understands the macroeconomic environment, nuances of the business, and consumers and trade in the geography

[1] https://godrejcp.com/investors/stock-exchange-filings

Has the knowledge of the regulations and legislations of the market/(s) the business operates in.

- **Technology Perspective** – Has expertise with respect to business-specific technologies such as in the field of research and development and manufacturing. Has experience and adds perspective on the future-ready skills required by the organisation such as e-commerce, digital, and sustainability
- **People and Talent Understanding** – Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organisation.
- **Governance, Finance, and Risk** – Has an understanding of the law and application of corporate governance principles in a commercial enterprise of a similar scale. Capability to provide inputs for strategic financial planning, assess financial statements, and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas including legal and regulatory.
- **Diversity of Perspective –**

  Provides diverse views to the Board that is valuable for managing our customers, consumers, employees, key stakeholders, and shareholders.

C. Process and criteria used for appointing new directors

The Nomination and Remuneration Committee evaluates the candidature of a new director in line with the Board Diversity Policy and the aforementioned skill sets and makes suitable recommendation to the Board for final approval. The appointment of all Directors is also subject to shareholders' approval.

Director Names/Skills	Age (Years)	Appointment Year	Gender	Committee Membership	Strategy and Business	Industry Expertise	Market Expertise	Tech and Future Perspective	People and Talent Understanding	Governance, Finance, and Risk	Diversity of Perspective
Mr Adi Godrej	78	Nov 2000	M	SRC	√	√	√			√	
Ms Nisaba Godrej	42	May 2011	F	CSR, RMC	√	√	√		√	√	
Mr Jamshyd Godrej	71	Mar 2001	M	SRC	√		√			√	√
Mr Nadir B. Godrej	69	Nov 2000	M	CSR, SRC	√		√	√		√	√
Ms Tanya Dubash	52	May 2011	F	CSR	√		√			√	√
Mr Pirojsha Godrej	40	Apr 2017	M	-	√		√			√	√
Mr Vivek Gambhir	51	Apr 2013	M	SRC, CSR, RMC	√	√	√			√	
Mr Narendra Ambwani	72	May 2011	M	ACM, NRC, CSR, SRC	√	√	√		√	√	
Mr Sumeet Narang	44	Apr 2019	M	ACM, NRC	√		√	√		√	√
Mr Omkar Goswami	64	Jun 2008	M	ACM, NRC, RMC			√			√	√
Mr Aman Mehta	74	Apr 2006	M	ACM, NRC	√					√	√
Ms Ireena Vittal	52	Apr 2013	F	ACM, NRC	√	√	√		√	√	
Ms Ndidi Nwuneli	45	Apr 2017	F	ACM, NRC	√		√		√	√	√
Ms Pippa Armerding	51	Jan 2018	F	ACM, NRC	√		√		√	√	√

D. Detailed reasons for resignation of Independent Director, if any

No Independent Director resigned before the expiry of his tenure during this financial year.

(i) Composition of the Board

The Board composition is as follows:

Category		Number of Directors as on March 31, 2020
i)	**Non-Independent Directors**	
	Executive Chairperson	1
	Managing Director	1
	Executive Director	1
	Non-Executive Promoter Directors	4
	Subtotal	7
ii)	**Independent Directors**	7
Total Strength (i + ii)		**14**

(ii) Other relevant details of the Directors as on March 31, 2020

Name of Directors	Date of Original Appointment	Relationship With other Directors	Category	Number of Directorships Held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL		Shares Held
					Committee Member (Excluding Committee Chairperson) **	Committee Chairperson **	
Adi Godrej	November 29, 2000	Brother of Nadir Godrej and Father of Tanya Dubash, Nisaba Godrej, and Pirojsha Godrej	Promoter/ Executive	3 (2)	1	1	1512#
Jamshyd Godrej	March 01, 2001	None	Promoter/ Non- Executive	5 (4)	1	0	0#
Nadir Godrej	November 29, 2000	Brother of Adi Godrej	Promoter/ Non-Executive	9 (6)	2	2	63#
Tanya Dubash	May 02, 2011	Daughter of Adi Godrej and Sister of Nisaba Godrej and Pirojsha Godrej	Promoter/ Non- Executive	8 (5)	1	0	62#
Nisaba Godrej	May 02, 2011	Daughter of Adi Godrej and Sister of Tanya Dubash and Pirojsha Godrej	Promoter/ Executive Chairperson	4 (3)	0	0	3,70,083#
Pirojsha Godrej	April 01, 2017	Son of Adi Godrej and Brother of Tanya Dubash and Nisaba Godrej	Promoter/ Non- Executive	4 (3)	1	0	3,70,125#
Vivek Gambhir	April 30, 2013	None	Managing Director & CEO	2 (2)	2	1	2,51,618
Narendra Ambwani	May 02, 2011	None	Non-Executive/ Independent	5 (4)	7	1	3,000
Pippa Armerding	January 30, 2018	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Sumeet Narang	April 01, 2019	None	Non- Executive/ Independent	1 (1)	1	0	Nil
Omkar Goswami	June 18, 2008	None	Non-Executive/ Independent	4 (4)	3	1	Nil

Name of Directors	Date of Original Appointment	Relationship With other Directors	Category	Number of Directorships Held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL		Shares Held
					Committee Member (Excluding Committee Chairperson) **	Committee Chairperson **	
Aman Mehta	April 26, 2006	None	Non-Executive/ Independent	5 (5)	4	2	Nil
Ndidi Nwuneli	April 01, 2017	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Ireena Vittal	April 30, 2013	None	Non-Executive/ Independent	4 (4)	4	0	Nil

#This shareholding reflects holding in their own name and does not include shares held as one of the trustee of family trusts.
*Does not include directorships in private companies, Section 8 companies, and foreign companies.
**Does not include chairmanship/membership in Board Committees other than the Audit Committee and Shareholders' Grievance Committee and chairmanship/membership in board committees in companies other than public limited companies registered in India.
***Under the Employee Stock Grant Scheme of the Company, Mr Vivek Gambhir additionally holds 71,928 options that are convertible into equivalent equity shares on their vesting and exercise. The options will vest in tranches, and the same has to be exercised within 1 month of the respective vesting dates.

Notes:
Figures in brackets denote directorships in listed companies.

(iii) Details of directorship in other listed companies including category of their directorship as on March 31, 2020

Names of Directors		Directorship in Other Listed Companies	Category of Directorship
Adi Godrej		Godrej Industries Limited	Chairman
Jamshyd Godrej	1.	Godrej Industries Limited	Director
	2.	Godrej Agrovet Limited	Director
	3.	Godrej Properties Limited	Director
Nadir Godrej	1.	Godrej Industries Limited	Managing Director
	2.	Astec Lifesciences Limited	Chairman
	3.	Godrej Agrovet Limited	Chairman
	4.	Godrej Properties Limited	Director
	5.	Mahindra And Mahindra Limited	Independent Director
Tanya Dubash	1.	Godrej Industries Limited	Director
	2.	Godrej Agrovet Limited	Director
	3.	Britannia Industries Ltd	Independent Director
	4.	Escorts Limited	Independent Director
Nisaba Godrej	1.	Godrej Agrovet Limited	Director
	2.	VIP Industries Limited	Independent Director
Pirojsha Godrej	1.	Godrej Agrovet Limited	Director
	2.	Godrej Properties Limited	Chairman
Vivek Gambhir	1.	Metropolis Healthcare Limited	Independent Director
Narendra Ambwani	1.	Parag Milk Foods Limited	Independent Director
	2.	Agro Tech Foods Limited	Independent Director
	3.	RPG Life Sciences Limited	Independent Director

Names of Directors		Directorship in Other Listed Companies	Category of Directorship
Pippa Tubman Armerding		NIL	-
Sumeet Narang		NIL	-
Omkar Goswami	1.	Bajaj Finance Limited	Independent Director
	2.	Ambuja Cements Limited	Independent Director
	3.	Bajaj Auto Limited.	Independent Director
Aman Mehta	1.	Wockhardt Limited	Independent Director
	2.	Max Financial Services Limited	Independent Director
	3.	Vedanta Limited	Independent Director
	4.	Tata Steel Limited	Independent Director
Ndidi Nwuneli		NIL	-
Ireena Vittal	1.	Housing Development Finance Corporation Limited	Independent Director
	2.	Titan Company Limited	Independent Director
	3.	Wipro Limited	Independent Director

E. Attendance details at Board/Committee meetings and at the last Annual General Meeting

Names of Meetings	Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM August 1, 2019
Number of Meetings held	4	4	2	2	1	2	1
Attendance of Directors							
Adi Godrej	4	NA	NA	NA	1	NA	Yes
Jamshyd Godrej	4	NA	NA	NA	1	NA	Yes
Nadir Godrej	4	NA	NA	2	1	NA	Yes
Tanya Dubash	4	NA	NA	2	NA	NA	Yes
Nisaba Godrej	4	NA	NA	2	NA	2	Yes
Pirojsha Godrej	4	NA	NA	NA	NA	NA	Yes
Vivek Gambhir	4	NA	NA	2	1	2	Yes
Narendra Ambwani	4	4	2	2	1	NA	Yes
Pippa Armerding	3	3	1	NA	NA	NA	Yes
Sumeet Narang	4	4	2	NA	NA	NA	Yes
Omkar Goswami	4	4	1	NA	NA	2	Yes
Aman Mehta	4	4	2	NA	NA	NA	Yes
Ndidi Nwuneli	4	4	2	NA	NA	NA	Yes
Ireena Vittal	4	4	2	NA	NA	NA	Yes
Bharat Doshi*	2	2	1	NA	NA	NA	Yes

Notes:

- Board and Audit Committee meetings were held on May 03, 2019; August 01, 2019; November 06, 2019; and January 29, 2020.
- Nomination and Remuneration Committee meetings were held on May 03, 2019 and January 29, 2020.
- The Independent Directors Committee meeting was held on May 03, 2019.
- The Stakeholders' Relationship Committee meeting was held on May 03, 2019.
- Risk Management Committee meetings were held on May 02, 2019 and July 10, 2019.
- Corporate Social Responsibility meetings were held on May 03, 2019 and November 06, 2019.

- The maximum gap between any two board meetings did not exceed 120 days during the year.
  - Leave of absence was granted to the Directors whenever they could not be physically present for the Board/ Committee meeting.
  - 'NA' indicates not a member of the committee.
  - *Mr Bharat Doshi's tenure of five years ended on September 25, 2019 and he had expressed his desire to not offer himself for re-appointment for another term. Hence, he was eligible to attend meetings held till September 25, 2019 only.

(i) Reappointment of Directors liable to retire by rotation

The Board has five Directors whose period of office is liable to be determined for retirement by rotation, and of these five directors, one-third, i.e. two Directors, shall retire at the Annual General Meeting. Thus, Mr Pirojsha Godrej and Ms Tanya Dubash will retire at the ensuing Annual General Meeting of the Company and, being eligible, will be considered for reappointment. Their brief resume is annexed to the notice of the Annual General Meeting.

F. Committees of the Board

The Company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Stakeholders' Relationship Committee formed in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 inter alia looks into investor grievances. The Company has also formed a Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which looks after the appointment, remuneration, and performance evaluation of Directors. The criteria for performance evaluation of Independent Directors includes skills, experience, level of preparedness, attendance, extent of contribution to board debates and discussion, and how each Director leverages his/ her expertise and networks to meaningfully contribute to the Company. The Company also has a Risk Management Committee in accordance with Regulation 21 of the Listing Regulations.

Composition of the Committees as on March 31, 2020

Names of Directors	Position in the Committee					
	Category	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Adi Godrej	Promoter and Executive	None	None	Member	None	None
Jamshyd Godrej	Promoter and Non-Executive	None	None	Member	None	None
Nadir Godrej	Promoter and Non-Executive	None	None	Chairman	None	Chairman
Nisaba Godrej	Promoter and Executive Chairperson	None	None	None	Member	Member
Tanya Dubash	Promoter and Non-Executive	None	None	None	None	Member
Pirojsha Godrej	Promoter and Non-Executive	None	None	None	None	None
Vivek Gambhir	Executive	None	None	Member	Member	Member
Narendra Ambwani	Independent	Member	Chairman	Member	None	Member

Names of Directors	Position in the Committee					
	Category	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Pippa Armerding	Independent	Member	Member	None	None	None
Sumeet Narang	Independent	Member	Member	None	None	None
Omkar Goswami	Independent	Member	Member	None	Chairman	None
Aman Mehta	Independent	Chairman	Member	None	None	None
Ndidi Nwuneli	Independent	Member	Member	None	None	None
Ireena Vittal	Independent	Member	Member	None	None	None
Total Strength of the Committee		7	7	5	5	5
Number of Independent Directors in the Committee		7	7	1	1	1
Number of Non-Independent Directors in the Committee		-	-	4	2	4
Members of Senior Management in the Committee		-	-	-	2	-

Mr V. Srinivasan, Chief Financial Officer and Company Secretary, is the Secretary of all the Board Committees. He is also the Compliance Officer of the Company and is responsible for redressing investor grievances.

G. Terms of reference of Board Committees

(i) Audit Committee

The terms of reference for the Audit Committee includes the matters specified in Section 177 of the Companies Act, 2013 as well as Part C of Schedule II of the Listing Regulations such as:

Financial Statements

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (a) 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 subsection (3) of Section 134 of the Companies Act, 2013.

  (b) Changes, if any, in accounting policies and practices and reasons for the same.

  (c) Major accounting entries involving estimates based on the exercise of judgment by the management.

  (d) Significant adjustments made in the financial statements arising out of audit findings.

  (e) Compliance with listing and other legal requirements relating to financial statements.

  (f) Disclosure of any related party transactions.

(g) Modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

- Scrutiny of intercorporate loans and investments.

Review of Information

- Reviewing, with the management, the statement of uses/ application of funds raised through an issue, such as public, rights, or preferential issues; the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice; and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to initiate steps in this matter.

- Reviewing the management discussion and analysis of financial condition and results of operations.

- Statement of deviations:

    - quarterly statement of deviation(s) including the report of the monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

    - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Internal Control

- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.

- Evaluation of internal financial controls and risk management systems.

- 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.

External and Internal Audit

- Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing of management letters/letters of internal control weakness issued by the statutory auditors.

- Reviewing the appointment, removal, and terms of remuneration of the chief internal auditor.

- Reviewing the adequacy of the internal audit function, if any, 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.

- Reviewing internal audit reports relating to internal control weakness.

- Discussion with internal auditors of any significant findings and follow-up thereon.

- 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.

- Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.

- Periodical discussions with the auditors about internal control systems and the scope of audit including the observations of the auditors and review of the quarterly, half yearly, and annual financial statements before submission to the Board. Overseeing compliance of internal control systems.

Subsidiary Companies

- The Committee shall have access to the Audit Committee minutes of the subsidiary companies.
- Reviewing the financial statements, in particular the investments made by the subsidiary companies.
- Recommending the revision in the Policy for determining Material Subsidiaries to align it with the extant applicable provisions.
- Reviewing the utilisation of loans and/or advances from/ investment in the subsidiary exceeding ₹ 100 crore or 10 per cent of the asset size of the subsidiary, whichever is lower, including existing loans and advances.

Related Party Transactions

- Approval or any subsequent modification of transactions of the Company with related parties.
- Formal approval or omnibus approval of transactions with related parties or any subsequent modification of transactions of the Company with related parties including their basis.
- Laying down criteria for granting omnibus approval to related party transactions.
- Satisfy itself of the need for omnibus approval of related party transactions so that that the approval is in the interest of the Company.
- Granting omnibus approval for related party transactions not exceeding ₹ 1 crore per transaction in a financial year.
- Reviewing on a quarterly basis, the statement of such significant related party transactions as may be specified by the Committee and the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.
- Recommending the revision in the Policy on Material-Related Party Transactions and on dealing with Related Party Transactions to align it with the extant applicable provisions.

Compliance

- Looking 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, if any.
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non- compliance.
- Reviewing the findings of any examinations by regulatory agencies and any auditor observations.
- Reviewing the process for communicating the Code of Conduct to Company personnel and for monitoring compliance therewith.
- Reviewing compliance with respect to the provisions of Insider Trading Regulations at least once in a financial year and verifying that the systems for internal control for compliance with these regulations are adequate and operating effectively.
- Obtaining regular updates from the management regarding compliance matters.

Other Responsibilities

- Reviewing the functioning and compliances as regards the Company's Whistle Blower Policy.
- Approval of the appointment of the Chief Financial Officer after assessing the qualifications, experience, and background of the candidate.
- Valuation of undertakings or assets of the Company, wherever it is necessary by appointing a Registered Valuer in terms of Section 247 of the Companies Act, 2013.
- Instituting and overseeing special investigations as needed.
- Performing any other functions and activities related to this terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Audit Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

(ii) Nomination and Remuneration Committee

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

- Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommendation to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel, and other employees.
- Formulation of criteria for the evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on the diversity of Board of Directors.
- Identifying individuals who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board of Directors their appointment and removal.
- Deciding 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.
- Recommending to the Board, all remuneration, in whatever form, payable to senior management.
- Administering the Employee Stock Grant Scheme of the Company and render all such functions required to be done under the SEBI (Share-Based Employee Benefit) Regulations, 2015.
- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

(iii) Stakeholders' Relationship Committee

- Resolving the grievances of the security holders of the Company, including complaints relating to transfer/transmission of shares, non-receipt of Annual Report, and non-receipt of declared dividends; issue of new/duplicate certificates; and general meetings.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards

adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Stakeholders' Relationship Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

(iv) Risk Management Committee

- The terms of reference of the Committee are as follows:
- Spearhead the risk management initiative within the Company.
- Review status of actions planned.
- Review progress and status of mitigation for the 'Risks That Matter'.
- Set standards for risk documentation and monitoring.
- Improve risk management techniques and enhance awareness.
- Review and manage risks relating to cyber security.
- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Performing any other functions required to be done by the Risk Management Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

(v) Corporate Social Responsibility Committee

- Formulate and recommend to the Board a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred above.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Perform any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Perform any other functions as required to be done by the Corporate Social Responsibility Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

2. REMUNERATION POLICY

The Remuneration Policy of the Company has been provided in the Board's Report section of the Annual Report as **Annexure 'B'**.

Remuneration to Directors:

Details of the remuneration to Directors are as follows:

Amount ₹ crore

Names of Directors	Sitting Fees	Commission on Profits	Salary, Allowances and Other Benefits	PLVR	Company's Contribution to PF	Monetary Value of Perquisites	Total
Whole-Time Directors							
Adi Godrej	-	-	4.73	0.00	0.21	1.70	6.64
Nisaba Godrej	-	-	3.86	0.00	0.17	0.59	4.62
Vivek Gambhir	-	-	7.63	0.18	0.33	2.52	10.66
Subtotal	**-**	**-**	**16.22**	**0.18**	**0.71**	**4.81**	**21.92**
Non-Executive Directors							
Jamshyd Godrej	0.04	0.20	-	-	-	-	0.24
Nadir Godrej	0.05	0.20	-	-	-	-	0.25
Tanya Dubash	0.04	0.20	-	-	-	-	0.24
Pirojsha Godrej	0.04	0.20	-	-	-	-	0.24
Narendra Ambwani	0.06	0.35	-	-	-	-	0.41
Pippa Armerding	0.04	0.29	-	-	-	-	0.33
Bharat Doshi	0.03	0.17					0.20
Omkar Goswami	0.05	0.35	-	-	-	-	0.40
Ndidi Nwuneli	0.05	0.35	-	-	-	-	0.40
Aman Mehta	0.05	0.35	-	-	-	-	0.40
Sumeet Narang	0.00	0.00	-	-	-	-	0.00
Ireena Vittal	0.05	0.35	-	-	-	-	0.40
Subtotal	**0.50**	**3.01**	**0.00**	**0.00**	**0.00**	**0.00**	**3.51**
Total	**0.50**	**3.01**	**16.22**	**0.18**	**0.71**	**4.81**	**25.43**

Notes:

- In the case of Mr Adi Godrej, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites includes maintenance of accommodation, car, electricity expenses, reimbursement of medical/ hospitalisation expenses incurred for self and family, and medical insurance premium paid by the Company.
- In the case of Ms Nisaba Godrej and Mr Vivek Gambhir, salary includes basic salary and various elements of flexible compensation. Additionally, the perquisites received by Mr Vivek Gambhir include the perquisite value of stock grants exercised during the financial year.
- The Performance Linked Variable Remuneration (PLVR) of Mr Vivek Gambhir is the amount payable for fiscal year 2019-20, as per the scheme of the Company. The same is based on the Economic Value Added that reflects profitability and optimum utilisation of capital employed and revenue growth. Ms Nisaba Godrej has voluntarily waived the PLVR for the financial year 2019-20 due to the grave situation in the country caused by the outbreak of the COVID 19 pandemic and the suspension of business activities due to the lockdown imposed by the Government of India and the likely impact of the same on the Company's performance.

- The service contract of Mr Adi Godrej was for a period of 3 years beginning from April 1, 2016 to March 31, 2019. The Board of Directors have reappointed Mr Adi Godrej for a further period of 5 years beginning from April 1, 2019 to March 31, 2024. The same was approved by shareholders by postal ballot on March 20, 2019. The office of Mr Adi Godrej is terminable with a notice period of 3 months by either side.

- The service contracts of Ms Nisaba Godrej, Executive Chairperson, and Mr Vivek Gambhir, Managing Director and CEO, were for a period of 3 years beginning from July 1, 2016 to June 30, 2019. The Board of Directors have reappointed Ms Nisaba Godrej as a Whole-time Director and Mr Vivek Gambhir as the Managing Director and CEO for a further period from July 1, 2019 to September 30, 2022. The reappointments were approved by shareholders at the Annual General Meeting held on August 1, 2019. Their office in the new term is terminable with a notice period of 3 months by either side.

- Mr Vivek Gambhir has resigned from the post of MD & CEO with effect from close of business hours of June 30, 2020 but he will continue to be whole time director till September 30, 2020. Based on the recommendation of the Nomination & Remuneration Committee, the Board has considered and approved the appointment of Ms Nisaba Godrej as the Managing Director for the remainder of her term, i.e. till September 30, 2022, subject to the approval of the shareholders. The Board has also requested her to continue as the Chairperson till March 31, 2022.

- The shareholders have authorised the payment of commissions on profits to Non-Executive Directors at a rate not exceeding 1 per cent of net profits of the Company with authority to the Board to determine the manner and proportion in which the amount is distributed among the Non-Executive Directors. The Board has authorised a base commission of ₹ 20 lakhs per annum to each Non-Executive Director. All the Independent Directors are paid an additional commission linked to their attendance at Audit Committee meetings, Nomination and Remuneration Committee meeting, and Independent Directors' meeting. In addition, all the Non-Executive Directors are paid sitting fees for attending the meetings of the Board or Committees thereof.

- Mr Sumeet Narang has voluntarily waived the remuneration receivable from the Company.

- All the Independent Directors except Ms Ndidi Nwuneli, Ms Pippa Armerding, and Mr Sumeet Narang were originally appointed in terms of the erstwhile Listing Agreement (refer to the table containing other relevant details of the Directors under Para 1 of Board of Directors for the original date of appointment). After the notification of Companies Act, 2013, these Independent Directors have been appointed for a period of 5 years.

- The first term of 5 years of Mr Narendra Ambwani ended on July 27, 2019. The first term of 5 years of Mr Aman Mehta, Dr. Omkar Goswami, and Ms Ireena Vittal ended on September 25, 2019. Based on successful performance evaluation, the Nomination and Remuneration Committee had recommended their reappointments for a second term and the same got approved by shareholders at the Annual General Meeting held on August 1, 2019.

  Mr Narendra Ambwani: Term from July 28, 2019 to November 14, 2023

  Mr Aman Mehta: Term from September 26, 2019 to August 31, 2021

  Ms Ireena Vittal and Dr. Omkar Goswami: Term of 5 years from September 26, 2019 to September 25, 2024

  Mr Bharat Doshi's tenure of five years ended on September 25, 2019 and he had expressed his desire to not offer himself for re-appointment for another term

- Mr Vivek Gambhir has been granted stock options, the details of which are as follows:

Grant year	Number of Options	Options exercised	Options outstanding	Vesting dates of outstanding options
2017-18	24,081	12,039	12,042	May 31, 2020
2018-19	32,910	10,970	10,970	May 31, 2020
			10,970	June 30, 2020
2019-20	37,946	Nil	12,649	May 31, 2020
			12,649	June 30, 2020
			12,648	June 30, 2020

3. Details of Stakeholder Complaints and Stakeholders' Grievance Committee

Sr. No.	Nature of Complaint/Query	Total Complaints Pending at the Beginning of the Year	Total Complaints Received During the Year	Total Complaints Replied During the Year	Total Complaints Pending at the End of the Year	Complaints Not Resolved to the Satisfaction of Shareholders
1.	Non-receipt of dividend	Nil	91	91	0	0
2.	Non-receipt of shares lodged for transfer/exchange	Nil	66	66	0	0
3.	Non-receipt of the Annual Report	Nil	2	2	0	0
4.	Others	Nil	2	2	0	0
	Total	**Nil**	**161**	**161**	**0**	**0**

4. GENERAL BODY MEETINGS

A. Annual General Meeting

Details of the last three Annual General Meetings of GCPL are as follows:

Date	Time	Venue	Details of Special Resolutions Passed
July 31, 2017	3.00 p.m.	Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	None
July 30, 2018	3:00 p.m.	Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	None
August 1, 2019	1.30 p.m.	Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	Reappointment of Mr Narendra Ambwani, Mr Aman Mehta, Dr. Omkar Goswami, and Ms Ireena Vittal as Independent Directors for a second term of 5 years.

No postal ballot was conducted during the FY 2019-2020.

5. MEANS OF COMMUNICATION

GCPL has sent a quarterly newsletter on the registered email addresses of the investors. Moreover, all vital information related to the Company and its performance, including quarterly results, press releases, and performance updates/ corporate presentations, and the information required by the Listing Regulations are posted on the Company's website– www.godrejcp.com. The quarterly, half yearly, and annual results of the Company's performance are generally published in leading English dailies, such as The Economic Times, Business Line, and Mint, as well as in the Marathi newspaper Maharashtra Times. The Chairperson holds conference calls/meetings with financial analysts once in a quarter, and their transcripts are posted on the website. The presentations made to financial analysts and institutional investors are shared with the Stock Exchanges and uploaded on the Company's website. The same may be accessed through the link given below.[2] The Company files its quarterly results on the electronic filing system of the Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India Limited (NSE). The same are also available on the websites of the BSE Limited and NSE, namely https://www.bseindia.com/ and www.nseindia.com, respectively.

Reminders to Investors

Shareholders who have not registered their email addresses are requested to do so for receiving communications from the Company.

Shareholders who are holding shares in a physical form can update their email addresses by writing a letter to the Company under the signature of the first named shareholder. Shareholders who are holding shares in a demat form can do so by contacting their Depository Participant.

6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date and Time:	Tuesday, August 4, 2020, 4.00 p.m. (IST)
Venue:	Video Conferencing/ Other audio visual means

B. Financial Calendar

Financial Year:	April 1, 2019 to March 31, 2020

C. Interim Dividends during Fiscal Year 2019-20

Declared at Board Meeting Dated	Dividend Rate Per Share on Shares of Face Value ₹ 1 Each	Record Date
May 3, 2019	₹ 2.00	May 13, 2019
Aug 1, 2019	₹ 2.00	August 9, 2019
November 6, 2019	₹ 2.00	November 15, 2019
January 29, 2020	₹ 2.00	February 6, 2020

D. Listing

The Company's shares are listed and traded on the following stock exchanges:

Name and Address of the Stock Exchange	Segment	Stock/Scrip Code	ISIN Number for NSDL/CDSL
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	Equity	532424	INE102D01028
The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051	Equity; Futures and Options (F&O)	GODREJCP	

The applicable listing fees has been paid to the stock exchanges before the due date.

2 https://godrejcp.com/investors

E. Market Price Data

The monthly high and low prices of GCPL at the BSE Limited and the NSE in Equity series for the year ended March 31, 2020, are as follows:

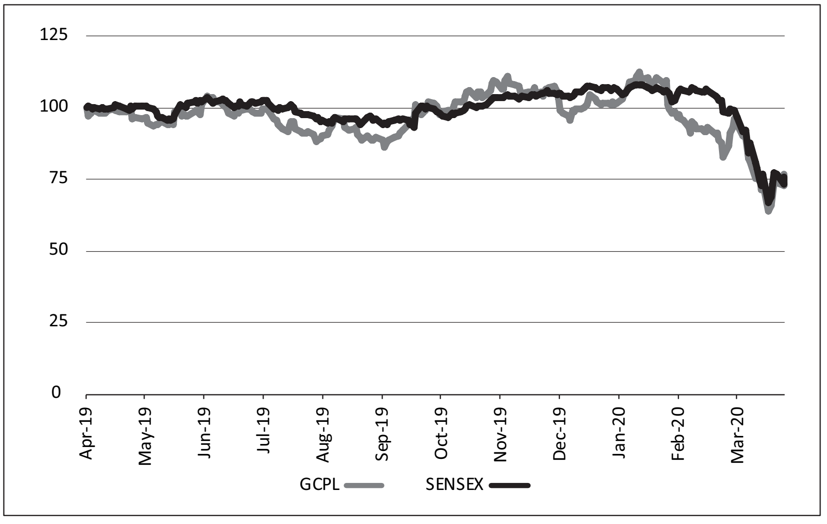
Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-19	692.95	645.80	692.80	645.65
May-19	689.50	627.55	691.00	626.50
Jun-19	715.40	648.05	715.00	647.60
Jul-19	686.00	590.00	686.50	590.20
Aug-19	659.90	585.50	659.90	585.05
Sep-19	723.65	577.00	724.20	575.00
Oct-19	743.75	656.05	743.95	655.30
Nov-19	768.00	693.00	764.00	691.80
Dec-19	733.80	645.50	734.10	645.05
Jan-20	771.75	671.25	772.00	671.65
Feb-20	688.00	556.65	688.40	556.40
Mar-20	654.95	425.10	654.85	425.10

Source: Websites of the respective stock exchanges

Note: High and low are in rupees per traded share

F. GCPL's Share Price at BSE Versus the Sensex

GCPL's share performance compared with the BSE sensex for fiscal year 2019-20 is as follows:



Note:

Both the BSE sensex and GCPL share price are indexed to 100 at the beginning of the financial year.

G. Registrar and Transfer Agents

Computech Sharecap Limited, 147, M.G. Road, Opp. Jehangir Art Gallery, Mumbai–400001.

Tel. No.: 022 22635000/01; Fax: 022 22635005

Email ID: gcpl@computechsharecap.in

Website: www.computechsharecap.com

H. Share Transfer

In terms of amendments to Regulation 40 of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form has been stopped by SEBI.

SEBI has given the following clarifications:

1. The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019.

2. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

3. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019.

The above decision by SEBI is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

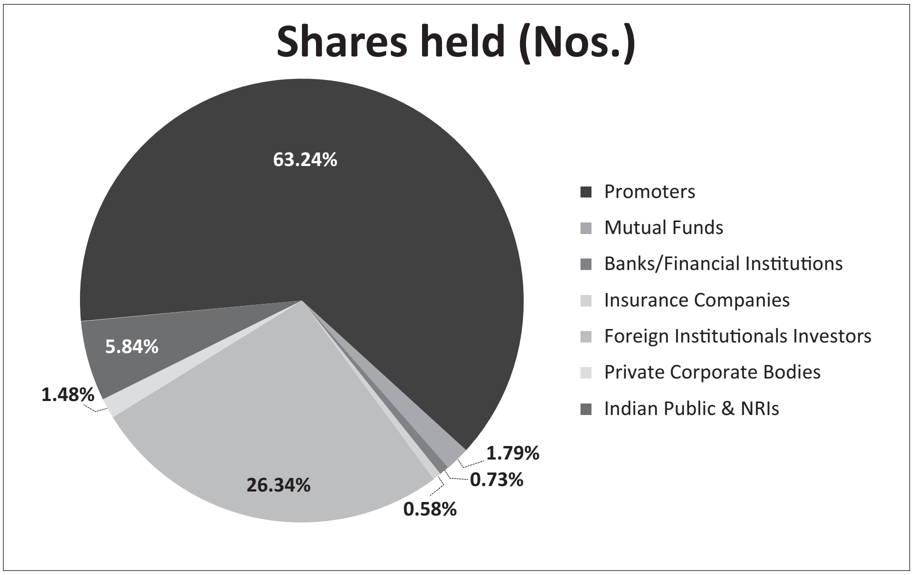
I. Distribution of Shareholding

Distribution of shareholding by size class as on March 31, 2020

Number of Shares	Number of Shareholders	Shareholders Per Cent	Number of shares held	Shareholding %
1-500	1,46,881	86.06	1,43,92,223	1.41
501-1,000	12,238	7.17	84,96,657	0.83
1,001-2,000	6,901	4.04	99,51,568	0.97
2,001-3,000	1,704	1.00	41,58,737	0.41
3,001-4,000	819	0.48	28,97,884	0.28
4,001-5,000	403	0.24	17,97,025	0.18
5,001-10,000	730	0.43	49,94,021	0.49
10,001 and above	1,001	0.59	97,56,28,237	95.43
Total	**170,677**	**100.00**	**1,02,23,16,352**	**100.00**

Distribution of shareholding by ownership as on March 31, 2020:

Category	Shares Held (Number)	Per Cent of Holding
Promoter's Holding		
Promoters	64,64,88,267	63.24
Institutional Investors		
Mutual Funds	183,22,341	1.79
Banks/Financial Institutions	74,84,971	0.73
Insurance Companies	59,64,558	0.58
Foreign Institutional Investors	26,92,66,493	26.34
Others		
Private Corporate Bodies	1,50,89,895	1.48
Indian Public	5,52,02,409	5.40
NRI/OCB's	44,97,418	0.44
Total	**1,02,23,16,352**	**100**



J. Shares Held in Physical and Dematerialised Forms

Breakup of physical and dematerialised shares as on March 31, 2020:

	Number of Shares	Per Cent	Number of Folios	Per Cent
Physical	83,88,402	0.81	17,001	9.96
Demat	1,01,39,27,950	99.19	1,53,676	90.04
Total	**1,02,23,16,352**	**100.00**	**1,70,677**	**100.00**

Shares held in the dematerialised mode have more liquidity than those held in the physical mode. Therefore, the Company urges shareholders holding shares in the physical form to convert their shareholdings to the demat mode. SEBI vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which after April 1, 2019, transfer of securities cannot be processed unless the securities are held in the dematerialised form with a depository.

The said measure of SEBI is aimed at curbing fraud and manipulation risk in the physical transfer of securities by unscrupulous entities. Transfer of securities in the demat form will improve the ease, convenience, and safety of transactions for investors. SEBI vide Press Release No. 12/2019 dated March 27, 2019, clarified that the transfer deed(s) once lodged prior to the deadline of April 1, 2019 and returned due to any deficiency in document(s) may be relodged for transfer.

K. Outstanding GDRs/ADRs/ Warrants/Convertible Instruments and Their Impact on Equity

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

L. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

GCPL is exposed to commodity risks mainly due to imported palm oil derivatives. We enter into fixed price contracts with overseas suppliers in order to hedge price volatility.

Regarding commodities that are imported at a contracted fixed price, there is a foreign exchange currency risk and the mitigation of the same is managed by the FOREX Committee of the Company. The Committee periodically meets and reviews the overall foreign exchange currency exposure and enters into forward contracts to hedge the currency risk. Details of hedged and unhedged positions for foreign currency exposures are available in the Notes to the Financial Statement of the Annual Report

Details of the exposure of the Company to palm oil derivatives are given below:

Commodity Name	Exposure in ₹ (Purchase orders raised during the year)	Exposure in Qty	% of such exposure hedged through commodity derivatives				
			Domestic market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Palm Oil Derivatives	575.54 crore	1.32 Lac MT	Nil	Nil	Nil	Nil	Nil

M. Plant Locations

The Company's plants are located in the following states:

Names of States /Union Territory	Location of Plants
Jammu & Kashmir	SICOP Industrial Estate-Kathua, Hatli Moth-Kathua, Bari Brahmana-Jammu District
Himachal Pradesh	Thana-Baddi, Katha-Baddi
Sikkim	Mamring, South Sikkim
Assam	Village Sila, Kalapahar, Lokhra, Lalunggaon, Gouripur,
Meghalaya	Byrnihat, Rebhoi District
Madhya Pradesh	Malanpur Industrial Area, District Bhind
Pondicherry	Kattukuppam-Manpet Post, Nallur Village-Mannadipet Commune, Nedungadu Commune-Karaikal, Thirunallar Commune-Karaikal
Tamil Nadu	Maraimalainagar-Kanjipuram District

N. Address for Correspondence

Shareholders can contact us at our Registered Office: Godrej Consumer Products Limited, 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079

Tel. No.: 022 25188010/20/30 Fax No.: 022 25188040; Email ID: investor.relations@godrejcp.com

Website: www.godrejcp.com

CIN: L24246MH2000PLC129806

Investor correspondence should be addressed to M/s. Computech Sharecap Limited, whose address is provided in this section of the Annual Report. To allow us to serve shareholders with greater speed and efficiency, the Company strongly recommends email- based correspondence on all issues that do not require signature verification for being processed.

Shareholders are expected to update any change in their residential addresses with our RTA to avoid non-receipt of dividends, annual reports, etc. You can download the form through the link given below[3] and submit it with our RTA.

O. List of Credit Ratings Obtained during the Year

During the year, rating agencies have reaffirmed the following existing credit ratings of the Company.

[ICRA] A1+ (pronounced as ICRA A one plus) for ₹ 750 crore Commercial paper

Crisil A1+ for ₹ 750 crore Commercial paper

Long-term rating at [ICRA] AA+ (pronounced as ICRA double A plus) for unsecured fund-based and non-fund-based facilities and short-term rating at [ICRA] A1+ (pronounced as ICRA A one plus) aggregating to ₹1800 crore.

Long-term rating at [ICRA] AA+ (pronounced as ICRA double A plus) for secured fund-based and non-fund-based facilities and short-term rating at [ICRA] A1+ (pronounced as ICRA A one plus) aggregating to ₹ 200 crore.

3 https://godrejcp.com/investors/investors-faqs

P. Electronic Credit of Dividend

The Company encourages the shareholders to opt for electronic credit of dividends. The system is administered by the RBI, which ensures faster credit of dividends as dividends are directly credited in the electronic form to the bank accounts of the shareholder. Moreover, by availing this facility, shareholders avoid the risk of loss of dividend warrants in transit or fraudulent encashment. Shareholders holding shares in the physical form and who have not opted for the aforementioned system may provide the required data to Computech Sharecap Limited in the requisite form, which can be obtained either from GCPL's registered office or Computech Sharecap Limited or downloaded from the link given below.[4] Shareholders holding shares in the demat form are requested to provide details to NSDL/CDSL through their respective depository participants.

It may be noted that if the shareholders holding shares in the demat form provide the details directly to the Company, the Company will not be able to act on the same, and consequently dividends cannot be remitted through electronic credit.

Q. Consolidation of Shares under One Folio

The Company urges shareholders holding shares of GCPL under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs and benefit the shareholders and the Company. Shareholders can do so by writing to the registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholdings should be consolidated. Share certificates need not be sent.

7. OTHER DISCLOSURES

A. Materially Significant Related Party Transactions That May Potentially Conflict with the Company's Interest

During fiscal year 2019-20, there were no materially significant related party transactions; that is, transactions of the Company of material nature with bodies including its subsidiaries, promoters, directors, management, and relatives, which may have potential conflict with the interests of the Company at large. Attention of members is drawn to disclosures of transactions with related parties, as set out in Notes to Accounts.

B. Details of Non-Compliance

There has not been any non-compliance of mandatory requirements, expected of the Company. No penalties or strictures were imposed on the Company by the stock exchanges, SEBI, or any statutory authority for matters related to capital markets during the last 3 years.

C. Vigil Mechanism/ Whistle Blower Policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board of Directors have adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee.

D. Web Link for Policies

The Whistle Blower Policy, the Policy for determining Material Subsidiaries, and the Policy on dealing with Related Party Transactions are available on the link given below.[5]

E. Utilisation of Funds

There were no funds raised through preferential allotment or qualified institutions' placement as specified under Regulation 32 (7A) during this financial year.

4 https://godrejcp.com/investors/investors-faqs

5 https://godrejcp.com/sustainability/codes-and-policies

F. Unclaimed Suspense Account

In compliance with the Listing Regulations, your Company has transferred the unclaimed shares into a demat account, namely the 'Unclaimed Suspense Account'. As and when an allottee approaches the Company, after proper verification, the shares are rematerialised and physical certificates are delivered to the allottee.

Particulars	No. of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year (April 1, 2019)	1,462	886,764
Number of shareholders and aggregate shares transferred to the Unclaimed Suspense Account during the year on account of unclaimed share certificates pertaining to the bonus issue	154	34,116
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year and aggregate shares transferred	95	49,536
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year and the aggregate shares transferred	95	49,536
Number of shareholders to whose shares were transferred from the Unclaimed Suspense Account to the IEPF Account during the year and the aggregate shares transferred	-	-
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year (March 31, 2020)	1,521	871,344

G. Certificate from Practicing Company Secretary on Director's Eligibility

The Company has received a certificate from a company secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the SEBI, Ministry of Corporate Affairs, or any such other statutory authority. The certificate is enclosed with this section as Annexure A.

H. Details of Total Fees Paid to Statutory Auditors

Details of total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in network firms/network entity of which the statutory auditor is a part are as follows:

Amount ₹ crore

Type of Services	2019-20	2018-19
Audit Fees	8.17	6.77
Tax Fees	0.29	0.30
Others	0.23	1.00
Total	**8.70**	**8.07**

I. Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013:

	Received during Financial year 2019-20	Disposed during Financial year 2019-20	Pending at the end of Financial year 2019-20
Number of Complaints	0	0	0

J. Details of Compliance with Corporate Governance Requirements

The Company has complied with the requirements specified in Regulations 17 to 27 and clause (b) to (i) of subregulation (2) of Regulation 46 of the Listing Regulations.

K. Recommendation by the Board Committees

There have been no instances of rejection by the Board for any recommendations by the Board Committees during this financial year.

8. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Para E of Schedule V of the Listing Regulations, the practicing Company Secretary's certificate regarding the compliance of conditions of corporate governance is attached to the Board's Report.

DECLARATION BY THE MANAGING DIRECTOR AND CEO

I, Vivek Gambhir, Managing Director and CEO of Godrej Consumer Products Limited (GCPL), hereby confirm pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that

The Board of Directors of GCPL has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website www.godrejcp.com

All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2020.

For Godrej Consumer Products Ltd.

sd/-
Vivek Gambhir
Managing Director and CEO
Mumbai, May 13, 2020

ANNEXURE A:

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Godrej Consumer Products Limited
4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079

I/We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Godrej Consumer Products Limited having CIN - L24246MH2000PLC129806 and having a registered office at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079 (hereinafter referred to as 'the Company'), produced before us (including soft copies in some cases due to lockdown) by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion, to the best of our knowledge, and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

Sr. No.	Names of Directors	DIN	Date of Appointment in Company
1	Adi Barjorji Godrej	00065964	November 29, 2000
2	Tanya Arvind Dubash	00026028	May 2, 2011
3	Nadir Barjor Godrej	00066195	November 29, 2000
4	Jamshyd Naoroji Godrej	00076250	March 1, 2001
5	Pirojsha Adi Godrej	00432983	April 1, 2017
6	Nisaba Adi Godrej	00591503	May 2, 2011
7	Vivek Gambhir	06527810	April 30, 2013
8	Narendra Kumar Anand Ambwani	00236658	May 2, 2011
9	Sumeet Subhash Narang	01874599	April 1, 2019
10	Aman Mehta	00009364	April 26, 2006
11	Omkar Goswami	00004258	June 18, 2008
12	Ireena Vittal	05195656	April 30, 2013
13	Ndidi Okonkwo Nwuneli	07738574	April 1, 2017
14	Pippa Fametta Tubman Amerding	08054033	January 30, 2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. N. Ramani & Co.,
Company Secretaries
UNIQUE CODE-P2003MH000900
Ashok N. Ramani
Partner
FCS-6808, COP-5342

Date : 24th May, 2020
Place: Thane

Independent Auditors' Report

To the Members of
Godrej Consumer Products Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Godrej Consumer Products Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The key audit matter	How the matter was addressed in our audit
Revenue recognition	Our audit procedures included:
(Refer note 29 to the standalone financial statements) Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals at year end, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates.	- Assessing the compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard);

Revenue is recognised when the control of the products being sold has transferred to the customer. There is a risk of revenue being overstated on account of manipulation in the timing of transfer of control, due to the pressure on the Company to achieve performance targets, at the reporting period end. Accordingly, revenue recognition is considered to be a key audit matter.	- Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue (including period end cut-off) and computing discounts and volume rebates in the general ledger accounting system; - Performing substantive cut-off testing by selecting statistical samples of revenue transactions recorded at year-end and agreeing to the underlying documents, which included sales invoices and shipping documents; - Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; - Performing substantive testing by agreeing statistical samples of discounts and rebate accruals to underlying documents; - Assessing manual journals posted to revenue to identify unusual items.
Intangible Assets -impairment assessment (Refer note 4 to the standalone financial statements). The carrying amount of brands (indefinite life intangible assets) represent 11 % of the Company's total assets. The annual impairment testing of these intangible assets by the Company involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.	Our audit procedures included: - Assessing the valuation methodology and challenging the assumptions used, in particular those relating to forecast revenue growth and earnings, weighted average cost of capital and royalty rates, with the assistance of our valuations specialists; - Assessing the reliability of the financial projections prepared by the Company by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any; - Performing sensitivity analysis on the assumptions noted above; and - Evaluating the adequacy of disclosures in respect of impairment evaluation of intangible assets in the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

  a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

  b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

  c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai: 13 May 2020

Annexure A to the Independent Auditor's Report - 31 March 2020

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone financial statements are held in the name of the Company.

(ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or guarantees provided to the parties covered under Section 186. The Company has not granted any loans or provided any security to the parties covered under Section 186 of the Act.

(v) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act, and the rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duties of customs, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

Also, refer note 40 (e) to the standalone financial statements.

(b) According to the information and explanations given to us, there are no dues of incometax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from Government, nor has it issued any debentures.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai: 13 May 2020

Appendix I

Name of the Statute	Nature of dues	Amount in crores (₹) (net of deposit paid under protest)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	27.82	2002 to 2018	Supreme Court
		13.92	1999 to 2016	High court
		26.64	2000 to 2016	Tribunal
		2.53	2007-2010, 2012-13, 2016-17	Joint Commissioner
		1.35	1998-99, 2005-06, 2009-10, 2014-15, 2019-20	Deputy Commissioner
		6.55	1996-97 to 2019-20	Assistant Commissioner
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	38.79	2007-08 to 2013-14	Commissioner of Central Excise
		3.84	2004 to 2011	Commissioner
		59.48	2007 to 2017	Customs, Excise and Service Tax Appellate Tribunal of various states
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	8.64	2005 to 2010	High court
		5.73	2005 to 2014	Income tax Appellate Tribunal

Annexure B to the Independent Auditors' report on the standalone financial statements

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Godrej Consumer Products Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.]

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/
W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai: 13 May 2020

Standalone Balance Sheet as at March 31, 2020

₹ Crore

	Note No.	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	**549.35**	526.20
(b) Capital work-in-progress		**35.33**	30.84
(c) Right-of-use assets	3A	**7.45**	-
(d) Goodwill	4	**2.48**	2.48
(e) Other intangible assets	4	**805.99**	814.83
(f) Intangible assets under development		**1.37**	1.16
(g) Financial assets			
(i) Investments in subsidiaries and associates	5	**2,957.78**	2,947.46
(ii) Loans	6	**19.09**	16.99
(iii) Others	7	**15.74**	31.07
(h) Deferred tax assets (net)	8	**404.08**	374.23
(i) Other non-current assets	9	**44.35**	52.10
(j) Non-current Tax assets (Net)	10	**36.22**	22.84
Total Non-current assets		**4,879.23**	**4,820.20**
2. Current assets			
(a) Inventories	11	**657.72**	615.12
(b) Financial assets			
(i) Investments	12	**635.40**	477.34
(ii) Trade receivables	13	**305.52**	353.18
(iii) Cash and cash equivalents	14 A	**63.76**	79.69
(iv) Bank balances other than (iii) above	14 B	**21.92**	17.55
(v) Loans	15	**0.05**	0.14
(vi) Others	16	**160.70**	138.83
(c) Other current assets	17	**216.29**	162.50
Total Current assets		**2,061.36**	**1,844.35**
TOTAL ASSETS		**6,940.59**	**6,664.55**
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	18	**102.23**	102.22
(b) Other Equity	19	**5,025.39**	4,823.94
Total Equity		**5,127.62**	**4,926.16**
2. LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	20	**4.94**	-
(b) Provisions	21	**61.86**	56.32
(c) Other non-current liabilities	22	**21.91**	28.09
Total Non current liabilities		**88.71**	**84.41**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**317.33**	-
(ii) Lease liabilities	24	**3.48**	-
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	25	**27.15**	53.49
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	25	**1,215.99**	1,404.12
(iv) Other financial liabilities	26	**62.67**	116.37
(b) Other current liabilities	27	**50.34**	40.12
(c) Provisions	28	**46.34**	38.92
(d) Current tax liabilities (Net)	8	**0.96**	0.96
Total Current liabilities		**1,724.26**	**1,653.98**
TOTAL EQUITY AND LIABILITIES		**6,940.59**	**6,664.55**

The accompanying notes 1 to 51 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Standalone Statement of Profit and Loss for the year ended March 31, 2020

₹ Crore

		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue				
I	Revenue from Operations	29	**5,474.45**	5,679.31
II	Other Income	30	**91.26**	94.45
III	**Total Income (I + II)**		**5,565.71**	**5,773.76**
IV	**Expenses**			
	Cost of Materials Consumed	31	**2,042.68**	2,030.82
	Purchases of Stock-in-Trade		**280.19**	254.70
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	**(76.90)**	27.75
	Employee Benefits Expense	33	**319.22**	351.50
	Finance Costs	34	**57.97**	64.86
	Depreciation and Amortization Expense	35	**81.37**	69.07
	Other Expenses	36	**1,461.55**	1,501.98
	Total Expenses		**4,166.08**	**4,300.68**
V	**Profit before Tax (III-IV)**		**1,399.63**	**1,473.08**
VI	**Tax Expense**			
	(1) Current Tax (Refer Note 8)		**248.20**	320.66
	(2) Deferred Tax (Refer Note 8)		**(28.46)**	(602.56)
	Total Tax Expense		**219.74**	**(281.90)**
VII	**Profit for the Year (V-VI)**		**1,179.89**	**1,754.98**
VIII	**Other Comprehensive Income**			
A	**(i) Items that will not be reclassified to profit or loss**			
	Remeasurements of defined benefit plans		**(2.04)**	(0.38)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plans		**1.07**	0.21
	Other Comprehensive Income for the year		**(0.97)**	**(0.17)**
	Total Comprehensive Income for the year (VII+VIII)		**1,178.92**	**1,754.81**
IX	**Earnings per Equity Share** (Face Value ₹ 1)	37		
	(1) Basic (₹)		**11.54**	17.17
	(2) Diluted (₹)		**11.54**	17.17

The accompanying notes 1 to 51 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Standalone Statement of cash flows for the year ended March 31, 2020

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**1,399.63**	**1,473.08**
	Adjustment for:		
	Non-Cash Items		
	Depreciation and amortisation	**81.37**	69.07
	Unrealised Foreign Exchange (Gain) / Loss	**0.98**	3.08
	Bad Debts Written off	**0.08**	0.95
	Provision / (Write-back) for Doubtful Debts / Advances	**(1.37)**	0.05
	Provision for Non Moving Inventory	**3.97**	(0.63)
	Write off/ (Write back) of Old Balances	**0.79**	(0.21)
	Expenses on Employee Stock Grant Scheme (ESGS)	**9.66**	9.12
	Finance Costs	**57.97**	64.86
	(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	**5.78**	0.43
	(Profit) / Loss on Sale of Investments (Net)	**(4.53)**	(8.03)
	Fair value Gain/ (Loss) on financial assets measured at FVTPL	**-**	(0.01)
	Corporate Guarantee Commission	**(5.12)**	(16.57)
	Interest income	**(58.09)**	(60.20)
	Dividend income	**(0.68)**	-
		90.81	61.91
	Operating Cash Flows Before Working Capital Changes	**1,490.44**	1,534.99
	Adjustments for:		
	(Increase) in inventories	**(46.57)**	(38.24)
	Decrease/ (Increase) in trade receivables	**55.28**	(105.55)
	(Increase) in loans	**(2.01)**	(0.56)
	(Increase) in / Decrease in other financial assets	**(6.54)**	27.61
	(Increase) in other non-financial assets	**(69.07)**	(14.16)
	(Decrease) in trade payable and other financial liabilities	**(258.94)**	(18.22)
	Decrease in non - financial liabilities and provisions	**19.29**	20.26
		(308.56)	(128.86)
	Cash Generated from Operating Activities	**1,181.88**	1,406.13
	Adjustment for:		
	Income taxes paid (Net)	**(261.90)**	(323.97)
	Net Cash Flow from Operating Activities (A)	**919.98**	**1,082.16**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment and Intangible assets (Net)	**(85.25)**	(81.87)
	Sale of Property, Plant & Equipment and Intangibles	**0.18**	1.31
	Investments in Mutual Funds (Net)	**17.54**	102.66
	(Redemption) / Investments in Deposits with NBFCs (Net)	**(400.10)**	192.44
	Proceeds from sale of non Convertible Debentures with NBFCs (Net)	**249.21**	86.06
	Proceeds from sale of commercial Papers	**-**	97.04
	Investments in Fixed Deposits having maturities greater than 3 months (Net)	**(1.21)**	(5.55)
	Investments in Subsidiaries	**(10.32)**	2.28
	Dividend Received	**0.68**	-
	Interest Received	**37.91**	65.62
	Net Cash Flow from/ (used in) Investing Activities (B)	**(191.36)**	**459.99**

Standalone Statement of cash flows for the year ended March 31, 2020

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS*	**0.01**	0.00
Expenses on issue of bonus shares	**-**	(0.74)
Proceeds/ (Repayments) from Commercial Paper	**247.33**	-
Proceeds from Short-term loans	**95.00**	50.00
Repayment of Short-term loans	**(25.00)**	(50.00)
Finance costs paid	**(63.81)**	(69.13)
Dividend Paid	**(817.82)**	(1,226.52)
Dividend Distribution Tax Paid	**(168.11)**	(252.11)
Principal payment of Lease liabilities	**(10.98)**	-
Finance cost paid towards Lease liabilities	**(1.17)**	-
Net Cash Flow used in Financing Activities (C)	**(744.55)**	**(1,548.50)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(15.93)**	**(6.35)**
CASH AND CASH EQUIVALENTS:		
As at the beginning of the year (Refer Note 14 A)	**79.69**	86.11
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents *	**-**	(0.07)
As at the end of the year (Refer Note 14 A)	**63.76**	**79.69**

* amounts less than ₹ 0.01 crore

Movement of borrowings:	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	**-**	-
Cashflows (net)	**317.33**	-
Closing balance	**317.33**	**-**

Notes:

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows.'

2. The accompanying notes 1 to 51 are an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Statement of Changes in Equity for the year ended March 31, 2020

(a) Equity share capital ₹ Crore

	Note No.	
As at April 1, 2018		**68.13**
Changes in equity share capital during the year		34.09
As at March 31, 2019		**102.22**
Changes in equity share capital during the year	18	0.01
As at March 31, 2020		**102.23**

(b) Other equity (Refer Note 19) ₹ Crore

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Others	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2019	**1,398.03**	**154.05**	**13.97**	**3,258.64**	**(0.75)**	**4,823.94**
Transition Impact of Lease as per IND AS 116 (net of tax) (Refer note 3A)	-	-	-	(1.20)	-	(1.20)
Restated balance at April 1, 2019	**1,398.03**	**154.05**	**13.97**	**3,257.44**	**(0.75)**	**4,822.74**
Profit for the year	-	-	-	1,179.89	-	1,179.89
Remeasurements of defined benefit plans (net of tax)	-	-	-	(0.97)	-	(0.97)
Total comprehensive income for the year	**-**	**-**	**-**	**1,178.92**	**-**	**1,178.92**
Dividends	-	-	-	(817.82)	-	(817.82)
Dividend Distribution Tax (DDT)	-	-	-	(168.11)	-	(168.11)
Premium Received on Allotment of Shares / Exercise of Share options	9.33	-	(9.33)	-	-	-
Deferred employee compensation expense	-	-	9.66	-	-	9.66
Balance at March 31, 2020	**1,407.36**	**154.05**	**14.30**	**3,450.43**	**(0.75)**	**5,025.39**

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Others	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2018	**1,424.51**	**154.05**	**13.19**	**2,982.46**	**(0.75)**	**4,573.46**
Profit for the year	-	-	-	1,754.98	-	1,754.98
Remeasurements of defined benefit plans (net of tax)	-	-	-	(0.17)	-	(0.17)
Total comprehensive income for the year	**-**	**-**	**-**	**1,754.81**	**-**	**1,754.81**
Dividends	-	-	-	(1,226.52)	-	(1,226.52)
Dividend Distribution Tax (DDT)	-	-	-	(252.11)	-	(252.11)
Premium Received on Allotment of Shares / Exercise of Share options	8.34	-	(8.34)	-	-	-
Deferred employee compensation expense	-	-	9.12	-	-	9.12
Issue of Bonus Shares	(34.07)	-	-	-	-	(34.07)
Expenses on Issue of Bonus Shares	(0.75)	-	-	-	-	(0.75)
Balance at March 31, 2019	**1,398.03**	**154.05**	**13.97**	**3,258.64**	**(0.75)**	**4,823.94**

The accompanying notes 1 to 51 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476

Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

1. Corporate Information

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a Scheme of Arrangement as approved by the High Court, Mumbai. The Company is a fast moving consumer goods Company, manufacturing and marketing Household and Personal Care products. The Company is a public Company limited by shares, incorporated and domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's registered office is at 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079.

2. Basis of preparation, Measurement and Significant Accounting Policies

2.1 Basis of Preparation and measurement

a. Basis of Preparation

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

The financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on May 13, 2020.

b. Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments -2.4.f),

Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Note 43 & 44)

2.2 Key judgements, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.4 (a))

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.4 (b))

iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 43)

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.4 (j))

v. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; (Note 2.4 (l)(ii))

vi. Fair values of financial instruments (Note 2.3)

vii. Impairment of financial and Non- Financial assets (Note 2.4.(d) and (f))

viii. Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets (e.g. MAT) can be used (Note 8)

ix. Measurement of lease liabilities and Right-of-use assets (Note 2.4 (m))

2.3 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in the Note 2.4.(f).

2.4 Significant Accounting Policies

a. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in the statement of profit and loss when the item is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

- Leasehold land is amortised equally over the lease period.
- Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- Office Equipments are depreciated over 5 to 10 years.
- Tools (Die sets) are depreciated over a period of 9 years, and moulds over 3 years.
- Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b. Goodwill and other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any amortisation and accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and period are reviewed at least at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in Statement of profit and loss.

The estimated useful lives for current and comparative periods are as follows:

Software licences	6 year
Trademarks	10 years
Technical knowhow	10 years

Goodknight and Hit (Brands) are assessed as intangibles having indefinite useful life and are not amortised in the financial statements.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

c. Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

d. Impairment of non-financial assets

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events and changes in circumstances indicate the carrying amount may not be recoverable.

e. Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' if it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

On the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

- A financial asset is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 47 (B).

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may, at initial recognition, irrevocably designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in Subsidiaries and Associates:

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies a simplified approach. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value and net gains and losses including any interest expenses are recognised in the statement of profit or loss.

In the case of loans and borrowings and payables, these are measured at amortised cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Where guarantees to subsidiaries in relation to loans or other payables are provided for, at no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to to realise the assets and settle the liabilities simultaneously.

g) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are generally recognised in the statement of profit and loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking the hedge, the hedging economic relationship between the hedged item or transaction and the nature of the risk being hedged, hedge rationale and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for a cash flow hedge is discontinued, the amount that has been accumulated in other equity remains there until it is reclassified to the statement of profit and loss account in the same period or periods as the hedged expected future cash flows affect the statement of profit and loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately re-classified to the statement of profit and loss.

h) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs are computed on the weighted average basis and are net of GST credits.

Raw materials, packing materials and stores: Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition.

Finished goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

If payment for inventory is deferred beyond normal credit terms, then the cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

i) **Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

j) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefits is probable.

k. **Revenue Recognition**

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration expected to be received in exchange for those goods. Revenue excludes taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognized when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/delivery for export sales

The Company recognizes revenues on the sale of products, net of returns, discounts (sales incentives/ rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Royalty & Technical Fees

Royalty and Technical fees are recognized on accrual basis in accordance with the substance of their relevant agreements.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the

EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in the statement of profit and loss on the date on which the Company's right to receive payment is established

l) Employee Benefits

i) Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date and the fair value of the employee share options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii) Post-Employment Benefits

Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other Long Term Employee Benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Re-measurements are recognised in the statement of profit and loss in the period in which they arise including actuarial gains and losses.

m) Leases

Effective 1st April, 2019, the company adopted IND AS 116 - Leases. GCPL applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17.

Accounting policy applicable before 1st April 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

Lessee:

Leases of assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Accounting policy applicable from 1st April 2019

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.

- If the supplier has a substantive substitution right, then the asset is not identified.

- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use

- Company has the right to direct the use of the asset.

- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:

GCPL recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented as a separate category under "Non-current assets" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lessor

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the company as a lessor, in the comparative period, were not different from IND AS 116.

Transitional impact:

On transition to IND AS 116, company elected to apply practical expedients given by the standard as follows:

(a) Company has not re-assessed whether a contract is, or contains, a lease at the date of initial application instead it applied the standard to those contracts that were previously identified as leases applying IND AS 17, Leases. Standard is not applied to those contracts that were not previously identified as containing a lease applying IND AS 17.

(b) IND AS 116 is applied retrospectively, with the cumulative effect of initially applying the Standard, is recognised at the date of initial application. The same approach is adopted for all the leases.

(c) Comparative information are not restated and it is presented as reported under IND AS 17. The cumulative effect of initially applying this Standard, is done as an adjustment, to the opening balance of retained earnings, at the date of initial application.

(d) For the leases which is previously classified as operating lease, under IND AS 17, company recognised the lease liability by measuring the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application.

(e) Company recognised, Right-of-use asset, at the date of initial application, for leases previously classified as an operating lease applying IND AS 17. Right-of-use asset is measured, on a lease by lease basis, at carrying amount assuming the standard is applied since the commencement date. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application. Company also assessed the Right-of-use asset for impairment as per IND AS 36, Impairment of assets, at the date of initial application.

(f) During transition, no adjustments is made for leases for which the underlying asset is of low value.

(g) Company has applied a single discount rate for portfolio of leases which has reasonably similar characteristics.

(h) During transition, impact of IND AS 116 is not given for those leases for which the lease term ends within 12 months of the date of initial application. Those leases were accounted as short term leases as per IND AS 116.

n) Income Tax

Income tax expense/ income comprises current tax expense /income and deferred tax/ expense income. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and

- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognised in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

o) Foreign Currency Transactions

i) Functional and Presentation currency

The Company's financial statements are prepared in Indian Rupees (INR "₹") which is also the Company's functional currency.

ii) Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which they arise except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

p) Government grants

Government grants, including non-monetary grants at fair value are recognised when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the the statement of profit and loss on a straight line basis over the expected lives of the related assets.

q) Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r) Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Segment Reporting

As per Ind AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

t) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of preexisting relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

2.5 Standards issued but not yet effective

Ministry of Corporate affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

Notes to the Standalone Financial Statements for the year ended March 31, 2020

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

₹ Crore

Particulars									Owned Assets	Assets given on lease	Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	
Year ended March 31, 2020											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.42	166.33	30.81	348.65	13.99	11.20	15.74	30.63	90.26	722.54
Additions	-	-	19.22	0.73	60.92	0.29	2.30	1.17	3.12	-	87.75
(Disposals) / Adjustments	-	-	-	-	(1.60)	(0.01)	(1.60)	(0.02)	(3.07)	-	(6.30)
Closing Gross Carrying Amount	**0.51**	**14.42**	**185.55**	**31.54**	**407.97**	**14.27**	**11.90**	**16.89**	**30.68**	**90.26**	**803.99**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	3.47	14.41	12.94	126.36	4.52	4.69	5.70	18.41	5.84	196.34
Depreciation charge during the year	-	0.16	4.97	4.11	40.86	1.38	1.99	2.32	6.09	1.50	63.38
(Disposals) / Adjustments	-	-	0.01	0.01	(1.02)	(0.01)	(0.85)	(0.18)	(3.05)	0.01	(5.08)
Closing Accumulated Depreciation	**-**	**3.63**	**19.39**	**17.06**	**166.20**	**5.89**	**5.83**	**7.84**	**21.45**	**7.35**	**254.64**
Net Carrying Amount	**0.51**	**10.79**	**166.16**	**14.48**	**241.77**	**8.38**	**6.07**	**9.05**	**9.23**	**82.91**	**549.35**
Year ended March 31, 2019											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.41	140.29	30.53	289.45	12.83	11.25	12.55	28.04	90.26	630.12
Additions	-	0.01	26.04	0.28	59.58	1.17	2.67	3.21	5.00	-	97.96
(Disposals)/ Adjustments	-	-	-	-	(0.38)	(0.01)	(2.72)	(0.02)	(2.41)	-	(5.54)
Closing Gross Carrying Amount	**0.51**	**14.42**	**166.33**	**30.81**	**348.65**	**13.99**	**11.20**	**15.74**	**30.63**	**90.26**	**722.54**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	2.63	8.57	8.77	89.58	3.12	4.22	3.80	14.07	5.68	140.44
Depreciation charge during the year	-	0.84	4.49	4.17	36.53	1.40	2.12	1.92	6.73	1.50	59.70
(Disposals) /Adjustments	-	-	1.35	-	0.25	-	(1.65)	(0.02)	(2.39)	(1.34)	(3.80)
Closing Accumulated Depreciation	**-**	**3.47**	**14.41**	**12.94**	**126.36**	**4.52**	**4.69**	**5.70**	**18.41**	**5.84**	**196.34**
Net Carrying Amount	**0.51**	**10.95**	**151.92**	**17.87**	**222.29**	**9.47**	**6.51**	**10.04**	**12.22**	**84.42**	**526.20**

Note 3A: Leases

Leases in which the company is a Lessee

Office Building

The Company has leasing arrangements for its head office and other office buildings. Non-cancellable period for those lease arrangements vary. The Company pays lease charges as fixed amount as per the respective lease agreements. In respect of Ind AS 116 - Leases, the Company has adopted modified retrospective method under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. Right-of-use asset is measured, on a lease by lease basis, at carrying amount assuming the standard is applied since the commencement date. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application.

Factories, Godowns and office buildings

The Company has leasing arrangements for its various factories, godowns and office buildings (other than mentioned above). Non-cancellable period for those leasing arrangements are less than 12 months and the Company elected to apply the recognition exemption for short term leases to these leases. The lease amount is charged as rent. The Total lease payments accounted for the year ended March 31, 2020 is ₹ 43.25 crore (previous year ₹ 43.36 crore).

Leases in which the company is a Lessor:

The Company has entered into an agreement to give one of its office building on operating lease effective May 2015. The Company has also taken office building on operating lease for similar premises in the same building.

A] As a lessee:

(a) Right of use assets - Buildings

₹ Crore

	As at 31st March 2020
Recognised at 1st April 2019 (transition)	**17.54**
Additions during the year	**-**
Depreciation charge for the year	**10.09**
Balance as at 31 March 2020	**7.45**

(b) Lease liabilities

₹ Crore

	As at 31st March 2020
Less than one year	**4.01**
One to three years	**5.22**
Three years to five years	**0.01**
More than five years	**0.76**
Total undiscounted lease liabilities as at 31 March 2020	**10.01**

₹ Crore

Lease liabilities (discounted)	**As at 31st March 2020**
Non-current	**4.94**
Current	**3.48**
TOTAL	**8.42**

(c) **Amounts recognized in statement of profit and loss**

Short-term leases	₹ Crore **Year ended March 31, 2020**
Expenses relating to short-term leases	**43.25**
TOTAL	**43.25**

(d) **Cash outflow for leases**

	₹ Crore **Year ended March 31, 2020**
Total cash outflow for leases	**12.15**
TOTAL	**12.15**

B] **As a lessor:**

(a) **Amounts recognized in statement of profit and loss**

	₹ Crore **Year ended March 31, 2020**
Operating lease income	**9.13**

(b) **Undiscounted lease payments to be received after 31st March 2020**

	₹ Crore
Less than one year	**1.13**
Total undiscounted lease payments	**1.13**

C] **Changes in accounting policy**

Transition impact on 1st April 2019

Right-of-use assets – Property, plant and equipment	**₹ Crore**
Right-of-use assets	**17.54**
Deferred tax asset	**0.67**
Lease liabilities	**19.41**
Retained earnings	**1.20**
Incremental borrowing rate	**8.5%**

The Weighted average incremental borrowing rate of 8.5% p.a has been applied for measuring the lease liability at the date of initial application.

Reconciliation:	₹ Crore
Operating lease commitments as at 31st March 2019 as disclosed under IND AS 17	**21.69**
Discounted using the incremental borrowing rate at 1st April 2019	**19.41**
Lease liabilities recognised in the balance sheet at the date of initial application	**19.41**

Disclosures under IND AS 17 (for the year 2018-19)

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

	₹ Crore **As at 31st March 2019**
Not later than one year	**12.15**
Later than one year and not later than five years	**9.54**
Later than five years	**-**
TOTAL	**21.69**

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

₹ Crore

	As at 31st March 2019
Not later than one year	**9.13**
Later than one year and not later than five years	**1.10**
Later than five years	**-**
TOTAL	**10.23**

Note 4: Intangible Assets

₹ Crore

	Goodwill	Other Intangible assets			
		Trademarks and Brands *	Computer Software	Technical Knowhow	Total Other Intangible assets
Year ended March 31, 2020					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	54.20	0.10	845.86
Additions	-	-	1.42	-	1.42
Disposals	-	-	-	-	-
Closing Gross Carrying Amount	**2.48**	**791.56**	**55.62**	**0.10**	**847.28**
Opening Accumulated Amortisation	-	0.28	30.65	0.10	31.03
Amortisation recognised for the year	-	0.03	7.87	-	7.90
Disposals / Adjustments	-	(0.02)	2.38	-	2.36
Closing Accumulated Amortisation	**-**	**0.29**	**40.90**	**0.10**	**41.29**
Closing Net Carrying Amount	**2.48**	**791.27**	**14.72**	**-**	**805.99**
Year ended March 31, 2019					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	52.08	1.85	845.49
Additions	-	-	3.64	-	3.64
Disposals	-	-	(1.52)	(1.75)	(3.27)
Closing Gross Carrying Amount	**2.48**	**791.56**	**54.20**	**0.10**	**845.86**
Accumulated Amortisation					
Opening Accumulated Amortisation	-	0.21	22.57	0.81	23.59
Amortisation recognised for the year	-	0.07	9.13	0.17	9.37
Disposals	-	-	(1.05)	(0.88)	(1.93)
Closing Accumulated Amortisation	**-**	**0.28**	**30.65**	**0.10**	**31.03**
Closing Net Carrying Amount	**2.48**	**791.28**	**23.55**	**-**	**814.83**

Note:

* Includes brands amounting to ₹ 791.25 crore (31-Mar-19 ₹ 791.25 crore) that have an indefinite life and are tested for impairment at every year end. Based on analysis of all relevant factors (brand establishment, stability, types of obsolescence etc.), there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company.

The recoverable amount of the brands are based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. The measurement using discounted cash flow is level 3 fair value based on inputs to the valuation technique used. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre tax discount rate.

Operating margins and growth rates for the five years cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Following key assumptions were considered while performing Impairment testing:

	As at January 31, 2020	**As at January 31, 2019**
Annual growth rate	**5-10%**	10-14%
Terminal Growth Rate	**5%**	5%
Royalty relief rate	**12%**	12%
Pre- tax discount rate	**11.20%**	14.23%

The pre-tax discount rate is based on risk free rate, beta variant adjusted for market premium and company specific risk factors.

According to Ind AS 36 "Impairment of Assets", the annual impairment test for intangible assets with indefinite useful life may be performed at any time during an annual period, provided the test is performed at the same time every year. From the year ended March 31, 2019, the Company has decided to perform impairment test for goodwill and other intangible assets with indefinite useful life at January 31 and same is being followed for future years.

With regard to the assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the Brands to exceed their recoverable amount.

No impairment has been charged to the Statement of Profit and Loss account during the financial year 31 March 2020 (31 March 2019: Nil)

Note 5: Investments in Subsidiaries and Associates

₹ Crore

	Face Value	Numbers As at March 31, 2020	Numbers As at March 31, 2019	Amounts As at March 31, 2020	Amounts As at March 31, 2019
Unquoted, fully paid up:					
Carried at cost					
(a) Investments in Equity Instruments					
(i) Subsidiary Companies					
Godrej Netherlands B.V.	EUR 100	**200**	200	**140.93**	140.93
Godrej South Africa (Pty) Ltd.	ZAR 1	**1,80,50,000**	1,80,50,000	**12.67**	12.67
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	**18,59,44,409**	18,59,44,409	**982.14**	982.14
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	**7,02,58,457**	4,39,33,546	**47.65**	37.33
Godrej Consumer Products (Bangladesh) Ltd.	BDT 100	**4,999**	4,999	**0.04**	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	**13,62,40,553**	13,62,40,553	**865.50**	865.50
Godrej East Africa Holdings Ltd.	USD 1	**3,54,50,001**	3,54,50,001	**250.80**	250.80
Godrej Tanzania Holdings Ltd.	USD 1	**1,78,50,001**	1,78,50,001	**121.29**	121.29
Godrej SON Holdings INC.	USD 1	**7,76,00,000**	7,76,00,000	**504.72**	504.72
(ii) Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	**4,967**	4,967	**20.04**	20.04
				2,945.78	**2,935.46**
(b) Investments in Compulsorily Convertible Debentures of Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	**3,060**	3,060	**12.00**	12.00
TOTAL				**2,957.78**	**2,947.46**
Aggregate Amount of Unquoted Investments				**2,957.78**	**2,947.46**

Refer note 41 for percentage holding of the Company in subsidiaries and associates

Note:

As per the Company's policy, investments include the fair value of financial guarantees issued as security for loans taken by subsidiaries. The details of such fair values included in the investments above is as shown below:

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Godrej Netherlands B.V.	**4.52**	4.52
Godrej Consumer Products Holding (Mauritius) Ltd.	**11.95**	11.95
Godrej Mauritius Africa Holdings Ltd.	**29.02**	29.02
Godrej East Africa Holdings Ltd.	**19.62**	19.62
Godrej Tanzania Holdings Ltd.	**3.07**	3.07
TOTAL	**68.18**	**68.18**

Note 6: Loans (Non-Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.05**	0.04
Security Deposits	**19.04**	16.95
TOTAL	**19.09**	**16.99**

Note 7: Other Non-Current Financial Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Share application money for investments in subsidiaries	**-**	10.32
Financial Guarantee Fee Receivables	**15.74**	20.75
TOTAL	**15.74**	**31.07**

Note 8: Tax Reconciliations

Tax expense recognised in the Statement of Profit and Loss

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax		
Current tax on profits for the year	**248.20**	320.66
Deferred tax (Net) - Refer note below 8(e) and 8(f)	**(72.31)**	7.31
MAT credit recognised	**-**	(634.58)
MAT credit utilised	**43.85**	24.71
Total income tax expense	**219.74**	**(281.90)**

Deferred tax is in respect of origination and reversal of temporary differences.

Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during in the year :

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
On remeasurements of defined benefit plans		
Current tax	**0.35**	0.08
Deferred tax	**0.72**	0.13
TOTAL	**1.07**	**0.21**

Reconciliation of tax expense and the accounting profit

The reconciliation between estimated income tax expense at statutory income tax rate to income tax expense reported in Statement of Profit & Loss is given below:

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income taxes	**1,399.63**	1,473.08
Indian statutory income tax rate	**34.94%**	34.94%
Expected income tax expense	**489.09**	514.75
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Deduction under Sec 80IC and 80IE	**(205.82)**	(168.12)
Effect of other tax offsets	**3.19**	1.66
Tax impact of income not subject to tax	**-**	0.15
Tax effects of amounts which are not deductible for taxable income	**4.92**	4.24
MAT Credit recognised	**-**	(634.58)
Reversal of DTL due to rate change [refer note (e) below]	**(78.14)**	-
Adjustments for current tax of prior periods (Excess MAT utilised)	**6.50**	-
Total income tax expense	**219.74**	**(281.90)**

The Company benefits from the tax holiday available to units set up under section 80-IC and 80-IE of Income Tax Act, 1961. These tax holidays are available for a period of ten years from the date of commencement of operations.

Deferred Tax (Liabilities):

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipment	**(24.24)**	(34.12)
Intangible assets	**(184.19)**	(248.81)
Total deferred tax liabilities	**(208.43)**	**(282.93)**

Deferred Tax Assets:

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Defined benefit obligations	**20.76**	23.81
Provisions	**24.20**	21.69
Others	**1.53**	1.79
MAT credit	**566.02**	609.87
Total deferred tax assets	**612.51**	**657.16**

Net Deferred tax (Liabilities) / Assets	**404.08**	**374.23**

Movement in Deferred tax Liabilities / Asset

₹ Crore

	Property, plant and equipment	Intangible assets	Defined benefit obligations	Provisions	Other Deferred Tax Asset	Mat Credit (Refer note)	Deferred Tax Liabilities / Asset (Net)
As at 31st March 2018	(32.90)	(239.59)	21.80	20.46	1.77	-	(228.46)
(Charged)/Credited :							
- to profit or loss	(1.22)	(9.22)	1.88	1.23	0.02	609.87	602.56
- to other comprehensive income	-	-	0.13	-	-	-	0.13
At 1st April 2019	**(34.12)**	**(248.81)**	**23.81**	**21.69**	**1.79**	**609.87**	**374.23**
(Charged)/Credited :							
- to profit or loss	9.88	64.62	(4.45)	2.51	(0.26)	(43.85)	28.45
- to other comprehensive income	-	-	0.72	-	-	-	0.72
- to reserves (Ind AS 116 transition impact)			0.68				0.68
As at 31st March 2020	**(24.24)**	**(184.19)**	**20.76**	**24.20**	**1.53**	**566.02**	**404.08**

Liabilities for Current Tax (Net)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Liabilities for Current Tax (Net)	**0.96**	0.96
[Net of advance tax of ₹ 128.87 crore (31-Mar-19 ₹ 128.87 crore)]		
TOTAL	**0.96**	**0.96**

(a) The Company offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Significant management judgment is required in determining provision for income tax, deferred income tax assets (including MAT credit) and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

(c) As on March 31, 2020 the tax liability with respect to the dividends proposed is Nil (31-Mar-19 : ₹ 42.02 crores)

(d) MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted. During the year, the Company has utilised MAT credit of Rs 43.85 crores (2019 - 24.71 crores). The Company had re-assessed, in the previous year, its utilization of MAT credit considering business projections, benefits available from tax holiday, remaining period for such benefits etc. based on which there is reasonable certainty of utilizing the balance credit of Rs 566.02 crores (2019 - 609.87 crores) in future years against the normal tax expected to be paid in those years.

(e) Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from fiscal year 2019-20, allows any domestic company to pay availing income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The Company has plants located in the North-east region eligible for income tax exemption, and the effective rate being lower than 25.17%, decided to not opt for lower rate in FY 2019-20.

(f) Based on internal projections the Company plans to opt for the lower tax rate in FY 2024-25 and remeasured the deferred taxes at the lower tax rate expected to be availed in the future. Accordingly, the Company has reversed deferred tax assets/liabilities recognised in earlier years at the tax rates enacted during those years, to the extent they are likely to reverse after 31st March 2024. The impact of such reversal during the year was Rs. 78.14 crore.

Note 9: Other Non-Current Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Capital Advances (Refer Note below)	**5.83**	29.38
Balances with Government Authorities	**37.70**	21.65
Other non-current assets (includes prepaid expenses, vendor advances)		
Considered Good	**0.82**	1.07
TOTAL	**44.35**	**52.10**

Note:

Capital Advances include ₹ 0.05 crore (31-Mar-2019 ₹ 15.92 crore) paid to Related Parties.

Note 10: Non-Current Tax Assets (Net)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Advance Tax	**36.22**	22.84
[Net of Provision for taxation - ₹ 1982.69 crore (31-Mar-19 ₹ 1742.56 crore)]		
TOTAL	**36.22**	**22.84**

(Refer Note 8 for tax reconciliations)

Note 11: Inventories

₹ Crore

	As at March 31, 2020	As at March 31, 2019
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	**279.04**	303.17
Goods-in Transit	**5.93**	16.48
	284.97	319.65
Work-in-Progress	**55.55**	40.20
Finished Goods	**273.06**	210.74
Stock-in-Trade	**33.82**	34.59
Stores and Spares	**10.32**	9.94
TOTAL	**657.72**	**615.12**

During the year ended March 31, 2020 an amount of ₹ 19.41 crore (31-Mar-19 ₹ 13.94 crore) was charged to the statement of Profit and Loss on account of write-down of inventories including damaged and slow moving inventory. The reversal on account of above during the year is Nil (31-Mar-19 Nil)

Note 12: Investments (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unquoted, fully paid up		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	**-**	13.01
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	**555.34**	135.06
Quoted, fully paid up		
At amortised cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**80.06**	329.27
	635.40	**477.34**
Aggregate Amount of Unquoted Investments	**555.34**	148.07
Aggregate Amount of Quoted Investments	**80.06**	329.27
Aggregate Market Value of Quoted Investments	**80.10**	329.94

Note 13: Trade Receivables

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Considered Good - Secured	**0.80**	7.17
Considered Good - Unsecured	**304.72**	346.01
Trade Receivables - credit impaired	**5.49**	6.34
Less: Provision for Doubtful Debts	**(5.49)**	(6.34)
TOTAL	**305.52**	**353.18**

Refer note 47 (B)

Note:

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

Note 14 A: Cash and Cash Equivalents

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
- In Current Accounts	**63.52**	78.13
- Deposits with less than 3 months original maturity	**-**	0.08
	63.52	**78.21**
Cheques, Drafts on Hand	**0.04**	-
Cash on Hand	**0.20**	1.48
TOTAL	**63.76**	**79.69**

Note 14 B: Other Bank Balances

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Deposits with maturities more than 3 months but less than 12 months (Refer Note below)	**4.27**	3.07
In Unpaid Dividend Accounts	**17.65**	14.48
TOTAL	**21.92**	**17.55**

Notes:

(a) The fixed deposits include deposits under lien against bank guarantees ₹ 4.24 crore (31-Mar-19 ₹ 2.99 crore).

(b) The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2020.

Note 15: Loans (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.05**	0.06
Security Deposits	**-**	0.08
TOTAL	**0.05**	**0.14**

Note 16: Other Current Financial Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Financial guarantee fee receivable	**10.74**	10.27
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	**133.13**	117.37
Considered Doubtful	**15.62**	15.62
Less: Provision for Doubtful Advances	**(15.62)**	(15.62)
	133.13	**117.37**
Derivative assets - forward exchange contracts	**4.79**	-
Others (includes receivables of insurance claims, export incentives)	**12.04**	11.19
TOTAL	**160.70**	**138.83**

Note 17: Other Current Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Balances with Government Authorities	**144.28**	129.96
Contract assets (Right to receive inventory)	**6.71**	3.54
Other Advances (includes prepaid expenses, vendor advances)		
Considered Good	**65.30**	29.00
Considered Doubtful	**0.31**	0.83
Less: Provision for Doubtful Advances	**(0.31)**	(0.83)
TOTAL	**216.29**	**162.50**

Note 18: Equity Share Capital

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Authorised		
1,030,000,000 Equity Shares (31-Mar-19: 1030,000,000) of ₹ 1 each	**103.00**	103.00
10,000,000 Preference Shares (31-Mar-19: 10,000,000) of ₹ 1 each	**1.00**	1.00
Issued		
1,022,347,476 Equity Shares (31-Mar-19: 1,022,197,220) of ₹ 1 each	**102.23**	102.22
Subscribed and Fully Paid up		
1,022,316,352 Equity Shares (31-Mar-19: 1,022,166,096) of ₹ 1 each fully paid up	**102.23**	102.22
TOTAL	**102.23**	**102.22**

Notes:

a) During the year, the Company has issued 1,50,256 equity shares (31-Mar-19: 1,14,546) under the Employee Stock Grant Scheme.

b) 31,124 Rights Issue equity shares (31-Mar-19 31,124 equity shares) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order from courts/claim is awaited.

c) The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	**₹ Crore**	**No. of Shares**	**₹ Crore**
Shares outstanding at the beginning of the year	1,02,21,66,096	102.22	68,13,29,518	68.13
Add : Shares Issued during the year (Bonus Shares)	-	-	34,07,22,032	34.08
Add : Shares Issued on exercise of employee stock grant scheme	1,50,256	0.01	1,14,546	0.01
Shares outstanding at the end of the year	1,02,23,16,352	102.23	1,02,21,66,096	102.22

d) **Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each equity shareholder is entitled to one vote per share.

During the year ended March 31, 2020 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 8 (31-Mar-19 ₹ 15).

e) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	**7,50,11,445**	**7.34%**	7,50,11,445	7.34%
Godrej Industries Limited	**24,28,12,860**	**23.75%**	24,28,12,860	23.75%
Godrej Seeds & Genetics Limited	**28,05,00,000**	**27.44%**	28,05,00,000	27.44%

f) **Shares Reserved for issue under options**

The Company has 290,133 (31-Mar-19 year 295,015) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2020. (As detailed in Note 44)

g) Information regarding aggregate number of equity shares issued during the five years immediately preceding the date of Balance Sheet:

During the year 2018-19, pursuant to the approval of Shareholders, Company has allotted 340,722,032 number of fully paid Bonus shares on Sep 17,2018 in the ratio of one equity share of ₹1 each fully paid up for every two existing equity shares of ₹1 each fully paid up.

During the year 2017-18, pursuant to the approval of Shareholders, Company has allotted 340,600,816 number of fully paid Bonus shares on June 27,2017 in the ratio of one equity share of ₹1 each fully paid up for every one existing equity shares of ₹1 each fully paid up.

The Company has not issued shares for consideration other than cash and has not bought back any shares during the past five years other than as reported above.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

h) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.

i) No equity shares have been forfeited.

j) **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Company makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Company may make adjustments to dividend paid to its shareholders or issue new shares.

The Company monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments. As on balance sheet date there are no net debt.

Note 19: Other Equity

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Securities Premium	**1,407.36**	1,398.03
General Reserve	**154.05**	154.05
Other Reserves		
Capital Investment Subsidy Reserve	**0.15**	0.15
Capital Redemption Reserve	**1.46**	1.46
Employee Stock Options Outstanding	**12.69**	12.36
	14.30	**13.97**
Retained Earnings	**3,450.43**	3,258.64
Other Comprehensive Income (Effective portion of cash flow hedges)	**(0.75)**	(0.75)
TOTAL	**5,025.39**	**4,823.94**

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Capital Investment Subsidy Reserve		
Balance as per last financial statements	**0.15**	0.15
Closing Balance	**0.15**	**0.15**
Capital Redemption Reserve		
Balance as per last financial statements	**1.46**	1.46
Closing Balance	**1.46**	**1.46**
Employee Stock Options Outstanding		
Gross Employee Compensation for Options granted	**12.36**	11.58
(-) Exercise of Share options	**(9.33)**	(8.34)
(+) Deferred Employee Compensation Expense (Refer Note 33)	**9.66**	9.12
Closing Balance	**12.69**	**12.36**
TOTAL	**14.30**	**13.97**

Nature and purpose of reserves

1) **Securities premium**

   The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

2) **General reserve**

   The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

3) **Capital Investment Subsidy Reserve**

   Capital Investment Subsidy Reserve represents subsidy received from the government for commissioning of Malanpur plant in the nature of capital investment.

4) **Capital redemption reserve**

Capital Redemption reserve represents amount set aside by the company for future redemption of capital.

5) **Employee Stock Options Outstanding**

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

Refer note 44 for details on ESGS Plans.

6) **Effective portion of Cash Flow Hedges**

The cash flow hedging reserve represents the cumulative portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accummulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

Note 20: Non-current Financial liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Lease liabilities (refer note 3A)	4.94	-
TOTAL	**4.94**	**-**

Note 21: Provisions (Non-Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note 43)	56.63	51.89
Compensated Absences	5.23	4.43
TOTAL	**61.86**	**56.32**

Note 22: Other Non-Current Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unearned premium on guarantees given to subsidiaries	14.74	23.82
Others (includes deferred grants, sundry deposits)	7.17	4.27
TOTAL	**21.91**	**28.09**

Note 23: Borrowings

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Working Capital Loan Repayable on Maturity		
from Banks (Refer Note (a) below)	**70.00**	-
Unsecured, Other Loans		
Commercial Papers (Refer Note (b) below)	**247.33**	-
TOTAL	**317.33**	**-**

NOTES:

a) Short term working capital loan from Bank carries an average interest rate of 6.6% and are repayable in July 2020.

b) Commercial Paper are listed on the Stock exchange and carries an average interest rate of 5.4% and are repayable at maturity dates in June 2020.

Note 24: Current - Lease Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Lease liabilities (refer note 3A)	**3.48**	-
TOTAL	**3.48**	**-**

Note 25: Trade Payables

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Total oustanding dues of micro enterprises and small enterprises	**27.15**	53.49
Total oustanding dues of creditors other than micro enterprises and small enterprises*	**1,215.99**	1,404.12
TOTAL	**1,243.14**	**1,457.61**

* Trade Payables includes invoices discounted by Vendors with banks.

(Refer Note 47C)

Disclosures pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as follows:

₹ Crore

		As at March 31, 2020	As at March 31, 2019
I	The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	**27.13**	53.49
II	Interest due thereon	**0.02**	-
	Trade payable dues to Micro and small enterprises	**27.15**	**53.49**
	(a) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
	(b) The amount of interest due and payable for the period (where the principal has been unpaid but interest under the MSMED Act, 2006 not paid)	**0.02**	-
	(c) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
	(d) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**-**	-

Note 26: Other Current Financial Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Interest Accrued but not Due on Borrowings	**0.07**	-
Security Deposit Received	**2.60**	2.31
Employee Benefits Payable	**29.89**	67.55
Unclaimed Dividends (Refer Note (a) below)	**17.65**	14.48
Derivative Liability - forward exchange contracts	**-**	8.69
Capital creditors and other payables	**12.46**	23.34
TOTAL	**62.67**	116.37

(Refer Note 47C)

Note:

a) There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

Note 27: Other Current Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Statutory Dues (TDS, Octroi etc)	**8.60**	6.98
Contract Liabilities (Advance received from Customers)	**20.59**	13.13
Unearned premium on guarantees given to subsidiaries	**12.61**	15.36
Others (includes PF, deferred revenue)	**8.54**	4.65
TOTAL	**50.34**	**40.12**

Note 28: Provisions (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note 43)	**8.76**	8.44
Compensated Absences	**3.15**	3.38
Other provisions		
Provision for Sales Returns	**21.85**	14.33
Provision towards Litigations	**12.58**	**12.77**
TOTAL	**46.34**	**38.92**

Movements in each class of other provisions during the financial year are set out below:

₹ Crore

	Sales Returns	Provision towards Litigation
As at April 1, 2018	**13.50**	12.71
Provisions made during the year	**0.83**	0.06
Provisions reversed during the year	**-**	-
As at April 1, 2019	**14.33**	12.77
Provisions made during the year	**7.52**	-
Provisions reversed during the year	**-**	(0.19)
As at March 31, 2020	**21.85**	**12.58**

Sales Returns:

When a customer has a right to return the product within a given period, the Company recognises a provision for sales return. This is measured on the basis of average past trend of sales return as a percentage of sales. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

Legal Claims:

The provisions for indirect taxes and legal matters comprises numerous separate cases that arise in the ordinary course of business. A provision is recognised for legal cases if the company assesses that it is probable that an outflow of economic resources will be required. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

Note 29: Revenue From Operations

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers			
Sale of Products		**5,361.27**	5,556.79
Other Operating Revenues			
a)	Royalty & Technical Fees	**18.58**	22.47
b)	Miscellaneous Income (includes Refunds/Incentives from Govt. Authorities)	**94.60**	100.05
TOTAL		**5,474.45**	**5,679.31**

b) Revenue Information

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue by product categories		
Home care	**2,826.92**	2,834.32
Personal care	**1,890.17**	2,042.57
Hair care	**644.18**	679.90
TOTAL	**5,361.27**	**5,556.79**

c) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contracted price	**5,675.39**	5,862.53
Sales returns	**(7.52)**	(0.83)
Rebates/Discounts	**(306.60)**	(304.91)
Revenue from contract with customers	**5,361.27**	**5,556.79**

d) Contract Balances

₹ Crore

	March 31, 2020	April 1, 2019
Trade receivables (Note 13)	305.52	353.18
Contract assets (Note 17)	6.71	3.54
Contract liabilities (Note 27)	20.59	13.13

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

e) Significant changes in contract assets and liabilities during the period

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	**13.13**	23.83

Note 30: Other Income

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	**56.70**	54.27
Deposits with banks	**0.88**	2.54
On Others	**0.51**	3.39
Dividend Income		
From Subsidiaries / Associates	**0.68**	-
Net Gain on Sale of Investments (Mutual Funds)	**4.53**	8.03
Fair Value Gain/(Loss) on financial assets measured at fair value through profit or loss	**-**	0.01
Other Non-Operating Income		
Guarantee Commission income	**15.83**	21.62
Miscellaneous Non-operating Income	**12.13**	4.59
TOTAL	**91.26**	**94.45**

Note 31: Cost Of Materials Consumed

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
Raw material and packing material			
Opening Inventory		**319.65**	253.94
Add : Purchases (Net)		**2,008.00**	2,096.53
		2,327.65	2,350.47
Less: Closing Inventory		**(284.97)**	(319.65)
Cost of Materials Consumed	**TOTAL**	**2,042.68**	**2,030.82**

Note 32: Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
Opening Inventory			
Finished Goods		**210.74**	250.25
Stock-in-Trade		**34.59**	26.17
Work-in-Progress		**40.20**	36.86
		285.53	**313.28**
Less: Closing Inventory			
Finished Goods		**273.06**	210.74
Stock-in-Trade		**33.82**	34.59
Work-in-Progress		**55.55**	40.20
		362.43	**285.53**
(Increase)/Decrease in Inventories	**TOTAL**	**(76.90)**	**27.75**

Note 33: Employee Benefits Expense

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	**277.72**	314.32
Contribution to Provident and Other Funds (Refer Note 43)	**24.28**	21.10
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 44)	**9.66**	9.12
Staff Welfare Expenses	**7.56**	6.96
TOTAL	**319.22**	**351.50**

Note 34: Finance Costs

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense		
Unwinding of interest on liabilities	**7.40**	2.46
Interest on lease liabilities	**1.17**	-
Others (mainly includes interest on Short-term borrowings)	**20.00**	22.65
Bill discounting Charges	**29.40**	39.75
TOTAL	**57.97**	**64.86**

Note 35: Depreciation and Amortisation Expenses

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	**63.38**	59.70
Depreciation on Right of use assets - buildings	**10.09**	-
Amortisation on intangible assets	**7.90**	9.37
TOTAL	**81.37**	**69.07**

Note 36: Other Expenses

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and Spare Parts	**15.28**	15.58
Power and Fuel	**94.18**	94.14
Rent (Net) (Refer Note 3A)	**43.25**	43.36
Repairs and Maintenance		
Plant and Equipment	**6.06**	5.11
Buildings	**5.86**	5.64
Others (Net)	**33.93**	29.00
	45.85	39.75
Insurance	**4.81**	4.51
Rates and Taxes	**7.57**	3.26
Processing and Other Manufacturing Charges	**170.59**	156.67
Travelling and Conveyance	**32.00**	37.64
Auditors' Remuneration		
As Statutory Auditor	**1.70**	1.45
For Other Services	**0.29**	0.07
Reimbursement of Expenses	**0.02**	0.14
	2.01	1.66
Legal and Professional Charges	**30.37**	18.65
Donations	**1.59**	2.24
Sales Promotion	**64.57**	52.15
Advertising and Publicity	**556.59**	641.33
Selling and Distribution Expenses	**79.20**	75.40
Freight	**214.29**	215.17
Net Loss on Sale/ write off of Fixed Assets	**5.78**	0.43
Net Loss on Foreign Currency Transactions and Translations	**7.82**	9.41
Bad Debts Written Off	**0.08**	0.95
Provision for Doubtful Debts / Advances	**-**	0.77
Miscellaneous Expenses (Net) (Refer Note (a) below)	**85.72**	88.91
TOTAL	**1,461.55**	**1,501.98**

Note:

(a) Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Note 37: Earnings Per Share

	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit After Tax (₹ Crore)	**1,179.89**	**1,754.98**
Number of Shares outstanding at the beginning of the year	**1,02,21,66,096**	1,02,19,94,277
Add : Shares Issued during the year	**1,50,256**	1,71,819
Number of Shares outstanding at the end of the year	**1,02,23,16,352**	1,02,21,66,096
Weighted Average Number of Equity Shares		
For calculating Basic EPS	**1,02,22,65,738**	1,02,21,11,340
Effect of dilution:		
Shared based payments	**1,91,505**	2,04,688
For calculating Diluted EPS	**1,02,24,57,243**	1,02,23,16,028
Earnings Per Share		
(Face Value ₹ 1)		
Basic (₹)	**11.54**	17.17
Diluted (₹)	**11.54**	17.17

Note 38: Commitments

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 34.99 crore (31-Mar-19 ₹ 28.36 crore), net of advances there against of ₹ 5.83 crore (31-Mar-19 ₹ 29.38 crore)

Note 39: Dividend

During the year 2019-20,the Board has paid four interim dividends. The first dividend was declared on May 3, 2019 at the rate of ₹ 2 per equity share (200% on shares of the face value of ₹ 1 each), the second dividend was declared on August 1, 2019 at the rate of ₹2 per equity share (200% on shares of the face value of ₹ 1 each), the third dividend was declared on November 6, 2019 at the rate of ₹2 per equity share (200% on shares of the face value of ₹ 1 each) and the fourth dividend was declared on January 29, 2020 at the rate of ₹2 per equity share (200% on shares of the face value of ₹ 1 each).

The total of all the four interim dividends paid during the year aggregates to ₹ 8 per equity share (800% on the shares of the face value ₹ 1 each) and amounts to ₹ 817.82 crore. The dividend distribution tax on the said dividends is ₹168.11 crore.

Note 40: Contingent Liabilities

₹ Crore

		As at March 31, 2020	As at March 31, 2019
a)	**CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS**		
i)	Excise duty and service tax matters	**51.06**	54.69
ii)	Sales tax and VAT matters	**64.60**	54.73
iii)	Income-tax matters	**14.37**	14.33
iv)	Other matters	**3.00**	3.00
b)	**GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES**		
i)	Guarantee amounting to USD 58 million (31-Mar-19 USD 88 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Consumer Products Holdings Mauritius Ltd.	**441.13**	608.56
ii)	Guarantee amounting to USD 80 million (31-Mar-19 USD 121 million) given by the Company to Bank of Tokyo Mitsubishi UFJ Ltd (London) against loan provided to Godrej SON Holdings, Inc.	**607.56**	836.78
iii)	Guarantee amounting to USD 18 million (31-Mar-19 USD 28 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Mauritius, against loan provided to Godrej East Africa Holdings Ltd.	**135.25**	190.18
iv)	Guarantee amounting to USD 28 million (31-Mar-19 USD 28 million) given by the Company to Standard Chartered Bank Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	**208.08**	190.18
v)	Guarantee amounting to USD 44 million (31-Mar-19 USD 44 million) given by the Company to CITI US towards loan provided to Godrej Mauritius Africa Holdings Ltd.	**332.93**	304.28
vi)	Guarantee amounting to USD 2 million (31-Mar-19 USD 2 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	**15.13**	13.83
vii)	Guarantee amounting to USD 1.20 million (31-Mar-19 USD 1.20 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	**9.08**	8.30
viii)	Guarantee amounting to USD 64.35 million (31-Mar-19 USD 64.35 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej SON Holding, INC	**486.90**	445.01
ix)	Guarantee amounting to USD 148.72 million (31-Mar-19 USD 148.72 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Mauritius Africa Holdings Ltd.	**1,125.29**	1,028.47
x)	Guarantee amounting to USD 3.5 million (31-Mar-19 Nil) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	**26.48**	-
xi)	Guarantee amounting to USD 1.0 million (31-Mar-19 USD Nil) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	**7.57**	-
xii)	Guarantee amounting to USD 24 million (31-Mar-19 USD Nil) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards Banking facility taken by Godrej Mauritius Africa Holdings Ltd.	**183.11**	-
		3,578.51	**3,625.59**

₹ Crore

			As at March 31, 2020	As at March 31, 2019
c)	**OTHER GUARANTEES**			
	i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.99 crore]	**14.19**	14.36
	ii)	Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.80**	0.80
	iii)	Guarantee given by the Company to Kotak Mahindra Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.30**	-
			15.29	**15.16**
d)	**CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:**			
	i)	Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	**32.22**	32.22
	ii)	Others	**0.06**	0.06

e) OTHER MATTERS

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

f) On 30th March 2019, MCA has issued an amendment regarding the income tax uncertainty over Income tax treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments as at 31 March 2020.

Note 41: Related Party Disclosures

A) Related Parties and their Relationship

a) Holding Company:

None

b) Subsidiaries:

Name of the Subsidiary	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Belaza Mozambique LDA	Mozambique	**100%**	100%
Canon Chemicals Limited	Kenya	**75%**	75%
Charm Industries Limited	Kenya	**100%**	100%
Consell	Argentina	**100%**	100%
Cosmetica National	Chile	**100%**	100%
Darling Trading Company Mauritius Limited	Mauritius	**95%**	90%
Deciral S.A.	Uruguay	**100%**	100%
DGH Phase Two Mauritius	Mauritius	**90%**	90%

Name of the Subsidiary	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
DGH Tanzania Limited	Mauritius	**100%**	100%
DGH Uganda	Mauritius	**51%**	51%
Frika Weave (Pty) Ltd	South Africa	**100%**	100%
Godrej (UK) Ltd	UK	**100%**	100%
Godrej Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Investments (Chile) Spa	Chile	**100%**	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Products (UK) Limited (Divested on Aug 31, 2018)	UK	**0%**	100%
Godrej Consumer Products Bangladesh Limited	Bangladesh	**100%**	100%
Godrej Consumer Products Dutch Cooperatief UA	Netherlands	**100%**	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	**100%**	100%
Godrej Consumer Products International FZCO	Dubai,UAE	**95%**	90%
Godrej Consumer Products Malaysia Limited (Closed on Oct 7, 2019)	Malaysia	**100%**	100%
Godrej Consumer Products US Holding Limited	Mauritius	**100%**	100%
Godrej CP Malaysia SDN BHD (wef from June 4, 2018)	Malaysia	**100%**	100%
Godrej East Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Global Mideast FZE	Sharjah,UAE	**100%**	100%
Godrej Hair Care Nigeria Limited	Nigeria	**100%**	100%
Godrej Hair Weave Nigeria Ltd	Nigeria	**100%**	100%
Godrej Holdings (Chile) Limitada	Chile	**100%**	100%
Godrej Household Insecticide Nigeria Ltd (Closed on Mar 18, 2020)	Nigeria	**100%**	100%
Godrej Household Products (Bangladesh) Pvt. Ltd.	Bangladesh	**100%**	100%
Godrej Household Products Lanka (Pvt). Ltd.	Sri Lanka	**100%**	100%
Godrej Indonesia IP Holdings Ltd	Mauritius	**100%**	100%
Godrej International Trading Company	Sharjah,UAE	**51%**	51%
Godrej Mauritius Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Mid East Holding Limited	Dubai,UAE	**100%**	100%
Godrej Netherland B.V.	Netherlands	**100%**	100%
Godrej Nigeria Limited	Nigeria	**100%**	100%
Godrej Peru SAC	Peru	**100%**	100%
Godrej SON Holdings Inc.	USA	**100%**	100%
Godrej South Africa Proprietary Limited	South Africa	**100%**	100%
Godrej Tanzania Holdings Limited	Mauritius	**100%**	100%
Godrej West Africa Holdings Limited	Mauritius	**95%**	90%
Hair Credentials Zambia Limited	Zambia	**100%**	100%
Hair Trading (Offshore) S.A.L.	Lebanon	**51%**	51%
Indovest Capital	Labuan	**100%**	100%
Issue Group Brazil LTDA	Brazil	**100%**	100%
Kinky Group (Proprietary) Limited	South Africa	**100%**	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Laboratorio Cuenca S.A	Argentina	**100%**	100%
Lorna Nigeria Limited	Nigeria	**100%**	100%
Old Pro International, Inc.	USA	**100%**	100%
Panamar Producciones SA	Argentina	**100%**	100%
PT Ekamas Sarijaya	Indonesia	**100%**	100%
PT Indomas Susemi Jaya	Indonesia	**100%**	100%
PT Intrasari Raya	Indonesia	**100%**	100%
PT Sarico Indah	Indonesia	**100%**	100%
PT Megasari Makmur	Indonesia	**100%**	100%
Sigma Hair Industries Ltd.	Tanzania	**100%**	100%
Strength of Nature LLC	USA	**100%**	100%
Strength of Nature South Africa Proprietary Limited	South Africa	**100%**	100%
Style Industries Ltd	Kenya	**90%**	90%
Style Industries Uganda Limited	Uganda	**51%**	51%
Subinite (Pty) Ltd	South Africa	**95%**	90%
Weave Ghana	Ghana	**100%**	100%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	**95%**	90%
Weave Mozambique Limitada	Mozambique	**95%**	90%
Weave Senegal	Senegal	**100%**	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	**51%**	51%

c) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Bhabani Blunt Hairdressing Pvt Limited	India	**28%**	28%

d) Investing Entity in which the reporting entity is an Associate

i) Godrej Industries Limited

ii) Godrej Seeds & Genetics Limited

e) Companies under common Control with whom transactions have taken place during the year

i) Godrej & Boyce Mfg. Co. Limited

ii) Godrej Agrovet Limited

iii) Godrej Tyson Foods Limited

iv) Godrej Properties Limited

v) Natures Basket Limited*

vi) Godrej Projects Development Private Limited

vii) Godrej One Premises Management Private Limited

viii) Creamline Dairy Products Limited

* Divested on 4th July 2019

f) Key Management Personnel and Relatives

i)	Mr. Adi Godrej	Chairman Emeritus
ii)	Ms. Nisaba Godrej	Executive Chairperson / Daughter of Mr. Adi Godrej
iii)	Mr. Vivek Gambhir	Managing Director & CEO
iv)	Mr. V. Srinivasan	Chief Financial Officer and Company Secretary
v)	Mr. Pirojsha Godrej	Non-Executive Director / Son of Mr. Adi Godrej
vi)	Mr. Nadir Godrej	Non-Executive Director/ Brother of Mr. Adi Godrej
vii)	Ms. Tanya Dubash	Non-Executive Director/ Daughter of Mr. Adi Godrej
viii)	Mr. Jamshyd Godrej	Non Executive Director
ix)	Mr. D Shivakumar	Independent Director (till 1st November, 2018)
x)	Mr. Aman Mehta	Independent Director
xi)	Mr. Omkar Goswami	Independent Director
xii)	Ms. Ireena Vittal	Independent Director
xiii)	Mr. Bharat Doshi	Independent Director ((till 25th September 2019)
xiv)	Mr. Narendra Ambwani	Independent Director
xv)	Ms. Ndidi Nwuneli	Independent Director
xvi)	Ms. Pippa Armerding	Independent Director
xvii)	Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xviii)	Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xix)	Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xx)	Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xxi)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxii)	Mr. Arvind Dubash	Husband of Ms. Tanya Dubash
xxiii)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

g) Trust where the reporting entity excercises significant influence

i) Godrej Consumer Products Limited Employees' Stock Option Trust

h) Post employment Benefit Trust where the reporting entity exercises significant influence

i) Godrej Consumer Products Employees' Provident Fund

Notes to the Standalone Financial Statements for the year ended March 31, 2020

B) The Related Party Transactions are as under :

₹ Crore

	Subsidiary Companies		Associate Company		Investing Entity in which the reporting entity is an associate		Companies Under Common Control		Key Management Personnel and Relatives		Post employment benefit trust		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Goods	67.92	48.71	0.24	0.40	10.55	12.89	1.62	3.37	-	-	-	-	80.32	65.37
Purchase of Materials and Spares	2.23	6.00	-	0.16	54.85	58.47	0.13	0.29	-	-	-	-	57.21	64.92
Purchase of Fixed Asset including Assets under Construction	-	-	-	-	-	-	-	0.07	-	-	-	-	-	0.07
Advance Paid	-	-	-	-	-	1.51	0.05	0.05	-	-	-	-	0.05	1.56
Royalty and Technical Fees Received	18.58	22.47	-	-	-	-	-	-	-	-	-	-	18.58	22.47
Royalty and Technical Fees Paid	0.18	0.13	0.55	0.62	-	-	-	-	-	-	-	-	0.72	0.75
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	0.12	0.26	0.33	0.14	27.55	34.38	8.54	8.95	-	-	-	-	36.55	43.73
Expenses Recovered	18.78	20.41	-	-	1.62	0.21	0.06	0.03	-	-	-	-	20.46	20.65
Investments Made	-	10.31	-	-	-	-	-	-	-	-	-	-	-	10.31
Investments Sold / Redeemed	-	-	-	2.28	-	-	-	-	-	-	-	-	-	2.28
Fair Value of Financial Guarantees included in Investments	-	0.13	-	-	-	-	-	-	-	-	-	-	-	0.13
Guarantees Given / (Cancelled)	217.16	1,481.78	-	-	-	-	-	-	-	-	-	-	217.16	1,481.78
Financial Guarantee Fee Received	-	9.13	-	-	-	-	-	-	-	-	-	-	-	9.13
Guarantee Commission Income	15.83	21.62	-	-	-	-	-	-	-	-	-	-	15.83	21.62
Income from Business Support Services	11.69	11.39	-	-	-	-	-	-	-	-	-	-	11.69	11.39
Dividend Paid	-	-	-	-	418.65	627.98	60.01	90.01	23.37	35.43	-	-	502.03	753.42
Dividend Received	-	-	0.68	-	-	-	-	-	-	-	-	-	0.68	-
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	3.51	3.67	-	-	3.51	3.67
Lease Rentals Received	-	-	-	-	10.94	9.25	-	-	-	-	-	-	10.94	9.25
Lease Rentals Paid	-	-	-	-	15.68	14.21	-	-	-	-	-	-	15.68	14.21
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	-	-	18.17	16.63	18.17	16.63
Short Term Employment Benefits	-	-	-	-	-	-	-	-	21.52	23.32	-	-	21.52	23.32
Post Employment Benefits	-	-	-	-	-	-	-	-	0.46	0.50	-	-	0.46	0.50
Share Based Payment	-	-	-	-	-	-	-	-	2.92	3.85	-	-	2.92	3.85
TOTAL	**352.49**	**1,632.34**	**1.80**	**3.60**	**539.84**	**758.90**	**70.41**	**102.77**	**51.78**	**66.77**	**18.17**	**16.63**	**1,034.49**	**2,581.01**

₹ Crore

Outstanding Balances	Receivables		Payables		Guarantees Outstanding- Given/ (Taken)		Commitments	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Subsidiary Companies	105.90	79.32	0.99	1.34	3,578.51	3,625.59	-	-
Associate Company	0.05	0.04	-	-	-	-	-	-
Investing Entity in which the reporting entity is an associate	1.88	1.40	7.41	3.63	(26.88)	(26.88)	-	-
Common Control	0.33	2.17	0.40	0.56	(1.21)	(1.21)	0.61	1.59
Key Management Personnel and Relatives	-	-	2.85	5.00	-	-	-	-
TOTAL	**108.16**	**82.93**	**11.65**	**10.53**	**3,550.42**	**3,597.50**	**0.61**	**1.59**

Note: Refer note 5 for investments in subsidiaries and associates and note 40 for Guarantees given on behalf of subsidiaries

Note 42: Forward Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Forward / Spot Contracts outstanding are as follows:

	As at March 31, 2020	As at March 31, 2019
	In million	**In million**
Forward Contracts to Purchase (USD) - nominal amounts	**US $14.79**	US $29.17
[47 contracts (31-Mar-19: 86 contracts]		

Note 43: Employee Benefits

a) DEFINED CONTRIBUTION PLAN

Provident Fund / Super annuation fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd) are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) DEFINED BENEFIT PLAN

Gratuity:

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of HDFC Standard Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with HDFC Standard Life Insurance Company Limited.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

The Company has a gratuity trust. However, the Company funds its gratuity payouts from its cash flows. Accordingly, the Company creates adequate provision in its books every year based on actuarial valuation.

These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2020.

₹ Crore

	As at March 31, 2020	**As at March 31, 2019**
Plan assets at period end, at fair value	**159.79**	149.31
Provident Fund Corpus	**159.13**	148.00
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	**8.29%**	8.67%
Weighted Average Yield to Maturity	**8.61%**	9.07%
Guaranteed Rate of Interest	**8.65%**	8.65%

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 15.11 crore (previous year ₹ 11.90 crore) has been included in Note 33 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 8.52 crore (previous year ₹ 8.30 crore) has been included in Note 33 under Contribution to Provident and Other Funds.

d) The amounts recognised in the Company's financial statements as at year end are as under:

₹ Crore

		As at March 31, 2020	As at March 31, 2019
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**60.93**	56.38
	Current Service Cost	**4.16**	3.99
	Interest Cost	**4.40**	4.40
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	**-**	(0.79)
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	**2.35**	1.51
	Actuarial (Gain) / Loss on Obligation- Due to Experience	**(0.33)**	(0.42)
	Benefits Paid	**(5.60)**	(4.14)
	Present value of the obligation at the end of the year	**65.91**	60.93
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**0.60**	1.20
	Interest Income	**0.04**	0.09
	Return on plan assets excluding interest income	**(0.02)**	(0.08)
	Contributions by the Employer	**5.50**	3.53
	Benefits Paid	**(5.60)**	(4.14)
	Fair value of Plan Assets at the end of the year	**0.52**	0.60
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**65.91**	60.93
	Fair value of Plan Assets at the end of the year	**0.52**	0.60
	Funded status - Deficit	**65.39**	60.33
	Net Liability recognised in the Balance Sheet	**65.39**	60.33
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**4.16**	3.99
	Interest Cost/Income on Obligation/ Plan assets (Net)	**4.36**	4.31
	Net Cost Included in Personnel Expenses	**8.52**	8.30
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	**2.02**	0.30
	Return on plan assets excluding interest income	**0.02**	0.08
	Recognised in other comprehensive income	**2.04**	0.38
vi)	**Weighted average duration of Present Benefit Obligation**	**6 years**	6 years
vii)	**Estimated contribution to be made in next financial year**	**8.75**	8.44
viii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	Insurer Managed Funds	**100%**	100%
ix)	**Actuarial Assumptions**		
	i) Discount Rate	**6.43% P.A.**	7.22% P.A.
	ii) Salary Escalation Rate	**9.00% P.A.**	9.00% P.A.
	iii) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

₹ Crore

		As at March 31, 2020	As at March 31, 2019
x)	**Maturity Analysis of Projected Benefit Obligation: From the Fund**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	Within the next 12 months	**13.46**	14.49
	2nd Following Year	**6.88**	6.94
	3rd Following Year	**6.63**	6.28
	4th Following Year	**7.80**	5.87
	5th Following Year	**6.08**	6.67
	Sum of Years 6 To 10	**27.08**	23.68
xi)	**Sensitivity analysis**		

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ Crore

	31-Mar-20		31-Mar-19	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	**(2.95)**	**3.27**	(2.54)	2.82
Future salary growth (1% movement)	**3.16**	**(2.91)**	2.74	(2.53)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Other details	
Methodology Adopted for ALM	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Comment on Quality of Assets	Since investment is with insurance company, Assets are considered to be secured.

Note 44: Employee Stock Benefit Plans

I. EMPLOYEE STOCK GRANT SCHEME

a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.

b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.

c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.

d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.

f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.

g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

h) The details of the scheme are as below:

Scheme	**Grant Date**	**No. of Options**	**Vesting Condition**	**Exercise Price (₹) per share**	**Weighted average Exercise Price (₹) per share**	**Exercise period**
Employees Stock Grant Scheme 2011	From 2011 to 2019	896,684	Vested in the proportion of 1/3rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2020	**As at March 31, 2019**
Outstanding at the beginning of the year	**295,015**	224,011
Add: Bonus issue during the year	**-**	102,049
Add: Granted during the year	**162,917**	98,343
Less: Exercised during the year	**150,256**	114,546
Less: Forfeited/ lapsed during the year	**17,543**	14,842
Outstanding at the end of the year	**290,133**	**295,015**

Weighted average remaining contractual life of options as at 31st March, 2020 was ₹ 0.85 years (31-Mar-19 ₹ 0.83 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 658.45 (previous year ₹ 1213.37).

The fair value of the employee share options has been measured using the Black-Scholes formula. The following assumptions were used for calculation of fair value of grants:

	As at March 31, 2020	Year ended March 31, 2019
Risk-free interest rate (%)	**6.44%**	7.51%
Expected life of options (years)	**2.00**	2.00
Expected volatility (%)	**28.16%**	28.29%
Dividend yield	**2.28%**	1.05%
The price of the underlying share in market at the time of option grant (₹)*	**658.45**	**1139.45**

* March 2019 - Price is before issue of Bonus shares

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

Note 45: Corporate Social Responsibility (CSR) Expenditure

Expenditure related to CSR as per section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 25.34 crore (previous year ₹ 21.87 crore):

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue Expenditure in cash on CSR activities	**19.49**	21.90
TOTAL	**19.49**	**21.90**

Note 46: Financial Instruments

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ Crore

	Carrying amount / Fair Value				Fair value Hierarchy			
As at March 31, 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Loans	-	-	19.09	19.09	-	-	-	-
Other non-current financial assets	-	-	15.74	15.74	-	-	-	-
Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	80.06	80.06	80.10	-	-	80.10
Deposits with Non-Banking Financial Companies			555.34	555.34	-	555.34	-	555.34
Trade receivables	-	-	305.52	305.52	-	-	-	-
Cash and cash equivalents	-	-	63.76	63.76	-	-	-	-
Other bank balances	-	-	21.92	21.92	-	-	-	-

₹ Crore

	Carrying amount / Fair Value				Fair value Hierarchy			
As at March 31, 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans	-	-	0.05	0.05	-	-	-	-
Refunds/Incentives receivables from government authorities	-	-	133.13	133.13	-	-	-	-
Derivative assets - forward exchange contracts	4.79	-	-	4.79	-	4.79	-	4.79
Other current financial assets	-	-	22.78	22.78	-	-	-	-
TOTAL	**4.79**	**-**	**1,217.39**	**1,222.18**	**80.10**	**560.13**	**-**	**640.23**
Financial liabilities								
Non Current								
Lease liabilities	-	-	4.94	4.94	-	-	-	-
Current								
Borrowings - Commercial papers	-	-	317.33	317.33	-	317.33	-	317.33
Lease liabilities			3.48	3.48		-		
Trade and other payables	-	-	1,243.14	1,243.14	-	-	-	-
Other Current Financial Liabilities	-	-	62.67	62.67	-	-	-	-
TOTAL	**-**	**-**	**1,631.56**	**1,631.56**	**-**	**317.33**	**-**	**317.33**

There are no transfers between levels 1 and 2 during the year

₹ Crore

	Carrying amount / Fair Value				Fair value Hierarchy			
As at March 31, 2019	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Loans	-	-	16.99	16.99				-
Other Non-Current Financial Assets	-	-	31.07	31.07				-
Current				-				-
Investments				-				-
Non-convertible Debentures with Non-Banking Financial Companies	-	-	329.27	329.27	329.94	-	-	329.94
Mutual Funds	13.01	-	-	13.01	13.01	-	-	13.01
Deposits with Non-Banking Financial Companies	-	-	135.06	135.06	-	135.06	-	135.06
Trade receivables	-	-	353.18	353.18				-
Cash and cash equivalents	-	-	79.69	79.69				-
Other Bank balances	-	-	17.55	17.55				-
Loans	-	-	0.14	0.14				-
Refunds/Incentives receivables from Govt. Authorities	-	-	117.37	117.37				-
Other Current Financial Assets	-	-	21.46	21.46				-
TOTAL	**13.01**	**-**	**1,101.78**	**1,114.79**	**342.95**	**135.06**	**-**	**478.01**
Financial liabilities								
Current								
Trade and other payables	-	-	1,457.61	1,457.61	-	-	-	-
Derivative liability - forward exchange contracts	8.69	-	-	8.69	-	8.69	-	8.69
Other current financial liabilities	-	-	107.68	107.68	-	-	-	-
TOTAL	**8.69**	**-**	**1,565.29**	**1,573.98**	**-**	**8.69**	**-**	**8.69**

There are no transfers between levels 1 and 2 during the year

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture/ Commercial papers with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Financial Instruments	MTM from Banks	NA	NA

Note 47: Financial Risk Management

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company has constituted a Risk Management Committee and risk management policies which are approved by the Board to identify and analyze the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, foreign currency receivables/payables, EEFC bank account balances, investments and derivative financial instruments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

(ii) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions, commercial papers and non-convertible debentures (NCD's). Investments in mutual funds, deposits and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2020 is as below:

₹ Crore

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
	GBP	**USD**	**EURO**	**AED**
Financial assets				
Cash and cash equivalents	-	9.76	-	-
Trade and other receivables	-	90.79	29.28	-
Less: Forward contracts for trade receivables	-	-	-	-
Other Non-Current Financial Assets	-	15.74	-	-
Other Current Financial Assets	-	10.74	-	-
	-	**127.02**	**29.28**	**-**
Financial liabilities				
Trade and other payables	0.64	246.58	-	-
Less: Forward contracts for trade payables	-	(111.94)	-	-
Other Non-current financial liabilities		-	-	-
Other Current Financial Liabilities	-	0.25	1.29	-
	0.64	**134.89**	**1.29**	**-**
Net Exposure	**(0.64)**	**(7.87)**	**27.99**	**-**

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2019 is as below:

₹ Crore

	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
	GBP	USD	EURO	AED
Financial assets				
Cash and cash equivalents	-	6.39	-	-
Trade and other receivables	2.12	71.92	31.82	-
Less: Forward contracts for trade receivables	-	-	-	-
Other Non-Current Financial Assets	-	20.75	-	-
Other Current Financial Assets	-	10.27	-	-
	2.12	**109.33**	**31.82**	**-**
Financial liabilities				
Trade and other payables	0.42	313.06	0.20	-
Less: Forward contracts for trade payables	-	(201.72)	-	-
Other Non-current financial liabilities	-	-	-	-
Other Current Financial Liabilities	-	0.02	-	-
	0.42	**111.36**	**0.20**	**-**
Net Exposure	**1.70**	**(2.03)**	**31.62**	**-**

The following significant exchange rates have been applied during the year.

	Year-end spot rate as at	
INR	**March 31, 2020**	**March 31, 2019**
GBP INR	**93.08**	90.48
USD INR	**75.39**	69.35
EUR INR	**83.05**	77.69
ZAR INR	**4.23**	4.74
AED INR	**20.60**	18.84
JPY INR	**0.70**	**0.63**

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/AED against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2020		
5% movement		
GBP	-0.03	0.03
USD	(0.39)	0.39
EUR	1.40	(1.40)
	0.97	**(0.97)**

₹ Crore

Effect in INR	Profit or loss Strengthening	Profit or loss Weakening
March 31, 2019		
5% movement		
GBP	0.09	(0.09)
USD	(0.10)	0.10
EUR	1.58	(1.58)
AED	-	-
	1.56	**(1.56)**

B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its investing activities including investments in mutual funds, commercial papers, deposits with banks and financial institutions and Non-convertible debentures, foreign exchange transactions (including derivatives) and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly. Derivatives are entered into with banks as counter parties, which have high credit ratings assigned by rating agencies.

At March 31, 2020, the ageing for the financial assets as mentioned in the note below & that were not impaired (not provided for) was as follows.

₹ Crore

Trade Receivables	As at March 31, 2020	As at March 31, 2019
Neither past due nor impaired	**113.95**	188.62
Past due 1–90 days	**141.92**	125.80
Past due 91–120 days	**12.66**	14.00
Past due 120 days	**36.99**	24.76
	305.52	**353.18**

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Company uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers which comprise on large number of small balances.

The movement in the allowance for impairment in respect of trade receivables is as follows

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Opening balance	**6.34**	5.62
Impairment loss (released) /recognised during the year	**(0.85)**	0.72
Closing balance	**5.49**	6.34

C. MANAGEMENT OF LIQUIDITY RISK:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a robust cash management system. The Company maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

₹ Crore

	Contractual cash flows			
March 31, 2020	**Total**	**Less than 1 Year**	**1-3 years**	**More than 3 years**
Non-derivative financial liabilities				
Lease liabilities	10.01	4.01	5.22	0.77
Borrowings	317.33	317.33	-	-
Trade payables	1,243.14	1,243.14	-	-
Other Financial Liabilities	62.67	62.67	-	-
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	111.94	111.94	-	-
- Inflow	-	-	-	-

₹ Crore

	Contractual cash flows			
March 31, 2019	**Total**	**Less than 1 Year**	**1-3 years**	**More than 3 years**
Non-derivative financial liabilities				
Trade payables	1,457.61	1,457.61	-	-
Other Financial Liabilities	107.68	107.68	-	-
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	201.72	201.72	-	-
- Inflow	-	-	-	-

Note 48: Disclosure U/S 186 (4) Of The Companies Act, 2013

Details of Investments made are disclosed under Note 5 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 40.

Note 49: Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 50: Covid 19 Impact

In view of the lockdown in many of the States/Union Territories across the country due to the outbreak of COVID pandemic, operations in many of our locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down from second half of March 2020 and being operated as per the local guidelines of social distancing and high hygiene standards, wherever permitted. The duration of this lockdown in various geographies is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the respective Government authorities. While this has adversely impacted the sales performance, we continue to closely monitor the situation and take appropriate action, as necessary to scale-up the operations, in due compliance with the applicable regulations. As per our current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

Note 51: General

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Independent Auditors' Report

To the Members of Godrej Consumer Products Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Godrej Consumer Products Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associate, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The key audit matter	How the matter was addressed in our audit
Revenue recognition (Refer note 29 to the consolidated financial statements) Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals at year end, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates. Revenue is recognised when the control of the products being sold has transferred to the customer. There is a risk of revenue being overstated on account of manipulation in the timing of transfer of control, due to the pressure on the Group to achieve performance targets, at the reporting period end. Accordingly, revenue recognition is considered to be a key audit matter.	Our audit procedures included: • Assessing the Group's compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 'Revenue from contracts with customers' (applicable accounting standard); • Testing the design, implementation and operating effectiveness of the Group's general IT controls and key IT/manual application controls over the Group's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue (including period end cut-off) and compute discounts and volume rebates in the general ledger accounting system; • Performing substantive cut-off testing by selecting statistical samples of revenue transactions recorded at year-end and agreeing to the underlying documents, which included sales invoices and shipping documents; • Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; • Performing substantive testing by agreeing statistical samples of discounts and rebate accruals to underlying documents; • Assessing manual journals posted to revenue to identify unusual items.

The key audit matter	How the matter was addressed in our audit
Impairment evaluation of Goodwill (Refer note 52 to the consolidated financial statements) The carrying amount of Goodwill represents 35% of the Group's total assets. The identification of relevant Cash Generating Units (CGUs) for the annual impairment evaluation of Goodwill by the Group involves significant judgement. The impairment testing of Goodwill by the Group involves significant estimates and judgement due to the inherent uncertainty involved in forecasting, discounting future cash flows, and determining the recoverable amount. Accordingly, impairment assessment of goodwill is considered to be a key audit matter.	• Our audit procedures included: • Evaluating appropriateness of Group's basis to identify relevant CGUs; • Assessing Group's valuation methodology and challenging the assumptions used relating to weighted-average cost of capital, revenue, earnings and long-term growth rates, by involving our valuation specialists. • Comparing the weighted-average cost of capital with sector averages for the relevant markets in which the CGUs operate; • Performing sensitivity analysis by assessing the effect of possible reductions in the above assumptions on the recoverable amount; and • Evaluating the adequacy of the disclosures in respect of impairment evaluation of Goodwill in the consolidated financial statements.

Description of Key Audit Matters:

The key audit matter	How the matter was addressed in our audit
Intangible Assets- impairment assessment	Our audit procedures included:
(Refer note 52 to the consolidated financial statements) The carrying amount of trademarks / brands (indefinite life intangible assets) represent 15% of the Group's total assets. The annual impairment testing of these intangible assets by the Group involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.	Assessing the valuation methodology and challenging the assumptions used, in particular those relating to forecast revenue growth and earnings, weighted average cost of capital and royalty rates, with the assistance of our valuation specialists; Assessing the reliability of the financial projections prepared by the Group by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any; Performing sensitivity analysis on the assumptions noted above; and Evaluating the adequacy of disclosures in respect of impairment evaluation of intangible assets in the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements of 38 subsidiaries, whose financial statements reflect total assets of Rs.10,125.26 crores (before consolidated adjustments) as at 31 March 2020, total revenues of Rs. 7,284.90 crores (before consolidated adjustments) and net cash outflows amounting to Rs.174.18 crores (before consolidated adjustments) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

b) The consolidated financial statements also include the Group's share of net profit after tax (and other comprehensive income) of Rs.0.81 crores for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements . In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". We have not commented on the internal financial controls with reference to financial statements of the subsidiaries since all the subsidiaries are incorporated outside India.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its associate. Refer Note 41 to the consolidated financial statements.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long term contracts including derivative contracts. Refer Notes 26 and 50 to the consolidated financial statements in respect of such items as it relates to the Group and its associate.

iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company.

iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai : 13 May 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Godrej Consumer Products Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Godrej Consumer Products Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to consolidated financial statements

A Holding Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/
W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai : 13 May 2020

Consolidated Balance Sheet as At March 31, 2020

₹ Crore

		Note No.	As at March 31, 2020	As at March 31, 2019
I.	**ASSETS**			
1.	**Non-current assets**			
	(a) Property, Plant and Equipment	3	**1,205.02**	1,192.29
	(b) Capital work-in-progress		**55.67**	50.90
	(c) Right-of-use assets	4	**51.90**	-
	(d) Goodwill	5	**5,339.32**	4,918.03
	(e) Other Intangible assets	5	**2,635.16**	2,559.94
	(f) Intangible assets under development		**1.37**	1.16
	(g) Investments in associate	6	**34.80**	34.67
	(h) Financial Assets			
	(i) Loans	7	**22.63**	18.77
	(ii) Others	8	**36.63**	5.77
	(i) Deferred tax assets (net)	9D	**646.79**	549.32
	(j) Other non-current assets	10	**45.21**	53.39
	(k) Non-Current Tax Assets (net)	9C	**74.17**	97.43
	Total Non Current Assets		**10,148.67**	**9,481.67**
2.	**Current assets**			
	(a) Inventories	11	**1,703.12**	1,558.59
	(b) Financial Assets			
	(i) Investments	12	**637.18**	481.31
	(ii) Trade receivables	13	**1,157.25**	1,292.90
	(iii) Cash and cash equivalents	14A	**602.87**	862.21
	(iv) Bank balances other than (iii) above	14B	**167.29**	32.51
	(v) Loans	15	**3.27**	3.73
	(vi) Others	16	**164.51**	154.86
	(c) Other current assets	17	**372.85**	302.30
	Total Current Assets		**4,808.34**	**4,688.41**
	TOTAL ASSETS		**14,957.01**	**14,170.08**
II.	**EQUITY AND LIABILITIES**			
1.	**EQUITY**			
	(a) Equity Share capital	18	**102.23**	102.22
	(b) Other Equity	19	**7,796.13**	7,164.70
	Total Equity		**7,898.36**	**7,266.92**
2.	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	20	**2,145.04**	2,604.78
	(ii) Lease liabilities	4	**34.19**	-
	(iii) Other financial liabilities	21	**131.98**	217.55
	(b) Provisions	22	**116.98**	108.25
	(c) Deferred tax liabilities (net)	9E	**76.73**	76.53
	(d) Other non-current liabilities	23	**7.17**	4.27
	Total Non Current liabilities		**2,512.09**	**3,011.38**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	24	**518.70**	270.94
	(ii) Lease liabilities	4	**22.43**	-
	(iii) Trade payables			
	(a) Total outstanding dues of Micro and Small Enterprises	25	**27.15**	53.49
	(b) Total outstanding dues of creditors other than Micro and Small Enterprises	25	**2,453.34**	2,486.39
	(iv) Other financial liabilities	26	**1,336.04**	942.88
	(b) Other current liabilities	27	**84.71**	51.84
	(c) Provisions	28	**55.96**	50.85
	(d) Current tax liabilities (Net)	9C	**48.23**	35.39
	Total Current Liabilities		**4,546.56**	**3,891.78**
	TOTAL EQUITY AND LIABILITIES		**14,957.01**	**14,170.08**

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ Crore

		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue				
I.	Revenue from Operations	29	**9,910.80**	10,314.34
II.	Other income	30	**112.30**	108.76
III.	**Total Income (I + II)**		**10,023.10**	**10,423.10**
IV.	**Expenses**			
	Cost of Materials Consumed	31	**4,121.75**	4,062.43
	Purchases of Stock-in-Trade		**313.08**	337.36
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	**(173.15)**	154.54
	Employee Benefits Expense	33	**1,018.82**	1,068.41
	Finance costs	34	**217.41**	224.25
	Depreciation and Amortization Expenses	35	**197.28**	169.98
	Other Expenses	36	**2,487.27**	2,573.99
	Total Expenses		**8,182.46**	**8,590.96**
V.	**Profit before Exceptional Items, Share of Net Profits of equity accounted investees and Tax (III-IV)**		**1,840.64**	1,832.14
VI.	Share of net profits of equity accounted investees (net of income tax)		**0.81**	0.63
VII.	**Profit before Exceptional Items and Tax (V+VI)**		**1,841.45**	**1,832.77**
VIII.	Exceptional Items (Net)	37	**(81.05)**	252.56
IX.	**Profit before Tax (VII+VIII)**		**1,760.40**	**2,085.33**
X.	**Tax expense:**			
	(1) Current Tax	9A	**378.66**	417.90
	(2) Deferred Tax	9A	**(114.84)**	(674.10)
	Total Tax Expense		**263.82**	**(256.20)**
XI.	**Profit for the Year (IX-X)**		**1,496.58**	**2,341.53**
XII.	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plans		**(4.93)**	5.13
	(ii) Income tax related to items that will not be reclassifed to profit or loss	9A	**1.07**	0.21
			(3.86)	5.34
	B (i) Items that will be reclassified to profit or loss			
	a) Exchange differences in translating financial statements of foreign operations		**245.62**	146.75
	b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		**(18.56)**	(13.58)
			227.06	133.17
	Other Comprehensive Income (net of income tax) (A+B)		**223.20**	**138.51**
XIII.	**Total Comprehensive Income for the Year (XI+XII)**		**1,719.78**	**2,480.04**
	Profit attributable to:			
	Owners of the Company		**1,496.58**	2,341.53
	Non-controlling interests		**-**	-
	Other Comprehensive Income attributable to:			
	Owners of the Company		**223.20**	138.51
	Non-controlling interests		**-**	-
	Total comprehensive income attributable to:			
	Owners of the Company		**1,719.78**	2,480.04
	Non-controlling interests		**-**	-
XIV.	**Earnings per equity share (₹)**			
	1. Basic	38	**14.64**	22.91
	2. Diluted		**14.64**	22.90

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Consolidated Statement of cash flows for the year ended March 31, 2020

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Exceptional Items and Tax	**1,841.45**	1,832.77
	Adjustments for :		
	Depreciation, amortization and impairment expenses	**197.28**	169.98
	Bad Debts Written off	**6.25**	6.41
	Provision / Write off / (back) for Doubtful Debts / Advances	**(3.09)**	6.89
	Write back of Old Balances	**0.79**	(0.21)
	Expenses on Employee Stock Grant Scheme (ESGS)	**9.66**	9.12
	Loss on sale of Property, Plant & Equipment and Intangible assets (net)	**4.13**	0.59
	Finance cost	**217.41**	224.25
	Interest Income	**(76.25)**	(86.76)
	Share of profit of equity accounted investees	**(0.81)**	(0.63)
	Fair value (Gain) / Loss on financial assets measured at FVTPL (net)	**-**	(0.01)
	(Profit) on Sale of Investments (net)	**(4.53)**	(8.03)
	Adjustment due to hyperinflation	**13.49**	13.23
	Unrealised foreign exchange Loss (net)	**0.25**	13.78
		364.58	**348.61**
	Operating Profit Before Working Capital Changes	**2,206.03**	2,181.38
	Adjustments for :		
	(Increase) in inventories	**(177.50)**	(20.01)
	(Increase) / Decrease in trade receivables	**130.29**	(174.20)
	(Increase) in loans	**(3.40)**	(0.74)
	(Increase) / Decrease in other financial assets	**(34.19)**	39.74
	(Increase) in other non-current assets	**(11.73)**	(4.58)
	(Increase)/ Decrease in other current assets	**(73.35)**	21.62
	Increase / (Decrease) in trade and other payables	**(95.00)**	274.22
	(Decrease) in other financial liabilities	**(39.38)**	(51.42)
	Increase/ (Decrease) in other liabilities and provisions	**42.95**	(84.06)
		(261.31)	**0.57**
	Cash Generated from Operating Activities	**1,944.72**	**2,181.95**
	Income Taxes paid (net)	**(344.05)**	(435.07)
	Cash Flow before exceptional items	**1,600.67**	**1,746.88**
	Exceptional Items:		
	Restructuring Cost	**(12.56)**	(18.03)
	Net Cash Flow from Operating Activities (A)	**1,588.11**	**1,728.85**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment and intangible assets (net)	**(152.02)**	(207.73)
	Proceeds from Mutual Fund (Net)	**19.73**	106.80
	(Investments) in / proceeds from deposits with NBFCs (net)	**(400.10)**	192.43
	Proceeds from sale of non convertible debentures with NBFCs (net)	**249.21**	86.06
	Proceeds from sale of commercial papers	**-**	97.04
	Dividend from equity accounted investees	**0.68**	2.28
	Payment for Business Acquisitions	**(185.66)**	(425.33)
	Divestment of business unit, net of cash disposed of	**9.51**	278.22
	(Investments) in / proceeds from fixed deposits having maturities greater than 3 months (net)	**(131.61)**	29.68
	Interest Received	**57.00**	92.10
	Net Cash Flow from/ (used in) in Investing Activities (B)	**(533.26)**	**251.55**

Consolidated Statement of cash flows for the year ended March 31, 2020

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Allotment of Equity Shares under Employee Stock Grant Scheme*	**0.01**	-
	Proceeds from Commercial Paper	**247.33**	-
	Proceeds/ (repayments) of loans and borrowings excluding Commercial paper (net)	**(375.31)**	(344.69)
	Expenses on issue of bonus shares	**-**	(0.74)
	Principal Payment of lease liabilities	**(25.49)**	-
	Finance cost paid towards Lease liabilities	**(4.07)**	-
	Finance Cost paid	**(151.87)**	(214.67)
	Dividend Paid	**(817.82)**	(1,226.52)
	Dividend Distribution Tax Paid	**(168.11)**	(252.11)
	Net Cash Flow (used in) Financing Activities (C)	**(1,295.33)**	**(2,038.73)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(240.48)**	**(58.33)**
	CASH AND CASH EQUIVALENTS:		
	As at the beginning of the year ** (Refer Note 14A)	**862.21**	898.02
	Less: Cash credit	**(5.75)**	(3.42)
	Effect of exchange difference on translation of cash and cash equivalents on consolidation	**(15.02)**	20.19
	As at the end of the year ** (Refer Note 14A)	**602.87**	862.21
	Less: Cash credit	**(1.91)**	(5.75)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(240.48)**	**(58.33)**

* amount less than ₹ 0.01 crore

** Cash and Cash equivalents includes cash credits, that are repayable on demand and form an integral part of Group's cash management.

₹ Crore

Movement of loans and borrowings:	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	**3,376.30**	**3,504.15**
Cash Flows (net)	**(127.98)**	(344.69)
Add/(Less): Exchange difference	**268.12**	216.84
Closing Balance	**3,516.44**	**3,376.30**

Note:

1 The above consolidated statement of cash flow has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.

2 The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(a) Equity Share Capital

	Note No.	₹ Crore
As at April 1, 2018		68.13
Changes in equity share capital during the year		34.09
As at March 31, 2019		**102.22**
As at April 1, 2019		102.22
Changes in equity share capital during the year	18	0.01
As at March 31, 2020		**102.23**

Particulars	Reserves & Surplus				Other Comprehensive Income		Total	Total Equity
	Securities Premium	General Reserve	Other Reserves	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations		
Balance as at April 1, 2018	1,424.52	154.05	13.18	4,702.08	7.69	(111.34)	6,190.18	6,190.18
								-
Profit for the year	-	-	-	2,341.53	-	-	2,341.53	2,341.53
Remeasurements of defined benefit plans (net of tax)	-	-	-	5.34	-	-	5.34	5.34
Other comprehensive income for the year	-	-	-		(13.58)	146.75	133.17	133.17
Total comprehensive income for the year	**-**	**-**	**-**	**2,346.87**	**(13.58)**	**146.75**	**2,480.04**	**2,480.04**
								-
Premium received on allotment of shares / Exercise of Share Options	8.34	-	(8.34)	-	-	-	-	-
Deferred employee compensation expense	-	-	9.12	-	-	-	9.12	9.12
Issue of Bonus Shares	(34.07)						(34.07)	(34.07)
Impact on account of Hyperinflation for the year				4.97			4.97	4.97
Expenses on Issue of Bonus Shares	(0.75)						(0.75)	(0.75)
Dividends	-	-	-	(1,226.52)	-	-	(1,226.52)	(1,226.52)
Dividend Distribution Tax (DDT)	-	-	-	(252.11)	-	-	(252.11)	(252.11)
Revaluation of put option liability	-	-	-	(6.16)	-	-	(6.16)	(6.16)
Balance as at March 31, 2019	**1,398.04**	**154.05**	**13.96**	**5,569.13**	**(5.89)**	**35.41**	**7,164.70**	**7,164.70**

Particulars	Reserves & Surplus				Other Comprehensive Income		Total	Total Equity
	Securities Premium	General Reserve	Other Reserves	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations		
Balance as at April 1, 2019	1,398.04	154.05	13.96	5,569.13	(5.89)	35.41	7,164.70	7,164.70
Transition Impact of Lease as per IND AS 116 (net of tax) (Refer note 4)	-	-	-	(4.60)	-	-	(4.60)	(4.60)
Restated balance as at April 1,2019	**1,398.04**	**154.05**	**13.96**	**5,564.53**	**(5.89)**	**35.41**	**7,160.10**	**7,160.10**
Profit for the year			-	1,496.58	-	-	1,496.58	1,496.58
Remeasurements of defined benefit plans (net of tax)	-	-	-	(3.86)	-	-	(3.86)	(3.86)
Other comprehensive income for the year (Net) (refer note 19)	-	-	-	-	(18.56)	219.93	201.37	201.37
Total comprehensive income for the year	**-**	**-**	**-**	**1,492.72**	**(18.56)**	**219.93**	**1,694.09**	**1,694.09**
Premium received on allotment of shares / Exercise of Share Options	9.32		(9.32)	-	-	-	-	-
Deferred employee compensation expense	-	-	9.66	-	-	-	9.66	9.66
Dividends	-	-	-	(817.82)	-	-	(817.82)	(817.82)
Dividend Distribution Tax (DDT)	-	-	-	(168.11)	-	-	(168.11)	(168.11)
Revaluation of put option liability	-	-	-	(81.79)	-	-	(81.79)	(81.79)
Balance as at March 31, 2020	**1,407.36**	**154.05**	**14.30**	**5,989.53**	**(24.45)**	**255.34**	**7,796.13**	**7,796.13**

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

1) Corporate Information

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a Scheme of Arrangement as approved by the High Court, Mumbai. The Company is a fast moving Consumer Goods company, manufacturing and marketing Household and Personal Care products. The Company along with its subsidiaries, associate and joint venture is a public company limited by shares, incorporated and domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's registered office is at 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079. These Consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in an associate and a joint venture.

2) Basis of preparation, Measurement and Significant Accounting Policies

2.1 Basis of preparation and measurement

a. Basis of preparation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time

The Consolidated financial statements were authorized for issue by the Company's Board of Directors on May 13, 2020.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of classification of assets and liabilities into current and non-current.

b. Basis of measurement

These Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amounts:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value [refer accounting policy regarding financial instruments Note 2.5 (f)]

- Defined benefit plans – plan assets and share based payments measured at fair value [Note 2.5 (i)]

- Assets held for sale – measured at lower of carrying value or fair value less cost to sell [Note 2.5 (e)]

c. Principles of consolidation

The Company consolidates all the entities which are controlled by it.

The Company establishes control when, it has the power over the entity, is exposed or has rights to variable return from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interest and non-controlling interest are adjusted to reflect the change in their relative interest in the subsidiaries. Any difference between the amount at which the non- controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Company.

Investments in associate and joint venture are accounted using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

d. Business combination and goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the Consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair value at the acquisition date.

Purchase consideration paid in excess of the fair value of the net assets acquired is recognized as goodwill. Where the fair value of the identifiable assets and liabilities exceeds the cost of acquisition after reassessing sale values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at non-controlling interest's proportionate share of acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfer of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve.

e. Classification of Argentina as a hyperinflationary economy

The Argentinian economy was designated as hyperinflationary from 1 July 2018. As a result, application of Ind AS 29 'Financial Reporting in Hyperinflationary Economies' has been applied for the first time to the Group's subsidiaries whose functional currency is the Argentinian Peso. Ind AS 29 requires that adjustments are applicable from the start of the group's reporting period i.e. from 1st April 2018. Ind AS 21, "The Effects of Changes in Foreign Exchange Rates", does not require prior period comparatives to be restated due to hyperinflation, consequently, the comparative numbers for such entities are the same as reported in Consolidated financial statements of previous periods. The effect of retranslation of Equity share capital, securities premium and other reserves due to hyperinflation has been recorded in the Foreign currency translation reserve.

The application of Ind AS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- Adjustment of the income statement for inflation during the reporting period;
- Translation of the income statement at the closing rate instead of an average rate; and
- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement

on holding monetary assets and liabilities in local currency.

The main effects on the Group Consolidated financial statements for the year ended March 31, 2020 are:

- Net assets increased by ₹ 24.91 crore (Mar-31-2019: ₹ 36.51 crore) mainly due to restatement of property, plant and equipment, intangible assets, deferred tax assets and inventories with corresponding increase in Total equity as at March 31, 2020;
- Opening retained earnings as on 1st April 2018 decreased by ₹ 13.50 crore reflecting the impact of adjusting the historical cost of non-monetary assets and liabilities from the date of their initial recognition to 1st April 2018 for the effect of inflation;
- Total Revenue from operation is reduced by ₹ 0.75 crore (Mar-31-2019: ₹ 21.26 crore);
- Profit after tax is reduced by ₹ 30.77 crore (Mar-31-2019: ₹ 9.09 crore) and
- A net monetary gain of ₹ 1.21 crore (Mar-31-2019: ₹ 0.16 crore) (grouped under finance cost) is recognised from the inflation and exchange rate movements in the year on the net monetary items held in Argentinian Peso and adjustment to income statement.

2.2 Key estimates and assumptions

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; [Note 2.5 (a)]

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; [Note 2.5 (b)]

iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; [Note 44]

iv. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward and MAT credit can be used; [Note 2.5 (n)]

v. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; [Note 2.5(j)]

vi. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; [Note 2.5(l)]

vii. Rebates and sales incentives accruals [Note 2.5 (k)]

viii. Fair value of financial instruments [Note 2.3]

ix. Impairment of Goodwill [Note 2.5 (b)]

x. Impairment of financial and non-financial assets [Note 2.5 (d) and (f)]

2.3 Measurement of fair values

The Group's accounting policies and disclosures require certain financial and non-financial assets and liabilities to be measured at fair values.

The Group has an established control framework with respect to the measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in the Note 2.5.(f).

2.4 Significant Accounting Policies

a. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013, except the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

- Leasehold land is amortised equally over the lease period.
- Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- Office Equipments are depreciated over 5 to 10 years.
- Tools are depreciated over a period of 9 years, and dies and moulds over 3 years.
- Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.
- In some of the subsidiaries, useful lives are estimated to be lower or higher as compared to useful lives defined in Schedule II of the Companies Act 2013 for certain class of assets due to different geographical environment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b. Goodwill and other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization (where applicable) and accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized, and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets with definite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and period are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Amortization of other intangible assets

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Software licenses	6 years
Trademarks	10 years
Technical knowhow	10 years

Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of 10 years, except in the case of Soft & Gentle, Non-Valon brands like Pride, Climax, Odonil, Supalite, Twilite, Lavik, Peurex, Corawwi and Simba brands where the brands are amortised equally over a period of 20 years.

Brands like Goodknight, Hit, SON, Pamela Grant and Millefiori are assessed as intangibles having indefinite useful life and are not amortised in the Consolidated financial statements, but are tested for impairment annually.

Residual value is estimated to be immaterial by management and hence has been considered at ₹ 1.

c. Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

d. Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial (except for inventories and deferred tax assets) assets are assessed at the end of each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro-rata based on the carrying amount of each asset in the unit.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

e. Assets held for sale

Non-current assets or disposal comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met (i) decision has been made to sell (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be conducted within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and futures.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

- A financial asset is measured at the amortised cost if both the following conditions are met. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss.
The losses arising from impairment are recognised in the profit or loss.
This category generally applies to trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at FVOCI if it means both of the following conditions and is not designated as at FVTPL

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

Financial assets at fair value through profit and loss (FVTPL)

A financial asset, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. This includes all derivative financial assets.

In addition, the Group may, at initial recognition, irrevocably designate a financial asset, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology and applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies a simplified approach. It recognise impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value and net gains and losses including any interest expenses are recognised in profit or loss.

In the case of loans and borrowings and payables, these are measured at amortised cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognised in Consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated

as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

g. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, futures and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit and loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group risk management objective and strategy for undertaking the hedge, the hedging economic relationship the hedged item or transaction the nature of the risk being hedged, hedge ration and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

<u>Cash flow hedges</u>

When a derivative is designed as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, the hedge accounting is discontinued prospectively. When hedge accounting for a cash flow hedge is discontinued, the amount the has been accumulated in other equity remains there until is reclassified to profit and loss account in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

h. Inventories

Inventories are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs are computed on the weighted average basis and are net of recoverable tax credits.

Raw materials, packing materials and Stores: Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition.

Finished goods and work-in-progress: In the case of manufactured inventories and work-in-progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition.

Finished goods valuation also includes excise duty (to the extent applicable). Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

If payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

i. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

j. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity**.** Contingent Assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits is probable.

k. Revenue Recognition

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration expected to be received in exchange for those goods. Revenue excludes taxes or duties collected on behalf of the government

Sale of goods

Revenue from sale of goods is recognized when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/delivery for export sales

The Group recognizes revenues on the sale of products, net of returns, discounts (sales incentives/rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Royalty & Technical Fees

Royalty is recognized on accrual basis in accordance with the substance of the relevant agreement.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in profit or loss on the date on which the Group's right to receive payment is established.

l. Employee Benefit

i. Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Consolidated Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date. The fair value of the employee share options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. Post-Employment Benefits

Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Consolidated Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 or as applicable in the respective geography and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other Long Term Employee Benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Actuarial gains and losses in respect of such benefits are charged to the Consolidated Statement Profit or Loss account in the period in which they arise.

m. Leases

Effective 1 April, 2019, the Group adopted IND AS 116 - Leases. The Group applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17.

Accounting policy applicable before 1st April 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

As a lessee

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Accounting policy applicable from April 1, 2019

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- The Group has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the Group has the right to use the asset or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, the Group allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects the Group will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using the Group's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented under "Non-current assets" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lessor

At the commencement or modification of a contract, that contains a lease component, the Group allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The Group tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the Group as a lessor, in the comparative period, were not different from IND AS 116.

Transitional impact:
On transition to IND AS 116, the Group elected to apply practical expedients given by the standard as follows:

(a) The Group has not re-assessed whether a contract is, or contains, a lease at the date of initial application instead it applied the standard to those contracts that were previously identified as leases applying IND AS 17, Leases. Standard is not applied to those contracts that were not previously identified as containing a lease applying IND AS 17.

(b) IND AS 116 is applied retrospectively, with the cumulative effect of initially applying the Standard, is recognised at the date of initial application. The same approach is adopted for all the leases.

(c) Comparative information are not restated and it is presented as reported under IND AS 17. The cumulative effect of initially applying this Standard, is done as an adjustment, to the opening balance of retained earnings, at the date of initial application.

(d) For the leases which is previously classified as operating lease, under IND AS 17, the Group recognised the lease liability by measuring the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application.

(e) The Group recognised, Right-of-use asset, at the date of initial application, for leases previously classified as an operating lease applying IND AS 17. Right-of-use asset is measured, on a lease by lease basis, at carrying amount assuming the standard is applied since the commencement date. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application. The Group also assessed the Right-of-use asset for impairment as per IND AS 36, Impairment of assets, at the date of initial application.

(f) During transition, no adjustments is made for leases for which the underlying asset is of low value.

(g) The Group has applied a single discount rate for portfolio of leases which has reasonably similar characteristics.

(h) During transition, impact of IND AS 116 is not given for those leases for which the lease term ends within 12 months of the date of initial application. Those leases were accounted as short term leases as per IND AS 116.

n. Income Tax

Income tax expense / income comprises current tax expense income and deferred tax expense / income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognised amounts; and

- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognized in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax base of investments in subsidiaries, branches, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if:

i. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Group will pay normal tax during the specified period.

o. Foreign Currency Transactions and Translation

i. Functional and Presentation currency

The Consolidated financial statements are prepared in Indian Rupees (INR "₹") which is also the Parent Company's functional currency.

ii. Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise except for the qualifying cash flow hedge, which are recognized in other comprehensive income to the extent that the hedges are effective.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income, qualifying cash flow hedge to the extent that the hedges are effective.

In respect of non-monetary items, where a gain or loss is recognized in other comprehensive income as required by other Ind AS, the exchange component of that gain or loss is also recognized in other comprehensive income.

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operations recognized in OCI is reclassified to Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate of exchange at the reporting date

p. Government grants

Government grants, including non-monetary grants at fair value are recognised when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit and loss on a straight-line basis over the expected lives of the related assets.

q. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. A corresponding amount is recognized directly in equity.

r. Earnings Per Share

Basic Earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance.

The Group has identified geographical segments as its reporting segments based on the CODM approach. Refer Note 53 in the Consolidated financial statements for additional disclosures on segment reporting.

t. Exceptional Items

In certain cases when, the size, type or incidence of an item of income or expenses, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying the Consolidated financial statements.

2.5 Standards issued but not yet effective

Ministry of Corporate affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Note 3: Property, Plant and Equipment

₹ Crore

Particulars	Owned Assets								Assets given on lease			Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	Vehicles	
Year ended March 31, 2020												
Gross carrying amount												
Opening gross carrying amount	60.08	86.83	491.29	45.08	634.14	35.49	45.79	29.77	55.03	90.26	1.99	1,575.75
Additions	0.10	-	28.77	2.17	105.40	2.32	8.89	3.34	9.43	-	-	160.42
Disposals	-	-	(0.01)	(0.10)	(3.27)	(0.29)	(7.97)	(0.16)	(3.46)	-	(0.08)	(15.34)
Hyperinflationary adjustment #	(0.06)	-	0.76	-	2.91	0.80	0.22	1.13	1.47	-	-	7.23
Other Adjustments (consist of exchange difference on translation of foreign operations)	(4.09)	3.25	(8.63)	0.33	(28.78)	(3.62)	(4.43)	(0.99)	(3.06)	-	(0.10)	(50.11)
Closing Gross Carrying Amount	**56.03**	**90.08**	**512.18**	**47.48**	**710.40**	**34.70**	**42.50**	**33.09**	**59.41**	**90.26**	**1.81**	**1,677.95**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	6.06	46.82	21.49	226.52	11.39	18.99	10.07	34.30	5.83	1.99	383.46
Depreciation charge during the year	-	0.89	18.23	7.17	73.37	4.12	8.73	3.97	10.87	1.50	-	128.85
Additional depreciation due to hyperinflation #	-	-	0.63	-	1.26	0.19	0.07	0.36	0.62	-	-	3.13
Impairment	-	-	-	-	1.75	-	-	-	-	-	-	1.75
Disposals	-	-	-	(0.09)	(1.98)	(0.11)	(6.43)	(0.16)	(3.37)	-	(0.08)	(12.22)
Hyperinflationary adjustment #	-	-	(0.62)	-	1.83	0.33	0.07	0.38	0.98	-	-	2.97
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.17	(3.61)	0.42	(23.17)	(2.70)	(3.16)	(0.61)	(2.26)	-	(0.10)	(35.02)
Closing Accumulated Depreciation	**-**	**7.12**	**61.45**	**28.99**	**279.58**	**13.22**	**18.27**	**14.01**	**41.14**	**7.33**	**1.81**	**472.92**
Net Carrying Amount	**56.03**	**82.96**	**450.73**	**18.49**	**430.82**	**21.48**	**24.23**	**19.08**	**18.27**	**82.93**	**-**	**1,205.02**

Particulars	Owned Assets								Assets given on lease			Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	Vehicles	
Year ended March 31, 2019												
Gross carrying amount												
Opening gross carrying amount	37.75	80.02	394.27	52.47	517.26	32.17	44.63	23.96	46.73	90.26	2.05	1,321.57
Hyperinflation restatement as on 1st April 2018#	0.10	-	5.77	-	7.01	1.19	0.14	1.42	1.63	-	-	17.26
Additions	26.25	3.02	92.27	2.12	100.12	4.69	8.57	4.94	9.77	-	-	251.75
Disposals	(3.00)	-	(4.57)	(2.69)	(2.44)	(1.05)	(7.12)	(0.50)	(4.31)	-	(0.12)	(25.80)
Hyperinflationary Adjustments#	0.07	-	6.87	-	6.24	1.36	0.24	2.10	2.62	-	-	19.50
Other Adjustments (consist of exchange difference on translation of foreign operations)	(1.09)	3.79	(3.32)	(6.82)	5.95	(2.87)	(0.67)	(2.15)	(1.41)	-	0.06	(8.53)
Closing Gross Carrying Amount	**60.08**	**86.83**	**491.29**	**45.08**	**634.14**	**35.49**	**45.79**	**29.77**	**55.03**	**90.26**	**1.99**	**1,575.75**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	4.11	27.59	17.83	145.70	7.70	15.33	5.64	23.84	5.68	1.79	255.21
Hyperinflation restatement as on 1st April 2018#			1.10	-	4.77	0.88	0.05	0.83	1.25	-	-	8.88
Depreciation charge during the year	-	1.78	16.16	6.19	72.90	4.69	9.13	3.61	11.63	1.50	0.27	127.86
Additional Depreciation due to Hyperinflation#			0.47	-	0.92	0.11	0.03	0.23	0.43	-	-	2.19
Disposals	-	-	1.19	(1.00)	(0.45)	(1.00)	(5.42)	(0.49)	(4.05)	(1.35)	(0.12)	(12.69)
Hyperinflationary Adjustments#			0.95	-	3.76	0.66	0.08	0.73	1.53		-	7.71
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.17	(0.64)	(1.53)	(1.08)	(1.65)	(0.21)	(0.48)	(0.33)	-	0.05	(5.70)
Closing Accumulated Depreciation	**-**	**6.06**	**46.82**	**21.49**	**226.52**	**11.39**	**18.99**	**10.07**	**34.30**	**5.83**	**1.99**	**383.46**
Net Carrying Amount	**60.08**	**80.77**	**444.47**	**23.59**	**407.62**	**24.10**	**26.80**	**19.70**	**20.73**	**84.43**	**-**	**1,192.29**

Refer Note 54 for property, plant and equipment pledged as security against borrowings.

Ind AS 29 "Financial Reporting in Hyperinflationary Economies" has been applied to the Group's entities with a functional currency of Argentina Peso. Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" has been applied to translate the financial statements of such entities for consolidation.

Note 4: Leases

As a lessee:

₹ Crore

Right-of-Use assets	**As at March 31, 2020**				
	Building	**Plant and Equipment**	**Vehicles**	**Others**	**Total**
Recognised at April 1, 2019 (transition)	**63.68**	**-**	**-**		**63.68**
Additions during the year	**12.51**	**2.06**	**0.45**	**0.32**	**15.34**
Depreciation charge for the year	**(27.13)**	**(0.04)**	**(0.07)**	**(0.03)**	**(27.27)**
Exchange difference	**0.09**	**0.13**	**(0.03)**	**(0.04)**	**0.15**
Balance as at March 31, 2020	**49.15**	**2.15**	**0.35**	**0.25**	**51.90**

Maturity analysis - contractual undiscounted cash flows:

₹ Crore

Lease liabilities	**As at March 31, 2020**
Less than one year	**25.90**
One to three years	**29.28**
Three to Five years	**8.47**
More than 5 years	**0.76**
Total undiscounted lease liabilities as at March 31, 2020	**64.41**

₹ Crore

Lease liabilities (discounted value)	**As at March 31, 2020**
Non-current	**34.19**
Current	**22.43**
Total	**56.62**

Amounts recognized in statement of profit and loss:

₹ Crore

Lease liabilities	**Year ended March 31, 2020**
Interest on lease liabilities	**4.07**
Expenses relating to short-term leases	**69.34**
Expenses relating to low value leases	**0.76**
Total	**74.17**

Weighted average incremental borrowing rate applied %	**8.26%**

As a lessor:

Lease liabilities	**Year ended March 31, 2020**
Operating lease income	**9.13**
Total	**9.13**
Undiscounted lease payments to be received after March 31, 2020	
Less than one year	**0.76**
Total undiscounted lease payments	**0.76**

Changes in accounting policy

Transition impact as on April 1, 2019	**₹ Crore**
Right-of-use assets	**63.68**
Prepaid expenses	**-3.26**
Deferred tax asset	**1.59**
Lease liabilities	**-66.61**
Retained earnings	**4.60**
Incremental Borrowing Rate	**8.1%**

Note 5: Intangible Assets

₹ Crore

Particulars	**Goodwill (Refer note 52)**	**Other Intangible assets**			**Total Other Intangible assets**
		Trademarks and Brands *	**Computer Software**	**Technical Knowhow**	
Year ended March 31, 2020					
Opening Gross carrying amount	4,918.03	2,514.43	118.86	0.10	2,633.39
Additions	-	2.38	7.14	-	9.52
Disposals	-	-	(1.37)	-	(1.37)
Hyperinflationary adjustment #	-	3.74	0.34		4.08
Other Adjustments (consist of exchange difference on translation of foreign operations)	451.29	146.49	0.93	-	147.42
Closing Gross Carrying Amount	**5,369.32**	**2,667.04**	**125.90**	**0.10**	**2,793.04**
Accumulated Amortisation					
Opening Accumulated Amortisation	-	12.53	60.82	0.10	73.45
Amortization recognised for the year	-	17.66	17.11	-	34.77
Additional amortisation due to hyperinflation #	-	0.81	0.70		1.51
Disposals	-	-	(0.52)	-	(0.52)
Impairment (Refer Note 52)	30.00	40.48	-	-	40.48
Hyperinflationary adjustment #	-	3.31	(0.70)	-	2.61
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	2.79	2.79	-	5.58
Closing Accumulated Amortisation	**30.00**	**77.58**	**80.20**	**0.10**	**157.88**
Net Carrying Amount	**5,339.32**	**2,589.46**	**45.70**	**-**	**2,635.16**

₹ Crore

Particulars	Goodwill (Refer note 52)	Other Intangible assets			Total Other Intangible assets
		Trademarks and Brands *	Computer Software	Technical Knowhow	
Year ended March 31, 2019					
Opening Gross carrying amount	4,718.87	2,524.60	106.86	1.85	2,633.31
Hyperinflation restatement as on 1st April 2018#		4.11	3.90		8.01
Additions	-	-	11.33	-	11.33
Disposals	-	(134.02)	(5.29)	(1.75)	(141.06)
Hyperinflationary adjustment#		3.21	4.39		7.60
Other Adjustments (consist of exchange difference on translation of foreign operations)	199.16	116.53	(2.33)	-	114.20
Closing Gross Carrying Amount	**4,918.03**	**2,514.43**	**118.86**	**0.10**	**2,633.39**
Accumulated Amortisation					
Opening Accumulated Amortisation		63.60	39.14	0.80	103.54
Hyperinflation restatement as on 1st April 2018#		2.49	3.48		5.97
Amortisation recognised for the year	-	21.30	17.36	0.17	38.83
Additional Amortization due to hyperinflation#		0.70	0.40		1.10
Disposals	-	(78.07)	(2.94)	(0.87)	(81.88)
Hyperinflationary adjustment		1.93	3.02		4.95
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.58	0.36	-	0.94
Closing Accumulated Amortisation	**-**	**12.53**	**60.82**	**0.10**	**73.45**
Net Carrying Amount	**4,918.03**	**2,501.90**	**58.04**	**-**	**2,559.94**

NOTE :

* Includes trademarks / brands amounting to ₹ 2,337.34 crore (Mar-31-2019 : ₹ 2,248.97 crore) that have an indefinite life and are tested for impairment at every year end. Based on analysis of all relevant factors (brand establishment, stability, types of obsolescence etc.), there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company. Refer Note 52 for details of impairment for trademarks / brands with indefinite useful life.

Ind AS 29 “Financial Reporting in Hyperinflationary Economies” has been applied to the Group’s entities with a functional currency of Argentina Peso . Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” has been applied to translate the financial statements of such entities for consolidation. Refer Note 2.I (e) for impact of these standards.

Note 6: Investments in Associate

₹ Crore

	Face Value	Numbers		Amounts	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unquoted, fully paid up:					
(a) Investments in Equity Instruments of Associate Company					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	**4,967**	4,967	**22.80**	22.67
(b) Investments in Compulsorily Convertible Debentures of Associate Company					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	**3,060**	3,060	**12.00**	12.00
TOTAL				**34.80**	**34.67**

Note:

The Group's interest in associate is accounted for using the equity method in the Consolidated financial statements.

Note 7: Loans (Non-Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good, Unless Otherwise Stated		
Security Deposits	**22.00**	18.53
Others	**0.63**	0.24
TOTAL	**22.63**	**18.77**

Note 8: Other Non-Current Financial Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Fixed Deposits with maturity of more than 12 months	**32.12**	-
Others (includes sundry deposits)	**4.51**	5.77
TOTAL	**36.63**	**5.77**

Note 9: Income Taxes

A Income tax expense consists of the following:

i Tax expense recognised in the Statement of Profit and Loss

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
Current tax on profits for the year	**378.66**	417.90
Deferred tax (net)	**(158.69)**	(64.23)
MAT credit recognised	**-**	(634.58)
MAT credit utilised	**43.85**	24.71
Total income tax expense	**263.82**	**(256.20)**

ii Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during the year :

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
On remeasurements of defined benefit plans		
Current tax	**0.35**	0.08
Deferred tax	**0.72**	0.13
TOTAL	**1.07**	**0.21**

B Reconciliation of tax expense and the accounting profit

The reconciliation between estimated income tax expense at statutory income tax rate and income tax expense reported in Consolidated Statement of Profit and Loss is given below:

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Profit Before Tax	**1,760.40**	2,085.33
Statutory Income tax rate	**32.79%**	29.90%
Expected income tax expense	**577.30**	623.60
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Deduction under Sec 80IC & 80IE of Indian Income Tax Act, 1961	**(205.82)**	(168.12)
Effect of other tax offsets	**3.19**	1.66
Tax impact of income not subject to tax	**(0.68)**	(59.93)
Tax effects of amounts which are not deductible for taxable income	**7.23**	8.69
MAT Credit recognised	**-**	(634.58)
Tax benefit in respect of intangible assets (refer note in E below)	**(89.97)**	(98.03)
Reversal of DTL due to rate change (refer note in F below)	**(78.14)**	-
Adjustments for current tax of prior periods (Excess MAT utilised)	**6.50**	-
Deferred Tax Asset not recognised on losses	**24.31**	57.74
Others	**19.90**	12.77
Total income tax expense	**263.82**	**(256.20)**

The Company benefits from the tax holiday available to units set up under section 80-IC and 80-IE of Income Tax Act, 1961. These tax holidays are available for a period of ten years from the date of commencement of operations.

C Tax Assets And Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Non-Current Tax Assets (net)	**74.17**	97.43
Current Tax Liabilities (net)	**48.23**	35.39

D Deferred Tax Assets (Net Of Liabilities):

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability on account of :		
Property, Plant and Equipment	**(35.54)**	(42.92)
Intangible assets	**(195.26)**	(253.00)
Others	**(0.81)**	(1.76)
Deferred Tax Asset on account of :		
Defined benefit obligations	**30.96**	36.78
Intangible assets (Refer Note)	**176.29**	99.56
Provisions	**72.03**	63.50
MAT credit	**566.02**	609.87
Others (includes hyperinflation)	**33.10**	37.29
Total Deferred Tax Assets	**646.79**	**549.32**

E Deferred Tax Liabilities (Net Of Assets):

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability on account of :		
Property, Plant and Equipment	**(19.02)**	(10.94)
Intangible assets	**(124.88)**	(91.08)
Others	**(0.48)**	(2.29)
Deferred Tax Asset on account of :		
Defined benefit obligations	**0.19**	0.19
Provisions	**1.83**	6.71
Tax losses	**50.24**	19.61
Others	**15.39**	1.27
Total Deferred Tax (Liabilities)	**(76.73)**	**(76.53)**
Net Deferred Tax (Liabilities) / Assets	**570.06**	**472.79**

NOTE:

During the year, there has been sale of certain brands within the Group's entities that shall derive benefits of future tax deductions for the Group. Consequently, a deferred tax asset amounting to ₹ 113.82 crore (31-Mar-19: ₹ 93.95 crore) has been recognised in the Consolidated Financial Statements.

F Movement in Deferred Tax (Liabilities) / Asset

₹ Crore

	Property, plant and equipment	Intangible assets	Other Deferred Tax Liability	Defined benefit obligations	Provisions	MAT Credit	Other Deferred Tax Asset	Deferred Tax Liability / Asset (net)
As at April 1, 2018	(57.78)	(311.61)	(2.44)	33.35	91.17	-	52.70	(194.61)
Charged/(credited) :								
- to profit or loss	3.92	68.63	(1.61)	3.49	(15.67)	609.87	5.47	674.10
- foreign currency translation		-			(5.29)			(5.29)
- to other comprehensive income	-	-	-	0.13	-	-	-	0.13
- transfer due to divestment	-	(1.54)	-	-	-	-	-	(1.54)
As at March 31, 2019	**(53.86)**	**(244.52)**	**(4.05)**	**36.97**	**70.21**	**609.87**	**58.17**	**472.79**
Charged/(credited) :								
- to profit or loss	(0.70)	120.55	2.76	(6.54)	3.65	(43.85)	38.97	114.84
- foreign currency translation	-	(19.88)	-	-	-	-	-	(19.88)
- to other comprehensive income	-	-	-	0.72	-		-	0.72
- to reserves	-	-	-	-	-	-	1.59	1.59
As at March 31, 2020	**(54.56)**	**(143.85)**	**(1.29)**	**31.15**	**73.86**	**566.02**	**98.73**	**570.06**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred tax assets (including MAT credit) and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

The Group has not recognized deferred tax liability on undistributed profits of its subsidiaries and associates amounting to ₹ 851.34 crores (Mar-31-2019 : ₹ 634.13 crores) because it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax against which the MAT paid will be adjusted. During the year the Group has utilised MAT credit of ₹ 43.85 crores (Mar-31-2019 : ₹ 24.71 crores) . Group has re-assessed its utilization of MAT credit,considering business projections, benefits available from tax holiday, remaining period for such benefits etc based on which there is reasonable certainty of utilizing the balance credit of ₹ 566.02 crores (Mar-31-2019 : ₹ 609.87 crores) in future years against the normal tax expected to be paid in those years.

The Company has evaluated the option of lower tax rates allowed under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Considering the MAT credit available, the Company has elected not to exercise the option permitted under Section 115 BAA.

Further the Company/Group expects to utilise the deferred tax balances over subsequent periods which have been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Consequently, the Company/ Group has reversed deferred tax liabilities amounting to ₹ 78.14 crore and reversed deferred tax assets of ₹ 31.77 crore for the year ended March 31,2020.

On 30th March 2019, MCA has issued an amendment regarding the income tax uncertainty over Income tax treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year.

Note 10: Other Non-Current Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Capital Advances	**7.21**	29.38
Balances with Government Authorities	**37.18**	22.94
Other non-current assets		
Considered Good-Unsecured	**0.82**	1.07
	0.82	**1.07**
TOTAL	**45.21**	**53.39**

Note 11: Inventories

₹ Crore

	As at March 31, 2020	As at March 31, 2019
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	**966.47**	987.70
Goods-in Transit	**5.93**	16.48
	972.40	**1,004.18**
Work-in-Progress	**101.47**	69.51
Finished goods	**538.39**	415.05
Stock-in-Trade	**69.38**	51.53
Stores and Spares	**21.48**	18.32
TOTAL	**1,703.12**	**1,558.59**

Refer Note 54 for Assets pledged as security

Note 12: Investments (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unquoted, fully paid up:		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	**1.78**	16.98
At Amortised Cost		
Investments in Deposits with Non-Banking Financial Companies	**555.34**	135.06
Quoted, fully paid up:		
At Amortised Cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**80.06**	329.27
TOTAL	**637.18**	**481.31**
Aggregate amount of unquoted investments	**557.12**	152.04
Aggregate amount of quoted investments	**80.06**	329.27
Aggregate Market Value of quoted Investments	**80.10**	329.94

Note 13: Trade Receivables

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Considered Good- Secured	**0.80**	7.17
Considered Good - Unsecured	**1,156.45**	1,285.73
Trade Receivables which have significant increase in Credit Risk		-
Trade Receivables - credit impaired	**41.72**	48.99
Less: Impairment allowance for Doubtful Debts	**(41.72)**	(48.99)
TOTAL	**1,157.25**	**1,292.90**

Refer credit risk in note 49 (B)

Refer Note 54 for Assets pledged as security

NOTE:

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

Note 14A: Cash and Cash Equivalents

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
- In Current Accounts	**512.27**	703.59
- Deposits with less than 3 months original maturity	**85.56**	153.92
	597.83	**857.51**
Cheques, Drafts on Hand	**0.04**	-
Cash on hand	**5.00**	4.70
TOTAL	**602.87**	**862.21**

Note 14B: Other Bank Balances

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Deposits with maturities more than 3 months but less than 12 months (Refer Notes below)	**149.64**	18.03
In Unpaid Dividend Accounts	**17.65**	14.48
TOTAL	**167.29**	**32.51**

NOTE:

The fixed deposits include deposits under lien against bank guarantees ₹ 4.24 crore (Mar-31-2019 : ₹ 2.99 crore)

Note 15: Loans (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good, Unless Otherwise Stated		
Security Deposits	**3.22**	3.67
Other Loans and Advances	**0.05**	0.06
TOTAL	**3.27**	**3.73**

Note 16: Other Current Financial Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Derivatives		
Interest rate swaps	**1.50**	2.43
Foreign-exchange forward contracts	**7.25**	-
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	**133.13**	117.37
Considered Doubtful	**15.62**	15.62
Less: Impairment allowance for doubtful advances	**(15.62)**	**(15.62)**
	133.13	**117.37**
Others (includes insurance claim receivables & export incentive receivables)	**22.63**	35.06
TOTAL	**164.51**	**154.86**

Note 17: Other Current Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Balances with Government Authorities	**171.45**	152.08
Contract Assets (right to receive inventory)	**8.56**	6.59
Other Advances		
Considered Good	**191.91**	143.63
Considered Doubtful	**0.37**	1.32
Less: Provision for Doubtful Advances	**(0.37)**	(1.32)
	191.91	**143.63**
Other assets	**0.93**	-
TOTAL	**372.85**	**302.30**

Note 18: Share Capital

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Authorised		
1,030,000,000 Equity Shares (Mar-31-2019 : 1,030,000,000) of ₹ 1 each	**103.00**	103.00
10,000,000 Preference Shares (Mar-31-2019 : 10,000,000) of ₹ 1 each	**1.00**	1.00
Issued		
1,022,347,476 Equity Shares (Mar-31-2019 : 1,022,197,220) of ₹ 1 each	**102.23**	102.22
Subscribed and Fully Paid up		
1,022,316,352 Equity Shares (Mar-31-2019 : 1,022,166,096) of ₹ 1 each fully paid up	**102.23**	102.22
TOTAL	**102.23**	**102.22**

NOTES:

a) During the year, the Company has issued 1,50,256 equity shares (31-Mar-2019: 1,14,546) under the Employee Stock Grant Scheme.

b) 31,124 Right Issue equity shares (31-Mar-2019 31,124 equity shares) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order from courts/claim is awaited.

c) The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	**1,02,21,66,096**	**102.22**	68,13,29,518	68.13
Add : Shares Issued during the year (Bonus Shares)			34,07,22,032	34.08
Add : Shares Issued on exercise of employee stock grant scheme	**1,50,256**	**0.01**	1,14,546	0.01
Shares outstanding at the end of the year	**1,02,23,16,352**	**102.23**	1,02,21,66,096	102.22

d) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each equity shareholder is entitled to one vote per share.

During the year ended March 31, 2020 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 8 (31-Mar-2019 ₹ 15).

e) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	**75,011,445**	**7.34**	75,011,445	7.34
Godrej Industries Limited	**242,812,860**	**23.75**	242,812,860	23.75
Godrej Seeds & Genetics Limited	**280,500,000**	**27.44**	280,500,000	27.44

g) Shares Reserved for issue under options

The Company has 290,133 (previous year 295,015) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2020.(As detailed in Note 45)

h) Information regarding aggregate number of equity shares during the five years immediately preceding the date of Balance Sheet:

During the year 2018-19, pursuant to the approval of Shareholders, Company has allotted 340,722,032 (31-Mar-2018 year - 340,600,816) number of fully paid Bonus shares on Sep 17,2018 in the ratio of one equity share of ₹ 1 each fully paid up for every two existing equity shares of ₹ 1 each fully paid up.

During the year 2017-18, pursuant to the approval of Shareholders, Company has allotted 340,600,816 (31-Mar-2017 year - Nil) number of fully paid Bonus shares on June 27,2017 in the ratio of one equity share of ₹ 1 each fully paid up for every one existing equity shares of ₹ 1 each fully paid up.

The Company has not issued shares for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

i) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.

j) No equity shares have been forfeited.

k) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Group makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Group may make adjustments to dividend paid to its shareholders or issue new shares.

The Group monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments.

Note 19: Other Equity

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Securities Premium	**1,407.36**	1,398.04
General Reserve	**154.05**	154.05
Other Reserves		
Capital Investment Subsidy Reserve	**0.15**	0.15
Capital Redemption Reserve	**1.46**	1.46
Employee Stock Options Outstanding	**12.69**	12.35
	14.30	**13.96**
Retained Earnings	**5,989.53**	5,569.13
Other Comprehensive Income (effective portion of cash flow hedges & exchange differences in translating financial statements of foreign operations)	**230.89**	29.52
Equity attributable to the owners of the parent	**7,796.13**	**7,164.70**
TOTAL	**7,796.13**	**7,164.70**

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Capital Investment Subsidy Reserve		
Balance as per last financial statements	**0.15**	0.15
Closing Balance	**0.15**	**0.15**
Capital Redemption Reserve		
Balance as per last financial statements	**1.46**	1.46
Closing Balance	**1.46**	**1.46**
Employee Stock Options Outstanding		
Gross Employee Compensation for Options granted	**12.35**	11.57
(-) Exercise of Share options	**(9.32)**	(8.34)
(+) Deferred Employee Compensation Expense (Refer Note 33)	**9.66**	9.12
Closing Balance	**12.69**	**12.35**
TOTAL	**14.30**	**13.96**

Nature and purpose of reserves

1) Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the provisions of the Act.

2) General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

3) Capital Investment Subsidy Reserve

Capital Investment Subsidy Reserve represents subsidy received from the government for commissioning of Malanpur plant in the nature of capital investment.

4) Capital Redemption Reserve

Capital Redemption reserve represents amount set aside by the company for future redemption of capital.

5) **Employee Stock Options Outstanding**

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Option Plan and the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense. Refer note 45 for details on ESGS Plans.

6) **Exchange differences on translating the financial statements of foreign operations**

The translation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of foreign operations. The reserve for the year has been netted off for a balance sheet intercompany adjustment (₹ 25.69 crore) of earlier years pertaining to inventory.

7) **Effective portion of Cash Flow Hedges**

The cash flow hedging reserve represents the cumulative portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

Note 20: Non-Current Borrowings

₹ Crore

		Maturity Date	Terms of Repayment	Interest rate*	As at March 31, 2020	As at March 31, 2019
A.	**Secured**					
	Term Loans from banks in USD	Upto August 2024	Payable in Multiple Installments every year	6%	**0.27**	0.30
	Unsecured					
	Term loans					
	a) From Banks in USD	Upto December 2023	Payable in Multiple Installments every year	1.7% - 3.5%	**2,996.50**	3,108.04
	b) Term Loans from Banks	Upto April 2022	Payable in Multiple Installments every year	13.4% - 60%**	**2.88**	2.77
					2,999.65	**3,111.11**
					2,999.65	**3,111.11**
	Less: Current maturities of long term debt (from banks in USD) (Refer Note 26)				**(854.61)**	(506.33)
	TOTAL				**2,145.04**	**2,604.78**

*includes variable and fixed rate instruments. Refer Note 49 A (iii) for interest rate risk

**60% interest rate corresponds to interest rate applicable to group's subsidiary in Argentina operating in hyperinflationary economy

Note 21: Other Non-Current Financial Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Liabilities for business combinations (Refer Note 37)	**239.33**	217.55
Less: Current portion (Refer Note 26)	**(107.35)**	-
TOTAL	**131.98**	**217.55**

Note 22 :Provisions

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note 44)	**111.68**	103.75
Compensated Absences	**5.30**	4.50
TOTAL	**116.98**	**108.25**

Note 23: Other Non-Current Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Others (includes deferred grants, sundry deposits)	**7.17**	4.27
TOTAL	**7.17**	**4.27**

Note 24: Current Borrowings

₹ Crore

		Maturity Date	Terms of Repayment	Coupon/ Interest rate*	As at March 31, 2020	As at March 31, 2019
A.	Secured					
	Loans repayable on demand from banks (Refer Note below)	Cash Credit	Payable on demand	9% - 10.5%	**1.91**	5.75
					1.91	**5.75**
B.	Unsecured					
	Loans repayable on demand from banks	Upto 12 months	Mulitple dates	2.50%-60.00%**	**96.92**	96.20
	USD Overdraft from banks	On demand	On demand	2.50%-7.00%	**24.45**	50.89
	Overdraft from banks	On demand	On demand	7.50% - 60.00%**	**148.09**	118.10
	Commercial Paper	Multiple dates in Q1 FY 2021	Payable on commercial paper maturity date	5.40%	**247.33**	-
					516.79	**265.19**
	TOTAL				**518.70**	**270.94**

NOTES:

The Group does not have any default as on the Balance Sheet date in the repayment of any loan or interest.

*includes variable and fixed rate instruments. Refer Note 49 A (iii) for interest rate risk

**60% interest rate corresponds to interest rate applicable to group's subsidiary in Argentina operating in hyperinflationary economy

Note 25: Trade Payables

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Dues to Micro, Small and Medium Enterprises	**27.15**	53.49
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**2,453.34**	2,486.39
TOTAL	**2,480.49**	**2,539.88**

* Trade Payables Includes invoices discounted by Vendors with banks

Refer Note 49 (C) for liquidity risk

Disclsoures pursuant to Micro, Small and Medium Enterprises development act, 2006 (MSMED act) are as follows:

		As at March 31, 2020	As at March 31, 2019
I	The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	**27.13**	53.49
II	Interest due thereon	**0.02**	-
	Trade payable dues to Micro and small enterprises	**27.15**	**53.49**
(a)	The amount of interest paid by the buyer under MSMED act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
(b)	The amount of interest due and payable for the period (where the principal has been unpaid but interest under the MSMED Act, 2006 not paid)	**0.02**	-
(c)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(d)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**-**	-

Note 26: Other Current Financial Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debt (Refer Note 20)	**854.61**	506.33
Liabilities for business combinations- current portion (Refer Note 21)	**107.35**	-
Security deposit received	**4.94**	4.69
Unclaimed Dividends (Refer Note (a) below)	**17.65**	14.48
Put Option liability	**150.81**	242.50
Interest accrued	**3.31**	7.13
Derivative interest rate swaps	**91.87**	22.62
Employee Benefits Payable	**86.21**	115.03
Capital creditors and other payables	**19.29**	30.10
TOTAL	**1,336.04**	**942.88**

NOTE:

a) There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

Note 27: Other Current Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Statutory Dues (VAT, Excise, Service Tax, Octroi, TDS etc.)	**26.14**	15.42
Other Payables (including contract liabilities- advance received from customers)	**58.57**	36.42
TOTAL	**84.71**	**51.84**

Note 28: Provisions

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (net) (Refer Note 44)	**8.75**	8.76
Compensated Absences	**3.91**	4.03
Other Provision :		
Provision for Sales Returns	**26.33**	21.69
Provision towards Litigations	**16.97**	16.37
TOTAL	**55.96**	**50.85**

Movements in each class of other provisions during the financial year are set out below:

₹ Crore

	Sales Returns	Provision towards Litigation
As at April 1, 2019	**21.69**	16.37
Additional provisions recognised	**10.44**	1.95
Amount Utilised /Unused amounts reversed	**(5.57)**	(0.19)
Foreign currency translation difference	**(0.23)**	(1.16)
As at March 31, 2020	**26.33**	**16.97**

Sales Returns:

When a customer has a right to return the product within a given period, the Group recognises a provision for sales return. This is measured basis average past trend of sales return as a percentage of sales. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

Legal Claims:

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. A provision is recognised for legal cases, if the Group assesses that it is possible/probable that an outflow of economic resources will be required. These provisions have not been discounted as it is not practicable for the Group to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

Note 29: Revenue From Operations

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	**9,826.51**	10,221.07
Other Operating Revenues (includes export incentive, GST refunds, scrap sales etc.)	**84.29**	93.27
TOTAL	**9,910.80**	**10,314.34**

b) Revenue Information

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue by product categories		
Home care	**4,250.22**	4,166.62
Hair care	**3,147.34**	3,268.08
Personal care	**2,428.95**	2,786.37
TOTAL	**9,826.51**	**10,221.07**

c) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contracted price	**10,813.75**	11,430.78
Sales returns	**(71.21)**	(24.46)
Rebates/Discounts	**(916.03)**	(1,185.25)
Revenue from contract with customers	**9,826.51**	**10,221.07**

d) Contract Balances

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Trade receivables (Refer Note 13)	**1,157.25**	1,292.90
Contract assets (Refer Note 17)	**8.56**	6.59
Contract liabilities (Refer Note 27)	**37.32**	20.66

Note: Contract assets represents right to receive the inventory and contract liabilities represents advances received from customers for sale of goods at the reporting date.

e) Significant changes in contract liabilities during the period

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	**20.66**	**26.12**

Note 30: Other Income

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	**56.70**	54.27
On Advances and Fixed Deposits	**19.55**	32.49
Net Gain on Sale of Investments	**4.53**	8.03
Fair Value Gain \ (Loss) on financial assets measured at fair value through profit or loss (net)	**-**	0.01
Profit on Sale of Property, Plant & Equipment	**1.87**	1.56
Miscellaneous non operating income	**29.65**	12.40
TOTAL	**112.30**	**108.76**

Note 31: Cost Of Materials Consumed

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Raw material and packing material		
Opening Inventory	**1,004.18**	869.10
Add : Purchases (net)	**4,089.97**	4,197.51
	5,094.15	**5,066.61**
Less: Closing Inventory	**(972.40)**	(1,004.18)
Cost of Materials Consumed	**4,121.75**	**4,062.43**

Note 32: Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Opening Inventory		
Finished Goods	**415.05**	499.18
Stock-in-Trade	**51.53**	125.85
Work-in-Progress	**69.51**	65.60
	536.09	**690.63**
Less: Closing Inventory		
Finished Goods	**538.39**	415.05
Stock-in-Trade	**69.38**	51.53
Work-in-Progress	**101.47**	69.51
	709.24	**536.09**
(Increase) / decrease in Inventories	**(173.15)**	**154.54**

Note 33: Employee Benefits Expense

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	**932.51**	981.53
Contribution to Provident and Other Funds (Refer Note 44)	**25.46**	23.58
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 45)	**9.66**	9.12
Staff Welfare Expenses	**51.19**	54.18
TOTAL	**1,018.82**	**1,068.41**

Note 34: Finance Costs

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense		
Unwinding of interest on liabilities	**13.38**	9.62
Interest on loans	**142.62**	155.28
Bill discounting charges	**55.41**	59.51
Interest on lease liability	**4.07**	-
Net Monetary loss/ (gain) on account of Hyperinflation	**1.93**	(0.16)
TOTAL	**217.41**	**224.25**

Note 35: Depreciation and Amortization Expenses

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	**131.98**	130.05
Depreciation on right of use asset	**27.27**	-
Amortization of intangible assets	**36.28**	39.93
Impairment provision for property, plant and equipment	**1.75**	-
TOTAL	**197.28**	**169.98**

Note 36: Other Expenses

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and Spares	**38.49**	34.88
Power and Fuel	**118.29**	119.29
Rent (net)	**69.34**	95.75
Repairs and Maintenance		
Plant and Equipment	**16.17**	15.78
Buildings	**9.98**	9.80
Others (net)	**59.86**	51.20
	86.01	76.78
Insurance	**20.74**	21.03
Rates and Taxes	**35.44**	27.58
Processing and Other Manufacturing Charges	**235.67**	218.14
Travelling and Conveyance	**66.38**	80.50
Legal and Professional Charges	**136.29**	124.61
Donations	**1.95**	2.78
Sales Promotion	**226.57**	207.19
Advertising and Publicity	**739.13**	839.28
Selling and distribution expenses	**139.39**	131.36
Freight	**330.81**	333.31
Royalty	**3.18**	4.62
Commission	**20.62**	23.63
Bank charges	**10.72**	13.96
Net Loss on Foreign Currency Transactions and Translations	**0.25**	13.78
Bad Debts Written Off	**6.25**	6.41
Miscellaneous Expenses (net) (Refer Note (a) below)	**201.75**	199.11
TOTAL	**2,487.27**	**2,573.99**

NOTE :

a) Miscellaneous Expenses include the Group's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Note 37: Exceptional Items (Loss)/Gain

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Restructuring Cost	**(20.08)**	(18.03)
Gain on divestment of UK Business (Refer Note 51)	**9.51**	76.44
Impairment Loss on Goodwill and other intangible assets (Refer note 52)	**(70.48)**	-
Reversal in liability for business combination (Refer Note below)	**-**	194.15
TOTAL	**(81.05)**	**252.56**

NOTE:

During the year ended March 31, 2019 there was a change in the provision for earn out liability on account of change in expected EBITDA of a subsidiary which is the basis for its estimation.

This consideration is payable after March 31, 2020 and is based on a multiple of future EBITDA of this business. The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Strength of Nature LLC (USA) based on expected future performance.

Note 38: Earnings Per Share

	Year ended March 31, 2020	Year ended March 31,2019
Net Profit After Tax (₹ Crore)	**1,496.58**	**2,341.53**
Number of Shares outstanding at the beginning of the year	**1,02,21,66,096**	1,02,19,94,277
Add : Shares Issued during the year	**1,50,256**	1,71,819
Number of Shares outstanding at the end of the year	**1,02,23,16,352**	1,02,21,66,096
Weighted Average Number of Equity Shares		
For calculating Basic EPS	**1,02,22,65,738**	1,02,21,11,340
Effect of dilution:		
Shared based payments	**1,91,505**	2,04,688
For calculating Diluted EPS	**1,02,24,57,243**	1,02,23,16,028
Earnings Per Share Before and After Extraordinary Items		
(Face Value ₹ 1)		
Basic (₹)	**14.64**	22.91
Diluted (₹)	**14.64**	22.90

Note 39: Commitments

₹ Crore

	Year ended March 31, 2020	Year ended March 31,2019
Estimated value of contracts remaining to be executed on capital account to the extent not provided, net of advances there against of ₹ 5.83 crore *(March 31, 2019 : ₹ 29.38 crore)*	**37.14**	32.94
Others	**-**	0.40
TOTAL	**37.14**	**33.34**

Note 40: Dividend

During the year 2019-20,the Board has paid four interim dividends. The first dividend was declared on May 3, 2019 at the rate of ₹ 2 per equity share (200% on shares of the face value of ₹ 1 each), the second dividend was declared on August 1, 2019 at the rate of ₹ 2 per equity share (200% on shares of the face value of ₹ 1 each), the third dividend was declared on November 6, 2019 at the rate of ₹ 2 per equity share (200% on shares of the face value of ₹ 1 each) and the fourth dividend was declared on January 29, 2020 at the rate of ₹ 2 per equity share (200% on shares of the face value of ₹ 1 each).

The total of all the four interim dividends paid during the year aggregates to ₹ 8 per equity share (800% on the shares of the face value ₹ 1 each) and amounts to ₹ 817.82 crore. The dividend distribution tax on the said dividends is ₹ 168.11 crore.

Note 41: Contingent Liabilities

₹ Crore

			As at March 31, 2020	As at March 31, 2019
a)	**CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS**			
	i)	Excise duty demands against which the Company / Group has preferred appeals	**51.06**	54.69
	ii)	Sales tax demands against which the Company / Group has preferred appeals	**108.16**	79.46
	iii)	Income-tax matters	**264.99**	165.87
	iv)	Other matters	**3.00**	3.00
b)	**Guarantees given against Borrowings (in excess of Loans outstanding) / Bank facilities**			
	i)	Guarantee amounting to USD 58.30 million (31-Mar-19 USD 88 million) given by the Company to DBS Bank Limited, Singapore and Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej Consumer Products Holding (Mauritius) Limited	**40.10**	55.32
	ii)	Guarantee amounting to USD 17.88 million (31-Mar-19 USD 27.50 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Mauritius towards loan raised by Godrej East Africa Holdings Limited	**12.30**	17.29
	iii)	Guarantee amounting to USD 80.30 million (31-Mar-19 USD 121 million) given by the Company to The Bank of Tokyo-Mitsubishi UFJ Ltd, London Branch towards loan provided to Godrej SON Holdings, Inc.	**55.23**	76.07
	iv)	Guarantee amounting to USD 27.5 million (31-Mar-19 USD 27.5 million) given by the Company to Standard Chartered Bank, Mauritius towards bank facilities provided to Godrej Tanzania Holdings Limited	**208.08**	190.18
	v)	Guarantee amounting to USD 44 million (31-Mar-19 USD 44 million) given by the Company to CITI Bank NA, London Branch towards loan provided to Godrej Mauritius Africa Holdings Ltd.	**30.27**	27.66
	vi)	Guarantee amounting to USD 2 million (31-Mar-19 USD 2 million) given by the Company to DBS Bank Limited, Singapore towards interest rate swap / derivative facilities provided to Godrej Mauritius Africa Holdings Limited	**15.13**	13.83
	vii)	Guarantee amounting to USD 1.2 million (31-Mar-19 USD 1.2 million) given by the Company to DBS Bank Limited, Singapore towards interest rate swap / derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	**9.08**	8.30
	viii)	Guarantee amounting to USD 64.35 million (31-Mar-19 USD 64.35 million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej SON Holdings, Inc.	**48.05**	43.91
	ix)	Guarantee amounting to USD 148.72 million (31-Mar-19 USD 148.72 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch towards loan provided to Godrej Mauritius Africa Holdings Limited	**102.30**	93.50
	x)	Guarantee amounting to USD 3.5 million (31-Mar-19 USD Nil million) given by the Company to DBS Bank Limited, Singapore towards interest rate swap / derivative facilities provided to Godrej Mauritius Africa Holdings Limited	**26.48**	-

Note 41: Contingent Liabilities

₹ Crore

			As at March 31, 2020	As at March 31, 2019
	xi)	Guarantee amounting to USD 1 million (31-Mar-19 USD Nil million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore towards interest rate swap / derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	**7.57**	-
	xii)	Guarantee amounting to USD 24.2 million (31-Mar-19 USD Nil million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej Mauritius Africa Holdings Limited	**23.46**	-
	Others			
	i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.99 crore]	**14.19**	14.36
	ii)	Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council.	**0.80**	0.80
	iii)	Guarantee given by the Company to Kotak Mahindra Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.30**	0.45
c)	**Claims against the Company not acknowledged as debt**		**32.28**	33.50

d) The Group has reviewed all its pending litigations and proceedings and has adequately made provisions wherever required and disclosed as contingent liability wherever applicable in the consolidated financial statements. The Group does not expect the outcome of the proceedings to have a materially adverse effect on its financial statements.

e) Other Matters

For India, the proposed Social Security Code, 2019 , when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

f) On 30th March 2019, MCA has issued an amendment regarding the income tax uncertainty over Income tax treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments as at 31 March 2020.

Note 42: Related Party Disclosures

A) Related Parties and their Relationship

a) Joint Venture:

Name of the Joint Venture	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Godrej Easy IP Holdings (FZC) (Dubai)	Dubai	**Nil***	Nil*

* Dissolved during FY 2018-19

b) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Bhabhani Blunt Hairdressing Pvt Limited	India	**28%**	28%

c) Investing Entity in which the reporting entity is an Associate

i) Godrej Industries Limited

ii) Godrej Seeds & Genetics Limited

d) Companies under common Control with whom transactions have taken place during the year:

i) Godrej & Boyce Mfg. Co. Limited

ii) Godrej Agrovet Limited

iii) Godrej Tyson Foods Limited

iv) Godrej Properties Limited

v) Natures Basket Limited*

vi) Godrej Vikhroli Properties LLP

vii) Godrej Infotech Limited

viii) Godrej Projects Development Private Limited

ix) Godrej Anandan

x) Godrej One Premises Management Private Limited

xi) Godrej Seaview Properties Private Limited

xii) Creamline Dairy Products Limited

* Divested on 4^{th} July 2019

Note 42: Related Party Disclosures

e) Key Management Personnel and Relatives:

i)	Mr. Adi Godrej	Chairman Emeritus
ii)	Ms. Nisaba Godrej	Executive Chairperson / Daughter of Mr. Adi Godrej
iii)	Mr. Vivek Gambhir	Managing Director & CEO
iv)	Mr. V. Srinivasan	Chief Financial Officer and Company Secretary
v)	Mr. Pirojsha Godrej	Non-Executive Director / Son of Mr. Adi Godrej
vi)	Mr. Nadir Godrej	Non-Executive Director/ Brother of Mr. Adi Godrej
vii)	Ms. Tanya Dubash	Non-Executive Director/ Daughter of Mr. Adi Godrej
viii)	Mr. Jamshyd Godrej	Non Executive Director
ix)	Mr. D Shivakumar	Independent Director (till 1st November 2018)
x)	Mr. Aman Mehta	Independent Director
xi)	Mr. Omkar Goswami	Independent Director
xii)	Ms. Ireena Vittal	Independent Director
xiii)	Mr. Bharat Doshi	Independent Director (till 25th September 2019)
xiv)	Mr. Narendra Ambwani	Independent Director
xv)	Ms. Ndidi Nwuneli	Independent Director
xvi)	Ms. Pippa Armerding	Independent Director
xvii)	Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xviii)	Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xix)	Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xx)	Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xxi)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxii)	Mr. Arvind Dubash	Husband of Ms. Tanya Dubash
xxiii)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

f) Trust where the reporting entity excercises significant influence

i) Godrej Consumer Products Limited Employees' Stock Option Trust

g) Post employment Benefit Trust where the reporting entity exercises significant influence

i) Godrej Consumer Products Employees' Provident Fund

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

B) The Related Party Transactions are as under :

₹ Crore

	Associate Company		Investing Entity in which the reporting entity is an associate		Companies Under Common Control		Key Management Personnel and Relatives		Post employment benefit trust		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods	0.24	0.40	10.55	12.89	1.62	3.37	-	-	-	-	12.41	16.66
Purchase of Materials and Spares	-	0.16	64.76	66.24	0.13	0.29	-	-	-	-	64.89	66.69
Purchase of Fixed Asset including Assets under Construction	-	-	-	-	-	0.19	-	-	-	-	-	0.19
Advance Paid	-	-	-	1.51	0.05	0.05	-	-	-	-	0.05	1.56
Royalty and Technical Fees Paid	0.55	0.62	-	-	-	-	-	-	-	-	0.55	0.62
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	0.33	0.14	27.55	34.38	8.54	8.95	-	-	-	-	36.42	43.47
Expenses Recovered	-	-	1.62	0.21	0.06	0.03	-	-	-	-	1.68	0.24
Investments Sold / Redeemed	-	2.28	-	-	-	-	-	-	-	-	-	2.28
Dividend Received	0.68	-	-	-	-	-	-	-	-	-	0.68	-
Dividend Paid	-	-	418.65	627.98	60.01	90.01	23.37	35.43	-	-	502.03	753.42
Commission on Profits and Sitting Fees	-	-	-	-	-	-	3.51	3.67	-	-	3.51	3.67
Lease Rentals Received	-	-	10.94	9.25	-	-	-	-	-	-	10.94	9.25
Lease Rentals Paid	-	-	15.68	14.21	-	-	-	-	-	-	15.68	14.21
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	18.17	16.63	18.17	16.63
Short Term Employment Benefits	-	-	-	-	-	-	21.52	23.32	-	-	21.52	23.32
Post Employment Benefits	-	-	-	-	-	-	0.46	0.50	-	-	0.46	0.50
Share Based Payment	-	-	-	-	-	-	2.92	3.85	-	-	2.92	3.85
TOTAL	**1.80**	**3.60**	**549.75**	**766.67**	**70.41**	**102.89**	**51.78**	**66.77**	**18.17**	**16.63**	**691.91**	**956.56**

₹ Crore

Outstanding Balances	Receivables		Payables		Guarantees Outstanding-Given/ (Taken)		Commitments	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Associate Company	0.05	0.04	-	-	-	-	-	-
Investing Entity in which the reporting entity is an associate	1.88	4.75	7.75	3.63	(26.88)	(26.88)	-	-
Companies under Common Control	0.33	2.17	0.40	0.56	(1.21)	(1.21)	0.61	1.59
Key Management Personnel and Relatives	-	-	2.85	4.99	-	-	-	-
TOTAL	**2.26**	**6.96**	**11.00**	**9.18**	**(28.09)**	**(28.09)**	**0.61**	**1.59**

Note : Refer note 6 for investments in associate

Note 43: Forward Contracts

The Group uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Group does not use foreign exchange forward contracts for trading or speculation purposes.

Forward/ Spot Contracts outstanding as at March 31, 2020:

	As at March 31, 2020	As at March 31, 2019
	In million	**In million**
Forward Contracts to Purchase (USD)	**US $32.65**	US $45.37
[102 contracts *(previous year 151 contracts)]*		
Forward Contracts to Sell (USD)	**US $2.50**	US $2.60
[4 contracts *(previous year 4 contracts)]*		
Forward Contracts to Purchase (CNH)	-	¥0.78
[0 contracts *(previous year 3 contracts)*]		

Note 44: Employee Benefits

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd) are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) DEFINED BENEFIT PLAN

Gratuity:

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of HDFC Standard Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with HDFC Standard Life Insurance Company Limited.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit CreditMethod, as at the Balance Sheet date, carried out by an independent actuary.

The Company has a gratuity trust. However, the Company funds its gratuity payouts from its cash flows. Accordingly, the Company creates adequate provision in its books every year based on actuarial valuation.

These benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and investment risk.

Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for its employees other than those covered under Government Scheme which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2020.

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Plan assets at period end, at fair value	**159.79**	149.31
Provident Fund Corpus	**159.13**	148.00
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	**8.29%**	8.67%
Weighted Average Yield to Maturity	**8.61%**	9.07%
Guaranteed Rate of Interest	**8.65%**	8.65%

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 15.11 crore *(Mar-31-2019 : ₹ 11.90 crore)* has been included under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 8.52 crore *(Mar-31-2019 : ₹ 8.30 crore)* has been included in Note 33 under Contribution to Provident and Other Funds.

d) The amounts recognised in the Company's financial statements as at year end are as under:

₹ Crore

		As at March 31, 2020	As at March 31, 2019
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**113.29**	103.50
	Current Service Cost	**6.63**	11.73
	Interest Cost	**9.08**	8.35
	Exchange difference	**(3.85)**	2.12
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	**(0.02)**	(0.62)
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	**4.29**	(1.91)
	Actuarial (Gain) / Loss on Obligation- Due to Experience	**0.64**	(2.68)
	Benefits Paid	**(8.89)**	(7.20)
	Present value of the obligation at the end of the year	**121.17**	**113.29**
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**0.78**	1.39
	Interest Income	**0.08**	0.17
	Return on plan assets excluding interest income	**(0.02)**	(0.08)
	Actuarial Gain / (Loss) on Plan Assets	**-**	-
	Contributions by the Employer	**8.79**	6.59
	Benefits Paid	**(8.89)**	(7.20)
	Exchange difference	**-**	(0.09)
	Fair value of Plan Assets at the end of the year	**0.74**	**0.78**
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**121.17**	113.29
	Fair value of Plan Assets at the end of the year	**0.74**	0.78
	Net Liability recognised in the Balance Sheet	**120.43**	**112.51**
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**6.63**	11.73
	Interest Cost / Income on Obligation / Plan assets (net)	**9.08**	8.18
	Net Cost Included in Personnel Expenses	**15.71**	**19.91**
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	**4.91**	(5.21)
	Return on plan assets excluding interest income	**0.02**	0.08
	Recognised in other comprehensive income	**4.93**	**(5.13)**
vi)	**Weighted average duration of Present Benefit Obligation**	**7.32 years**	8.01 years
vii)	**Estimated contribution to be made in next financial year**	**13.08**	13.61
viii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	Insurer Managed Funds	**100%**	100%
ix)	**Actuarial Assumptions**		
	i) Discount Rate	**6.43%-15%p.a**	7.22%-14.25%p.a
	ii) Salary Escalation Rate	**7% p.a.-12%p.a**	7% p.a.-12.25%p.a

₹ Crore

			As at March 31, 2020	As at March 31, 2019
iii)	Mortality for geographies:	India	Indian Assured Lives Mortality (2006-08) Ultimate	
		Indonesia	As per Indonesian Mortality Table 2011 (TMI11)	
		Nigeria	Rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK, rated down by one year to reflect mortality in Nigeria	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

x) Maturity Analysis of Projected Benefit Obligation: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2020	As at March 31, 2019
Within the next 12 months	**17.05**	17.74
2nd Following Year	**13.92**	12.06
3rd Following Year	**20.59**	11.40
4th Following Year	**21.81**	11.00
5th Following Year	**21.04**	56.43
Sum of Years 6 to 10	**79.85**	43.80

xi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ Crore

	31-Mar-20		31-Mar-19	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	**(7.24)**	**8.17**	(6.26)	7.06
Future salary growth (1% movement)	**8.27**	**(7.23)**	7.06	(6.37)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Other details	
Methodology Adopted for ALM	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Comment on Quality of Assets	Since investment is with insurance company, Assets are considered to be secured.

Note 45: Employee Stock Benefit Plans

I. EMPLOYEE STOCK GRANT SCHEME

a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.

b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.

c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.

d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.

f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.

g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

h) The details of the scheme are as below:

Scheme	**Grant Date**	**No. of Options**	**Vesting Condition**	**Exercise Price (₹) per share**	**Weighted average Exercise Price (₹) per share**	**Exercise period**
Employees Stock Grant Scheme 2011	From 2011 to 2019	896,684	Vested in the proportion of 1/3rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2020	As at March 31, 2019
Outstanding at the beginning of the year	**295,015**	224,011
Add: Bonus issue during the year	**-**	102,049
Add: Granted during the year	**162,917**	98,343
Less: Exercised during the year	**150,256**	114,546
Less: Forfeited/ lapsed during the year	**17,543**	14,842
Outstanding at the end of the year	**290,133**	**295,015**

Weighted average remaining contractual life of options as at 31st March, 2020 was 0.85 years *(31-Mar-19: 0.83 years)*.

Weighted average equity share price at the date of exercise of options during the year was ₹ 658.45 *(31-Mar-19 ₹ 1213.37)*.

The fair value of the employee share options has been measured using the Black-Scholes formula. The following assumptions were used for calculation of fair value of grants:

	As at March 31, 2020	Year ended March 31, 2019
Risk-free interest rate (%)	**6.44%**	7.51%
Expected life of options (years)	**2.00**	2.00
Expected volatility (%)	**28.16%**	28.29%
Dividend yield	**2.28%**	1.05%
The price of the underlying share in market at the time of option grant (₹)*	**658.45**	**1,139.45**

* March 2019 - Price is before issue of Bonus shares

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

Note 46: Disclosure U/S 186 (4) of the Companies Act, 2013

Details of Investments made are disclosed under Note 6 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 41.

Note 47: Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the consolidated financial statements.

Note 48: Financial Instruments

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ Crore

	Carrying amount / Fair Value				Fair value Hierarchy			
As at March 31, 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Loans	-	-	22.63	22.63	-	-	-	-
Other Financial Assets	-	-	36.63	36.63	-	-	-	-
Current								
Current investments								
Deposits with Non-Banking Financial Companies	-	-	555.34	555.34	-	555.34	-	555.34
Mutual Fund	1.78	-	-	1.78	-	1.78	-	1.78
Non-convertible Debentures with Non-Banking Financial Companies	-	-	80.06	80.06	80.10	-	-	80.10
Trade receivables	-	-	1,157.25	1,157.25	-	-	-	-
Cash and cash equivalents	-	-	602.87	602.87	-	-	-	-
Bank balances others			167.29	167.29	-	-	-	-
Loans	-	-	3.27	3.27	-	-	-	-
Derivative Asset	-	1.50	-	1.50	-	1.50	-	1.50
Others	-	-	163.01	163.01	-	-	-	-
	1.78	**1.50**	**2,788.35**	**2,791.63**	**80.10**	**558.62**	**-**	**638.72**
Financial liabilities								
Non-Current								
Borrowings	-	-	2,145.04	2,145.04	-	-	-	-
Lease Liability	-	-	34.19	34.19				
Liabilities for business combinations	131.98	-	-	131.98	-	-	131.98	131.98
Current								
Borrowings	-	-	518.70	518.70	-	-	-	-
Trade and other payables	-	-	2,480.49	2,480.49	-	-	-	-
Put Option Liability *	-	-	-	150.81	-	-	150.81	150.81
Current Maturities of Long Term Debt	-	-	854.61	854.61	-	-	-	-
Liabilities for business combinations	107.35	-	-	107.35	-	-	107.35	107.35
Derivative liability		91.87	-	91.87	-	91.87		91.87
Lease Liability			22.43	22.43				-
Others	-	-	131.40	131.40	-	-	-	-
	239.33	**91.87**	**6,186.86**	**6,668.87**	**-**	**91.87**	**390.14**	**482.01**

₹ Crore

As at March 31, 2019	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Loans	-	-	18.77	18.77	-	-	-	-
Other Financial Assets	-	-	5.77	5.77	-	-	-	-
				-				
Current				-				
Current investments				-				-
Deposits with Non-Banking Financial Companies	-	-	135.06	135.06	-	135.06	-	135.06
Mutual Fund	16.98	-	-	16.98	-	16.98	-	16.98
Non-convertible Debentures with Non-Banking Financial Companies	-	-	329.27	329.27		329.94	-	329.94
Trade receivables	-	-	1,292.90	1,292.90	-	-	-	-
Cash and cash equivalents	-	-	862.21	862.21	-	-	-	
Bank balances others			32.51	32.51	-	-	-	-
Loans	-	-	3.73	3.73	-	-	-	
Derivative Asset	-	2.43	-	2.43	-	2.43	-	2.43
Others	-	-	152.43	152.43	-	-	-	-
	16.98	**2.43**	**2,832.65**	**2,852.06**	**-**	**484.41**	**-**	**484.41**
Financial liabilities								
Non-Current								
Borrowings	-	-	2,604.78	2,604.78	-	-	-	-
Liabilities for business combinations	217.55	-	-	217.55	-	-	217.55	217.55
Current								
Borrowings	-	-	270.94	270.94	-	-	-	-
Trade and other payables	-	-	2,539.88	2,539.88	-	-	-	-
Put Option Liability*	-	-	-	242.50	-	-	242.50	242.50
Current Maturities of Long Term Debt	-	-	506.33	506.33	-	-	-	-
Derivative liability		22.62	-	22.62	-	22.62		22.62
Others	-	-	171.43	171.43	-	-	-	-
	217.55	**22.62**	**6,093.36**	**6,576.03**	**-**	**22.62**	**460.05**	**482.67**

There are no transfers between Level 1 and Level 2

Level - 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

** The put option liability is fair valued at each reporting date through equity*

NOTE: The group has not disclosed fair values of financial instruments other than mutual funds, deposits with non-banking financial companies, non-convertible debentures with non-banking financial companies, investment in commercial papers, derivative asset, derivative liability and liabilities for business combinations, because the carrying amounts are a reasonable approximation of fair value.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Asset	MTM from banks	NA	NA
Derivative Liability	MTM from banks	NA	NA
Liabilities for business combination	Present Value of expected payment discounted using a risk adjusted discounting rate	Inputs are given in next page	Refer next page for inter-relationship between significant unobservable inputs and fair value measurement
Put Option Liability	Performance of the business	Inputs are given in next page	Refer next page for inter-relationship between significant inputs and fair value measurement

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

₹ Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**460.05**	998.51
Net change in fair value through reserves	**81.79**	6.16
Net change in fair value through PL *(Refer Note (a) below)*	**5.98**	9.62
Net change in liability due to payments	**(185.66)**	(449.25)
Reversal in liability for business combination	**-**	(194.15)
Exchange difference	**27.98**	89.16
Closing Balance	**390.14**	**460.05**

NOTE: (a) Interest unwinding charges

Valuation processes

The main level 3 inputs for put option and liability for business combination are derived and evaluated as follows :

Liability for Business Combination -The key inputs used in the determination of fair value of Liability for Business Combination are the discount rate and expected future performance of the business (EBIDTA).
Put Option Liability - The key inputs used in the determination of fair value of put option liability is performance of the business such as Profit.

Sensitivity analysis

For the fair values of put option liability and liability for business combination, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Liability for Business Combination ₹ Crore

	Year ended March 31, 2020	
	Profit and Loss impact	
Significant unobservable inputs	**10% Increase**	**10% Decrease**
Achievement of financial target (10% movement) (Refer note below)	-	13.33
	Year ended March 31, 2019	
	Profit and Loss impact	
Significant unobservable inputs	**10% Increase**	**10% Decrease**
Achievement of financial target (10% movement)	-	12.23

Note: Liability has been recognised at maximum threshold and hence there will be no further increase

Put Option Liability

₹ Crore

	Year ended March 31, 2020	
	Equity impact	
Significant unobservable inputs	10% Increase	10% Decrease
Achievement of financial target (10% movement)	(15.08)	15.08

	Year ended March 31, 2019	
	Equity impact	
Significant unobservable inputs	10% Increase	10% Decrease
Achievement of financial target (10% movement)	(24.25)	24.25

Note 49: Financial Risk Management

The activities of the Group exposes it to a number of financial risks – market risk, credit risk and liquidity risk. The Group seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The risk management policy which is approved by the Board, is closely monitored by the senior management.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency rate risk, interest rate risk and price risk. Financial instruments affected by market risk includes borrowings, trade receivables and payables, bank deposits, investments and derivative financial instruments. The Group has international operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions, commercial papers and non-convertible debentures (NCD's). Investments in mutual funds and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(ii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables , trade receivables, borrowings and bank balances and is therefore exposed to foreign exchange risk. The Group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Group may be impacted due to volatility of the functional currency against foreign currencies.

Exposure to currency risk (Exposure in different currencies converted to INR)

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

₹ Crore

As at March 31, 2020	GBP	USD	EURO	ZAR	AED	Others
Financial assets						
Cash and cash equivalents	-	51.30	-	0.34	-	1.01
Short-term loans and advances	-	1.99	-	-	-	-
Trade and other receivables	0.59	404.42	0.01	0.29	-	0.41
Less: Forward contracts for trade receivables	-	(18.83)	-	-	-	-
Other Non-Current financial assets	-	15.74	-	-	-	-
Other Current financial assets	-	14.81	-	-	-	-
	0.59	**469.43**	**0.01**	**0.63**	**-**	**1.42**
Financial liabilities						
Long term borrowings	-	2.17	-	-	-	-
Short term borrowings	-	3.76	-	-	-	-
Trade and other payables	-	779.76	1.00	-	-	7.79
Less: Forward contracts for trade payables	-	(245.71)	-	-	-	(0.80)
Other Current financial liabilities	-	5.18	0.47	-	-	-
	-	**545.16**	**1.47**	**-**	**-**	**6.99**
Net Exposure	**0.59**	**(75.73)**	**(1.46)**	**0.63**	**-**	**(5.57)**

₹ Crore

As at March 31, 2019	GBP	USD	EURO	ZAR	AED	Others
Financial assets						
Cash and cash equivalents	0.02	37.73	0.01	0.62	-	0.16
Current investments	-	0.41	-	-	-	-
Trade and other receivables	2.98	246.25	31.82	0.31	-	0.42
Less: Forward contracts for trade receivables	-	(18.03)	-	-	-	-
Other Non-Current financial assets	-	22.70	2.66	-	-	-
Other Current financial assets	-	10.55	-	-	-	-
	3.00	**299.61**	**34.49**	**0.93**	**-**	**0.58**
Financial liabilities						
Long term borrowings	-	1.95	-	-	-	-
Short term borrowings	-	42.63	-	-	-	-
Trade and other payables	0.22	660.51	0.62	0.05	-	5.73
Less: Forward contracts for trade payables	-	(314.05)	-	-	-	(0.80)
Other Current financial liabilities	-	0.35	3.35	-	-	-
	0.22	**391.39**	**3.97**	**0.05**	**-**	**4.93**
Net Exposure	**2.78**	**(91.78)**	**30.52**	**0.88**	**-**	**(4.35)**

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
	March 31, 2020	March 31, 2019
GBP INR	**93.85**	90.48
USD INR	**75.57**	69.35
EUR INR	**83.05**	77.69
ZAR INR	**4.23**	4.76
AED INR	**20.56**	18.84

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/ZAR/AED/CNH/KWD against the India rupee at March 31, 2020 and March 31, 2019 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/ZAR/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2020		
GBP	0.03	(0.03)
USD	(3.79)	3.79
EURO	(0.07)	0.07
ZAR	0.03	(0.03)
AED	-	-
Others - CNH/KWD	(0.28)	0.28
	(4.08)	**4.08**

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2019		
GBP	0.14	(0.14)
USD	(4.59)	4.59
EURO	1.53	(1.53)
ZAR	0.04	(0.04)
AED	-	-
Others - CNH/KWD	(0.22)	0.22
	(3.10)	**3.10**

(iii) Management of interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

The Group's exposure to interest rate risks relates primarily to the Group's interest obligations on its borrowings. To mitigate this risk the Group enters into derivative financial instruments like interest rate swaps.

The interest rates profile of the Group's interest bearing financial instruments is as follows:

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Borrowings		
Fixed rate instruments	**429.02**	167.44
Variable-rate instruments	**3,089.33**	3,214.61
	3,518.35	**3,382.05**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bp) in interest rate at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

₹ Crore

	Profit or loss / Equity	
	50 bp increase	**50 bp decrease**
As at March 31, 2020		
Variable-rate instruments	(15.45)	15.45
Less : Interest-rate swap on Variable rate instrument	13.57	(13.57)
Cash flow sensitivity (net)	**(1.88)**	**1.88**
As at March 31, 2019		
Variable-rate instruments	(16.07)	16.07
Less : Interest-rate swap on Variable rate instrument	6.59	(6.59)
Cash flow sensitivity (net)	**(9.48)**	**9.48**

B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables and derivative transactions) and from its investing activities including investments in mutual funds, commercial papers, deposits with banks and financial institutions and NCD's, foreign exchange transactions and financial instruments.

Credit risk from trade receivables is managed by each business unit subject to the Group's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Group's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly. Derivatives are entered into with banks as counter parties, which have high credit ratings assigned by rating agencies.

At March 31, 2020, the ageing for the trade receivables as mentioned in the note below and that were not impaired (not provided for) was as follows:

₹ Crore

Trade Receivables	As at March 31, 2020	As at March 31, 2019
Neither past due nor impaired	**565.04**	656.25
Past due 1–90 days	**425.87**	417.07
Past due 91–120 days	**82.58**	62.49
Past due more than 120 days	**83.76**	157.09
TOTAL	**1,157.25**	**1,292.90**

Loans and advances given are monitored by the Group on a regular basis and these are neither past due nor impaired.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Company uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers which comprise on large number of small balances.

The movement in allowances for impairment in respect of trade receivables is as follows:

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Opening Balance	**48.99**	44.43
Impairment loss recognised	**1.65**	11.16
Amounts written off / written back	**(8.19)**	(3.88)
Exchange difference	**(0.73)**	(2.41)
Less: Transfer on divestment	**-**	(0.31)
Closing Balance	**41.72**	**48.99**

C. MANAGEMENT OF LIQUIDITY RISK:

Liquidity risk is the risk that the Group may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Group's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Group closely monitors its liquidity position and has a robust cash management system. The Group maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ Crore

		Contractual cash flows			
As at March 31, 2020	**Carrying amount**	**Total**	**Less than 1 year**	**1-3 years**	**More than 3 years**
Non-derivative financial liabilities					
Term loan and overdrafts from banks	3,518.35	3,600.50	1,416.82	1,876.34	307.34
Trade payables	2,480.49	2,480.49	2,480.49	-	-
Lease Liability	56.62	64.41	25.90	29.28	9.23
Other financial liabilities	521.54	521.54	389.56	131.98	-
Derivative financial liabilities					
Interest rate swaps	91.87	120.08	107.16	12.92	-
Forward exchange contracts used for hedging					
- Outflow	-	245.71	245.71	-	-
- Inflow	-	18.83	18.83	-	-

₹ Crore

		Contractual cash flows			
As at March 31, 2019	**Carrying amount**	**Total**	**Less than 1 year**	**1-3 years**	**More than 3 years**
Non-derivative financial liabilities					
Term loan and overdrafts from banks	3,382.05	3,591.40	868.32	2,127.79	595.29
Trade payables	2,539.88	2,539.88	2,539.88	-	-
Other financial liabilities	631.48	631.48	413.93	217.55	-
Derivative financial liabilities					
Interest rate swaps	22.62	65.26	21.43	31.98	11.85
Forward exchange contracts used for hedging					
- Outflow	-	314.05	314.05	-	-
- Inflow	-	18.03	18.03	-	-

Note 50: Hedge Accounting

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Group makes use of financial derivative instruments namely foreign exchange forward contracts for hedging the risk embedded in some of its highly probable forecast investment & interest rate swaps for hedging the risk interest rate fluctuation on some of its variable rate loans.

For derivative contracts designated as hedge, the Group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency risk on highly probable forecast investment & interest rate risk on variable rate loans. The tenor of hedging instrument may be less than or equal to the tenor of underlying.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge. The Group applies cash flow hedge accounting to hedge the variability in a) the future cash flows on the overseas remittance to its subsidiary subject to foreign exchange risk; b) interest payments on variable rate loans.

The Group has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

Hedge effectiveness is assessed through the application of critical terms match method & dollar off-set method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Currency risk hedge	Highly Probable Foreign currency (FCY) denominated investment into Overseas Subsidiary	FCY denominated highly probable forecast investment is converted into functional currency using a plain vanila foreign currency forward contract.	Fx forward contracts	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market.	Cash flow hedge
2	Interest rate hedge	Floating rate loans	Floating rate financial liability is converted into a fixed rate financial liability using a floating to fixed interest rate swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Group receives at a floating rate in return for a fixed rate liability.	Cash flow hedge

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

For the year ended March 31, 2020

₹ Crore

Hedging Instrument	Notional principal amounts outstanding	Derivative Financial Instruments - Assets outstanding	Derivative Financial Instruments – Liabilities outstanding	Gain/ (Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps *(Refer Note 16)*	2,714.27	1.50	91.87	(18.56)	(18.56)	-	NA	NA	NA
Previous Year	*1,317.56*	*2.43*	*22.62*	*(13.58)*	*(13.58)*	-	*NA*	*NA*	*NA*

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

₹ Crore

	As at March 31, 2020				As at March 31, 2019			
	Total	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years
Interest rate risk:								
Notional principal amount	**2,714.27**	**2,344.06**	**370.21**	-	1,317.56	350.19	967.37	-
Average rate	**3.00%**	**2.93%**	**3.44%**	-	3.30%	3.44%	3.25%	-

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

₹ Crore

Particulars	Movement in Cash flow hedge reserve for the year ended March 31, 2020	Movement in Cash flow hedge reserve for the year ended March 31, 2019
Opening balance	**(5.89)**	7.69
Gain / (Loss) on the Effective portion of changes in fair value:		
a) Interest rate risk	**(18.56)**	(13.58)
b) Currency risk	-	-
Tax on movements on reserves during the year	-	-
Closing balance	**(24.45)**	**(5.89)**

Note 51: Divestment of UK Business

On August 31 2018, the Group sold 100% equity stake in Godrej Consumer Products (UK) Limited at a net consideration of ₹ 279.51 crore and has recognised a net gain on divestment of ₹ 76.44 crore *(refer note 37)*. UK business was a part of "Others" segment in Segment reporting disclosure. Group recognized a gain of ₹ 9.51 crore (net) for proceeds during the year ended March 31,2020 *(refer note 37)*.

Note 52: Goodwill and Other Intangible Assets with indefinite useful life

Goodwill has been allocated to the Group's CGU as follows:

₹ Crore

Particulars	As at March 31, 2020	As at March 31, 2019
India	**2.47**	2.47
Indonesia	**1,601.38**	1,452.50
Africa (including SON)	**3,233.40**	2,965.53
Argentina	**317.18**	318.60
Others*	**184.89**	178.93
Total	**5,339.32**	**4,918.03**

* Others Include Chile and Srilanka.

Each unit or group of units to which the goodwill is allocated -

a. represents the lowest level within the entity at which the goodwill is monitored for internal management purpose and

b. is not larger than an operating segment as defined in Ind AS 108 Operating Segments, before aggregation.

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years for all CGUs except Africa where a 10 year period has been used to recognise the longer period of faster growth in expected cash flows , before averaging to a lower pace of growth to perpetuity. The measurement using discounted cash flow is level 3 fair value based on inputs to the valuation technique used. Cash flows beyond 5 years (10 years in case of Africa CGU) is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre tax discount rate.

Indefinite life brands have been allocated to the Group's CGU as follows:

₹ Crore

Particulars	As at March 31, 2020	As at March 31, 2019
India	**791.25**	791.25
Africa (including SON)	**1,538.68**	1,449.24
Chile	**7.41**	8.48
Total	**2,337.34**	**2,248.97**

The recoverable amount of the brands are based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. The measurement using discounted cash flow is level 3 fair value based on inputs to the valuation technique used. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre tax discount rate.

Operating margins and growth rates for the five years (ten years in case of Africa CGU) cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

		As at January 31, 2020	
Particulars (CGU and brands)	**Average sales growth**	**Pre Tax discount rate**	**Terminal growth rate**
Indonesia	9.5%	12.15%	6.0%
Africa (Including SON)	0% - 28%	6.67% - 18.28%	3% - 7%
Argentina*	7.3%	19.57%	2.0%
Others**	1.5% - 17.4%	9.54% - 20.80%	3% - 5%

* For current year the Argentina CGU valuation is performed in USD due to hyperinflationary economy leading to high volatility in local currency.

** Others Include India, Chile and Srilanka.

The pre tax discount rate is based on risk free rate, beta variant adjusted for market premium and company specific risk factors. For the valuation as at January 31,2020 the pre tax discount rate has considered the economic uncertainties due to COVID-19 uncertainty.

According to Ind AS 36 "Impairment of Assets", the annual impairment test for intangible assets with indefinite useful life may be performed at any time during an annual period, provided the test is performed at the same time every year. From the year ended March 31, 2019, the Group has decided to perform impairment test for goodwill and other intangible assets with indefinite useful life at January 31 and same is being followed for future years.

Based on impairment test done as at January 31, 2020 , Group has concluded that due to macro economic factors there was impairment for goodwill in Argentina of ₹ 30 crore and other indefinite life intangible assets in Africa (including SON) of ₹ 40.48 crore as at March 31, 2020. There was no impairment as at March 31, 2019. The impairment has been recorded as an 'Exceptional item' in the Consolidated Statement of Profit and Loss (refer Note 37).

With regard to the assessment of value in use other than the impairment recorded above, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGUs to exceed their recoverable amount.

Note 53: Segment Reporting

Description of segments and principal activities:
The Group has identified geographical segments as reportable segments which are as follows:

- Segment-1,India
- Segment-2, Indonesia
- Segment-3, Africa (Including Strength of Nature)
- Segment-4, others

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit as the performance indicator for all of the operating segments.

The group is engaged in manufacturing of personal, household and hair care products.

Information about reportable segments for the year ended March 31, 2020 and March 31, 2019 is as follows:

₹ Crore

Year ended March 31, 2020

Particulars		**India**	**Indonesia**	**Africa (including Strength of Nature)**	**Others**	**Total**
	Segment Revenue	**5,474.45**	1,695.86	2,316.22	555.58	10,042.11
Add/(Less):	Inter segment revenue	**(98.16)**	(31.56)	(0.41)	(1.18)	(131.31)
	Revenue from Operations	**5,376.29**	1,664.30	2,315.81	554.40	**9,910.80**
	Segment result	**1,448.39**	443.62	229.35	21.67	2,143.03
Add/(Less):	Inter segment					
	Other income	**15.98**	9.77	9.65	0.65	36.05
	Depreciation & Amortization	**(81.37)**	23.71	(75.27)	(16.93)	(197.28)
	Interest income	**58.09**	13.19	4.58	0.39	76.25
	Finance costs (Unallocable)	**-**	-	-	-	(217.41)
	Exceptional items (net)	**-**	-	-	-	(81.05)
	Share of net profits of equity accounted anvestees (net of income tax)	**-**	-	-	-	0.81
	Profit Before Tax					**1,760.40**
	Tax expense	**-**	-	-	-	(263.82)
	Profit After Tax					**1,496.58**

₹ Crore

Particulars		Year ended March 31, 2019 India	Indonesia	Africa (including Strength of Nature)	Others	Total
	Segment Revenue	**5,679.31**	1,524.94	2,456.04	770.17	10,430.46
Add/(Less):	Inter segment revenue	**(83.50)**	(28.63)	(1.34)	(2.65)	(116.12)
	Revenue from Operations	**5,595.81**	1,496.31	2,454.70	767.52	**10,314.34**
	Segment result	**1,512.55**	393.09	190.44	20.50	2,116.58
Add/(Less):	Inter segment					
	Other income	**12.63**	2.55	6.84	1.01	23.03
	Depreciation & Amortization	**(69.06)**	(21.65)	(59.45)	(19.82)	(169.98)
	Interest income	**60.20**	22.08	4.11	0.37	86.76
	Finance costs (Unallocable)	**-**	-	-	-	(224.25)
	Exceptional items (net)	**-**	-	-	-	252.56
	Share of net profits of equity accounted anvestees (net of income tax)	**-**	-	-	-	0.63
	Profit Before Tax					**2,085.33**
	Tax expense	**-**	-	-	-	256.20
	Profit After Tax					**2,341.53**

Particulars		As at March 31, 2020	As at March 31, 2019
Segment Assets			
a)	India	**4,014.87**	3,738.81
b)	Indonesia	**2,864.15**	2,696.78
c)	Africa (including Strength of Nature)	**7,257.53**	6,748.12
d)	Others	**936.63**	1,099.50
Less: Intersegment Eliminations		**(116.17)**	(113.13)
		14,957.01	**14,170.08**
Segment Liabilities			
a)	India	**1,487.23**	1,738.39
b)	Indonesia	**529.48**	415.95
c)	Africa (including Strength of Nature)	**1,050.39**	897.42
d)	Others	**165.25**	138.18
Less: Intersegment Eliminations		**(138.81)**	(128.87)
		3,093.54	**3,061.07**
Add: Unallocable liabilities		**3,965.11**	3,842.09
Total Liabilities		**7,058.65**	**6,903.16**

Information about major customers:

No Single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2020 and March 31, 2019

Capital expenditure

₹ Crore

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
a)	India	**92.49**	81.22
b)	Indonesia	**18.26**	13.65
c)	Africa (including Strength of Nature)	**57.27**	120.27
d)	Others	**6.68**	16.12
Total		**174.71**	**231.26**

Note 54: Assets Pledged As Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

₹ Crore

		As at March 31, 2020	As at March 31, 2019
Current			
Financial assets			
Floating charge			
Trade receivables *(Refer Note 13)*		**3.31**	2.55
Total	**(a)**	**3.31**	**2.55**
Non Financial assets			
First charge			
Inventories *(Refer Note 11)*	**(b)**	**14.39**	11.70
Total current assets pledged as security	**(c) = (a) + (b)**	**17.69**	**14.25**
Non Current			
First charge			
Plant & Machinery *(Refer Note 3)*		**16.01**	14.82
Total non-current assets pledged as security	**(d)**	**16.01**	**14.82**
Total assets pledged as security	**(e) = (c) + (d)**	**33.71**	**29.07**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 55: Additional information, as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiary/Associates

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit/Loss account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of Total Comprehensive Income	Amount (₹ in crore)
Parent								
Godrej Consumer Products Limited (India)	64.92%	5,127.62	78.84%	1,179.89	-0.43%	(0.97)	68.55%	1,178.92
Subsidiaries								
Foreign								
Beleza Mozambique LDA	1.22%	96.69	2.72%	40.70			2.37%	40.70
Consell SA	0.00%	-0.02	0.00%	-0.02			0.00%	-0.02
Cosmetica Nacional	1.67%	132.25	-0.06%	-0.87			-0.05%	-0.87
Charm Industries Limited	0.09%	7.12	-0.05%	-0.69			-0.04%	-0.69
Canon Chemicals Limited	0.91%	72.18	0.19%	2.80			0.16%	2.80
Darling Trading Company Mauritius Ltd	1.58%	124.90	0.45%	6.72			0.39%	6.72
Deciral SA	0.09%	7.49	-0.08%	-1.22			-0.07%	-1.22
DGH Phase Two Mauritius	3.69%	291.41	0.13%	1.95			0.11%	1.95
DGH Tanzania Limited	0.91%	71.82	-0.01%	-0.12			-0.01%	-0.12
DGH Uganda	0.00%	-0.35	-0.01%	-0.10			-0.01%	-0.10
Frika Weave (PTY) LTD	0.04%	2.76	0.02%	0.31			0.02%	0.31
Godrej Africa Holdings Limited	34.47%	2,722.52	3.98%	59.57			3.46%	59.57
Godrej Consumer Holdings (Netherlands) B.V.	9.46%	747.08	-0.03%	-0.46			-0.03%	-0.46
Godrej Consumer Investments (Chile) Spa	4.96%	391.71	0.00%	0.01			0.00%	0.01
Godrej Consumer Products (Netherlands) B.V.	0.55%	43.07	-0.02%	-0.32			-0.02%	-0.32
Godrej Consumer Products Bangladesh Ltd	0.00%	-0.10	0.00%	-0.02			0.00%	-0.02
Godrej Consumer Products Dutch Coöperatief U.A.	10.22%	807.54	-0.04%	-0.53			-0.03%	-0.53
Godrej Consumer Products Holding (Mauritius) Limited	21.97%	1,734.94	0.55%	8.26	-0.95%	(2.13)	0.36%	6.13
Godrej Consumer Products International (FZCO)	0.90%	71.21	5.43%	81.25			4.72%	81.25
Godrej East Africa Holdings Ltd	1.17%	92.50	-2.57%	-38.51			-2.24%	-38.51
Godrej Global Mid East FZE	0.17%	13.70	0.67%	10.03			0.58%	10.03

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit/Loss account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of Total Comprehensive Income	Amount (₹ in crore)
Godrej Hair Care Nigeria Limited	0.00%	-	0.00%	-			0.00%	-
Godrej Hair Weave Nigeria Limited	0.00%	-	0.00%	-			0.00%	-
Godrej Holdings (Chile) Limitada	5.74%	453.22	0.76%	11.32			0.66%	11.32
Godrej Household Products (Bangladesh) Pvt. Ltd.	-0.98%	-77.34	-0.48%	-7.17			-0.42%	-7.17
Godrej Household Products (Lanka) Pvt. Ltd.	0.14%	10.85	-0.04%	-0.63			-0.04%	-0.63
Godrej Indonesia IP Holding Ltd.	5.94%	469.04	1.75%	26.20			1.52%	26.20
Godrej International Trading Company (Sharjah)	-0.01%	-0.54	-0.01%	-0.08			0.00%	-0.08
Godrej Mauritius Africa Holdings Ltd.	15.00%	1,184.63	0.59%	8.88	-5.46%	(12.18)	-0.19%	-3.30
Godrej MID East Holdings Limited	17.61%	1,390.59	1.23%	18.46			1.07%	18.46
Godrej Netherlands B.V.	6.46%	510.61	0.17%	2.47			0.14%	2.47
Godrej Nigeria Limited	0.56%	44.38	0.88%	13.24	-0.06%	(0.14)	0.76%	13.10
Godrej Peru SAC	-0.07%	-5.85	-0.24%	-3.62			-0.21%	-3.62
Godrej SON Holdings INC	9.58%	756.59	-1.89%	-28.34	-1.90%	(4.25)	-1.89%	-32.59
Godrej South Africa Proprietary Ltd	1.13%	89.03	0.45%	6.70			0.39%	6.70
Godrej Tanzania Holdings Ltd	1.65%	130.21	-0.19%	-2.86			-0.17%	-2.86
Godrej (UK) Ltd	1.21%	95.82	0.30%	4.46			0.26%	4.46
Godrej West Africa Holdings Ltd.	1.56%	123.13	1.51%	22.54			1.31%	22.54
Hair Credentials Zambia Limited	0.07%	5.33	-0.22%	-3.33			-0.19%	-3.33
Hair Trading (offshore) S. A. L	0.87%	68.80	2.18%	32.55			1.89%	32.55
Indovest Capital	0.01%	0.99	0.00%	0.02			0.00%	0.02
Issue Group Brazil Limited	0.02%	1.19	0.04%	0.59			0.03%	0.59
Kinky Group (Pty) Limited	0.30%	23.89	0.66%	9.81			0.57%	9.81
Laboratoria Cuenca S.A	0.58%	45.56	0.87%	13.01			0.76%	13.01
Lorna Nigeria Ltd.	1.89%	149.43	-0.76%	-11.34	0.05%	0.12	-0.65%	-11.22
Old Pro International Inc	1.76%	139.12	0.00%	-			0.00%	-
Panamar Producciones S.A.	0.01%	0.86	0.00%	-0.01			0.00%	-0.01
PT Ekamas Sarijaya	0.17%	13.48	0.02%	0.26			0.02%	0.26
PT Indomas Susemi Jaya	0.94%	74.14	0.90%	13.42			0.78%	13.42
PT Intrasari Raya	1.15%	90.65	0.72%	10.80			0.63%	10.80
PT Megasari Makmur	14.77%	1,166.34	17.67%	264.41	-1.29%	(2.87)	15.21%	261.54

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit/Loss account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of Total Comprehensive Income	Amount (₹ in crore)
PT Sarico Indah	0.14%	11.35	0.09%	1.27			0.07%	1.27
Sigma Hair Industries Limited	0.01%	0.95	-0.45%	-6.71			-0.39%	-6.71
Style Industries Uganda Limited	0.00%	0.00	0.00%	-			0.00%	-
Strength of Nature LLC	29.90%	2,361.91	1.09%	16.33			0.95%	16.33
Strength of Nature South Africa Proprietary Limited	0.04%	3.31	-0.05%	-0.79			-0.05%	-0.79
Style Industries Limited	2.53%	199.59	-1.41%	-21.07			-1.22%	-21.07
Subinite (Pty) Ltd.	0.20%	16.17	-1.64%	-24.55			-1.43%	-24.55
Weave Ghana Ltd	0.65%	51.06	-0.13%	-1.90			-0.11%	-1.90
Weave IP Holdings Mauritius Pvt. Ltd.	0.04%	3.33	0.10%	1.45			0.08%	1.45
Weave Mozambique Limitada	1.72%	135.76	0.04%	0.59			0.03%	0.59
Weave Senegal Ltd	-0.03%	-2.34	-0.84%	-12.63			-0.73%	-12.63
Weave Trading Mauritius Pvt. Ltd.	0.01%	0.57	5.04%	75.47			4.39%	75.47
Godrej CP Malaysia SDN. BHD	0.00%	-	0.00%	-			0.00%	
Adjustment arising out of consolidation					110.04%	245.62	14.28%	245.62
Associate (Investments as per Equity method)								
Bhabani Blunt Hairdressing Pvt. Ltd.	0.00%	-	0.05%	0.81			0.05%	0.81
Eliminations	-182.26%	(14395.51)	-18.85%	(282.07)	0.00%	(0.00)	-16.40%	(282.07)
Grand Total	**100.00%**	**7898.36**	**100.00%**	**1496.58**	**100.00%**	**223.20**	**100.00%**	**1719.78**

Note 56: Details of Subsidiaries and Associate

The companies considered in the consolidated financial statements are :

Name of the subsidiaries	Country of Incorporation	Ownership interest held by the Group	
		March 31, 2020	**March 31, 2019**
Godrej Household Products (Lanka) Pvt. Ltd.	Srilanka	**100%**	100%
Godrej South Africa Proprietary Ltd	South Africa	**100%**	100%
Godrej Consumer Products Bangladesh Ltd	Bangladesh	**100%**	100%
Godrej Household Products (Bangladesh) Pvt. Ltd.	Bangladesh	**100%**	100%
Beleza Mozambique LDA	Mozambique	**100%**	100%
Consell SA	Argentina	**100%**	100%
Cosmetica Nacional	Chile	**100%**	100%
Charm Industries Limited	Kenya	**100%**	100%
Canon Chemicals Limited	Kenya	**100%**	100%
Darling Trading Company Mauritius Ltd	Mauritius	**100%**	100%
Deciral SA	Uruguay	**100%**	100%
DGH Phase Two Mauritius	Mauritius	**100%**	100%
DGH Tanzania Limited	Mauritius	**100%**	100%
DGH Uganda	Mauritius	**100%**	100%
Frika Weave (PTY) LTD	South Africa	**100%**	100%
Godrej Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Investments (Chile) Spa	Chile	**100%**	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Products Dutch Coöperatief U.A.	Netherlands	**100%**	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	**100%**	100%
Godrej Consumer Products International (FZCO)	Dubai	**100%**	100%
Godrej East Africa Holdings Ltd	Mauritius	**100%**	100%
Godrej Global Mid East FZE	Sharjah	**100%**	100%
Godrej Hair Care Nigeria Limited	Nigeria	**100%**	100%
Godrej Hair Weave Nigeria Limited	Nigeria	**100%**	100%
Godrej Holdings (Chile) Limitada	Chile	**100%**	100%
Godrej Indonesia IP Holding Ltd.	Mauritius	**100%**	100%
Godrej International Trading Company (Sharjah)	Sharjah	**100%**	100%
Godrej Mauritius Africa Holdings Ltd.	Mauritius	**100%**	100%
Godrej MID East Holdings Limited	Dubai	**100%**	100%
Godrej Netherlands B.V.	Netherlands	**100%**	100%

Name of the subsidiaries	Country of Incorporation	Ownership interest held by the Group	
		March 31, 2020	March 31, 2019
Godrej Nigeria Limited	Nigeria	**100%**	100%
Godrej Peru SAC	Peru	**100%**	100%
Godrej SON Holdings INC	USA	**100%**	100%
Godrej Tanzania Holdings Ltd	Mauritius	**100%**	100%
Godrej (UK) Ltd	UK	**100%**	100%
Godrej West Africa Holdings Ltd.	Mauritius	**100%**	100%
Hair Credentials Zambia Limited	Zambia	**100%**	100%
Hair Trading (offshore) S. A. L	Lebanon	**100%**	100%
Indovest Capital	Labuan	**100%**	100%
Issue Group Brazil Limited	Brazil	**100%**	100%
Kinky Group (Pty) Limited	South Africa	**100%**	100%
Laboratoria Cuenca S.A	Argentina	**100%**	100%
Lorna Nigeria Ltd.	Nigeria	**100%**	100%
Old Pro International Inc	USA	**100%**	100%
Panamar Producciones S.A.	Argentina	**100%**	100%
PT Ekamas Sarijaya	Indonesia	**100%**	100%
PT Indomas Susemi Jaya	Indonesia	**100%**	100%
PT Intrasari Raya	Indonesia	**100%**	100%
PT Megasari Makmur	Indonesia	**100%**	100%
PT Sarico Indah	Indonesia	**100%**	100%
Sigma Hair Industries Limited	Tanzania	**100%**	100%
Style Industries Uganda Limited	Uganda	**100%**	100%
Strength of Nature LLC	USA	**100%**	100%
Strength of Nature South Africa Proprietary Limited	South Africa	**100%**	100%
Style Industries Limited	Kenya	**100%**	100%
Subinite (Pty) Ltd.	South Africa	**100%**	100%
Weave Ghana Ltd	Ghana	**100%**	100%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	**100%**	100%
Weave Mozambique Limitada	Mozambique	**100%**	100%
Weave Senegal Ltd	Senegal	**100%**	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	**100%**	100%
Godrej CP Malaysia SDN. BHD	Malaysia	**100%**	100%
Bhabhani Blunt Hairdressing Private Limited (Associate)	India	28%	28%

Note 57: Covid 19 Impact

In view of the lockdown in many of the States/Union Territories across India, due to the outbreak of COVID pandemic, operations in many of the Company's locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down from second half of March 2020. The operations at some of the Group's overseas locations are also shut down/ scaled down over various periods and being operated as per the local guidelines of social distancing and high hygiene standards, wherever permitted. The duration of this lockdown in various geographies is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the respective Government authorities. While this has adversely impacted the sales performance in various geographies, the management continues to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per management's current assessment, other than the impairment recorded (refer note 37 and 52), no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and management continues to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

Note 58: General

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476

Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
1	Beleza Mozambique LDA	13-10-2011	01-Apr-2019 To 31-Mar-2020	MZN	1.121	13.86	82.82	249.08	152.40	-	266.63	40.70	-	40.70	-	100%
2	Consell SA	02-06-2010	01-Apr-2019 To 31-Mar-2020	ARS	1.172	0.34	(0.36)	0.02	0.03	-	-	(0.02)	(0.01)	(0.02)	-	100%
3	Cosmetica Nacional	20-04-2012	01-Apr-2019 To 31-Mar-2020	CPeso	0.089	113.87	18.38	176.55	44.30	-	144.30	(0.92)	(0.06)	(0.87)	-	100%
4	Charm Industries Limited	09-09-2014	01-Apr-2019 To 31-Mar-2020	KES	0.719	0.72	6.40	34.17	27.06	-	21.27	(0.62)	0.07	(0.69)	-	100%
5	Canon Chemicals Limited	05-05-2016	01-Apr-2019 To 31-Mar-2020	KES	0.719	9.72	62.45	116.88	44.71	-	95.09	4.47	1.67	2.80	-	75%*
6	Darling Trading Company Mauritius Ltd	22-01-2015	01-Apr-2019 To 31-Mar-2020	USD	75.565	7.56	117.34	118.14	(6.76)	7.56	6.87	6.72	-	6.72	-	95%*
7	Deciral SA	02-06-2010	01-Apr-2019 To 31-Mar-2020	ARS	1.172	7.85	(0.36)	19.11	11.62	0.00	14.97	(1.97)	(0.75)	(1.22)	-	100%
8	DGH Phase Two Mauritius	09-05-2012	01-Apr-2019 To 31-Mar-2020	USD	75.565	263.50	27.91	342.84	51.43	354.95	3.18	2.29	0.34	1.95	-	90%*
9	DGH Tanzania Limited	06-12-2012	01-Apr-2019 To 31-Mar-2020	USD	75.565	72.79	(0.97)	71.88	0.06	34.00	-	(0.12)	-	(0.12)	-	100%
10	DGH Uganda	31-01-2017	01-Apr-2019 To 31-Mar-2020	UGX	75.565	0.00	(0.35)	0.00	0.35	-	-	(0.10)	-	(0.10)	-	51%*
11	Frika Weave (PTY) LTD	06-01-2015	01-Apr-2019 To 31-Mar-2020	ZAR	4.228	4.68	(1.92)	2.82	0.06	-	0.56	0.43	0.12	0.31	-	100%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
12	Godrej Africa Holdings Limited	19-01-2015	01-Apr-2019 To 31-Mar-2020	USD	75.565	2,535.39	187.13	2,722.58	0.06	2,722.47	59.72	59.57	0.00	59.57	-	100%
13	Godrej Consumer Holdings (Netherlands) B.V.	31-03-2010	01-Apr-2019 To 31-Mar-2020	USD	75.565	0.19	746.89	747.18	0.09	747.14	-	(0.46)	-	(0.46)	-	100%
14	Godrej Consumer Investments (Chile) Spa	28-03-2012	01-Apr-2019 To 31-Mar-2020	USD	75.565	409.09	(17.38)	391.72	0.01	391.69	0.01	0.01	-	0.01	-	100%
15	Godrej Consumer Products (Netherlands) B.V.	31-03-2010	01-Apr-2019 To 31-Mar-2020	USD	75.565	0.17	42.90	43.15	0.08	43.10	-	(0.32)	-	(0.32)	-	100%
16	Godrej Consumer Products Bangladesh Ltd	13-04-2010	01-Apr-2019 To 31-Mar-2020	Taka	0.888	0.04	(0.14)	0.05	0.15	-	-	(0.02)	-	(0.02)	-	100%
17	Godrej Consumer Products Dutch Coöperatief U.A.	24-03-2010	01-Apr-2019 To 31-Mar-2020	USD	75.565	649.25	158.29	808.08	0.53	807.97	0.01	(0.53)	-	(0.53)	-	100%
18	Godrej Consumer Products Holding (Mauritius) Limited	23-04-2010	01-Apr-2019 To 31-Mar-2020	USD	75.565	1,418.71	316.23	2,144.95	410.01	1,457.55	27.28	9.45	1.19	8.26	-	100%
19	Godrej Consumer Products International (FZCO)	28-02-2017	01-Apr-2019 To 31-Mar-2020	USD	75.565	7.56	63.65	582.63	511.42	-	610.21	81.25	-	81.25	-	95%*
20	Godrej East Africa Holdings Ltd	20-07-2012	01-Apr-2019 To 31-Mar-2020	USD	75.565	290.27	(197.77)	1,269.56	1,177.06	1,268.11	-	(38.51)	-	(38.51)	-	100%
21	Godrej Global Mid East FZE	05-07-2011	01-Apr-2019 To 31-Mar-2020	AED	20.573	9.44	4.27	52.93	39.23	-	112.83	10.03	-	10.03	-	100%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
22	Godrej Hair Care Nigeria Limited	02-03-2016	01-Apr-2019 To 31-Mar-2020	Naira	0.196	-	-	-	-	-	-	-	-	-	-	100%
23	Godrej Hair Weave Nigeria Limited	02-03-2016	01-Apr-2019 To 31-Mar-2020	Naira	0.196	-	-	-	-	-	-	-	-	-	-	100%
24	Godrej Holdings (Chile) Limitada	29-03-2012	01-Apr-2019 To 31-Mar-2020	USD	75.565	391.98	61.24	468.34	15.12	462.72	12.84	11.32	-	11.32	-	100%
25	Godrej Household Products (Bangladesh) Pvt. Ltd.	01-04-2010	01-Apr-2019 To 31-Mar-2020	Taka	0.888	14.16	(91.50)	36.03	113.37	-	85.95	(6.14)	1.02	(7.17)	-	100%
26	Godrej Household Products (Lanka) Pvt. Ltd.	01-04-2010	01-Apr-2019 To 31-Mar-2020	LKR	0.398	28.62	(17.78)	30.52	19.67	-	51.03	(0.41)	0.22	(0.63)	-	100%
27	Godrej Indonesia IP Holding Ltd.	17-03-2015	01-Apr-2019 To 31-Mar-2020	USD	75.565	442.58	26.45	469.09	0.05	468.96	26.30	26.20	-	26.20	-	100%
28	Godrej International Trading Company (Sharjah)	01-09-2016	01-Apr-2019 To 31-Mar-2020	USD	75.565	-	(0.54)	0.03	0.57	-	-	(0.08)	-	(0.08)	-	51%
29	Godrej Mauritius Africa Holdings Ltd.	14-03-2011	01-Apr-2019 To 31-Mar-2020	USD	75.565	1,063.69	120.94	3,367.51	2,182.88	2,691.34	77.42	8.88	-	8.88	-	100%
30	Godrej MID East Holdings Limited	28-07-2015	01-Apr-2019 To 31-Mar-2020	USD	75.565	1,380.27	10.32	479.58	(911.01)	-	19.91	18.46	-	18.46	-	100%
31	Godrej Netherlands B.V.	19-10-2005	01-Apr-2019 To 31-Mar-2020	USD	75.565	4.60	506.01	511.50	0.89	387.06	3.77	3.19	0.71	2.47	-	100%
32	Godrej Nigeria Limited	26-03-2010	01-Apr-2019 To 31-Mar-2020	Naira	0.196	0.29	44.09	69.24	24.85	-	139.17	17.42	4.18	13.24	-	100%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
33	Godrej Peru SAC	11-04-2017	01-Apr-2019 To 31-Mar-2020	ARS	1.172	0.00	(5.85)	22.04	27.89	-	21.75	(4.42)	(0.80)	(3.62)	-	100%
34	Godrej SON Holdings INC	22-03-2016	01-Apr-2019 To 31-Mar-2020	USD	75.565	816.86	(60.27)	1,860.01	1,103.42	1,845.89	15.12	(28.34)	-	(28.34)	-	100%
35	Godrej South Africa Proprietary Ltd	01-09-2006	01-Apr-2019 To 31-Mar-2020	ZAR	4.228	7.63	81.39	90.57	1.55	-	13.56	8.21	1.51	6.70	-	100%
36	Godrej Tanzania Holdings Ltd	30-11-2012	01-Apr-2019 To 31-Mar-2020	USD	75.565	138.46	(8.25)	256.55	126.33	151.15	2.42	(2.86)	-	(2.86)	-	100%
37	Godrej (UK) Ltd	24-10-2005	01-Apr-2019 To 31-Mar-2020	GBP	93.969	92.41	3.42	96.17	0.34	93.28	-	4.50	0.04	4.46	-	100%
38	Godrej West Africa Holdings Ltd.	11-02-2014	01-Apr-2019 To 31-Mar-2020	USD	75.565	123.02	0.11	123.19	0.06	123.08	24.64	24.51	1.97	22.54	-	95%
39	Hair Credentials Zambia Limited	23-12-2015	01-Apr-2019 To 31-Mar-2020	ZMK	4.152	0.01	5.32	24.06	18.73	-	71.25	(3.33)	-	(3.33)	-	100%
40	Hair Trading (offshore) S. A. L	23-12-2015	01-Apr-2019 To 31-Mar-2020	USD	75.565	0.15	68.65	86.06	17.26	-	101.74	32.55	-	32.55	-	51%
41	Indovest Capital	17-03-2010	01-Apr-2019 To 31-Mar-2020	USD	75.565	0.09	0.90	1.09	0.10	-	-	0.06	0.04	0.02	-	100%
42	Issue Group Brazil Limited	23-05-2010	01-Apr-2019 To 31-Mar-2020	ARS	1.172	16.18	(14.99)	2.85	1.65	-	0.62	0.59	-	0.59	-	100%
43	Kinky Group (Pty) Limited	01-04-2008	01-Apr-2019 To 31-Mar-2020	ZAR	4.228	0.00	23.89	23.89	-	-	86.56	12.84	3.03	9.81	-	100%
44	Laboratoria Cuenca S.A	02-06-2010	01-Apr-2019 To 31-Mar-2020	ARS	1.172	1.82	43.74	127.72	82.16	1.83	218.02	16.37	3.36	13.01	-	100%
45	Lorna Nigeria Ltd.	05-09-2011	01-Apr-2019 To 31-Mar-2020	Naira	0.196	0.23	149.20	283.23	133.80	-	349.35	(9.65)	1.69	(11.34)	-	100%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
46	Old Pro International Inc	28-04-2016	01-Apr-2019 To 31-Mar-2020	USD	75.565	0.00	139.12	139.12	-	-	-	-	-	-	-	100%
47	Panamar Producciones S.A.	02-06-2010	01-Apr-2019 To 31-Mar-2020	ARS	1.172	0.06	0.80	0.87	0.01	0.66	-	(0.01)	-	(0.01)	-	100%
48	PT Ekamas Sarijaya	17-05-2010	01-Apr-2019 To 31-Mar-2020	IDR	0.005	1.16	12.32	13.75	0.27	-	1.27	0.48	0.21	0.26	-	100%
49	PT Indomas Susemi Jaya	17-05-2010	01-Apr-2019 To 31-Mar-2020	IDR	0.005	1.33	72.81	85.56	11.42	-	44.07	17.52	4.10	13.42	-	100%
50	PT Intrasari Raya	17-05-2010	01-Apr-2019 To 31-Mar-2020	IDR	0.005	0.46	90.19	396.65	306.00	-	1,681.20	16.92	6.12	10.80	-	100%
51	PT Megasari Makmur	17-05-2010	01-Apr-2019 To 31-Mar-2020	IDR	0.005	67.93	1,098.41	1,658.31	491.97	-	1,379.89	355.04	90.63	264.41	-	100%
52	PT Sarico Indah	17-05-2010	01-Apr-2019 To 31-Mar-2020	IDR	0.005	3.11	8.24	18.86	7.51	-	23.70	1.85	0.58	1.27	-	100%
53	Sigma Hair Industries Limited	19-12-2012	01-Apr-2019 To 31-Mar-2020	TZS	0.033	32.13	(31.18)	57.35	56.40	-	93.81	(6.24)	0.47	(6.71)	-	100%
54	Style Industries Uganda Limited	15-06-2016	01-Apr-2019 To 31-Mar-2020	UGX	0.020	0.00	-	0.00	-	-	-	-	-	-	-	51%
55	Strength of Nature LLC	28-04-2016	01-Apr-2019 To 31-Mar-2020	USD	75.565	-	2,361.91	2,500.15	138.24	34.20	589.21	9.18	(7.14)	16.33	-	100%
56	Strength of Nature South Africa Proprietary Limited	28-04-2016	01-Apr-2019 To 31-Mar-2020	ZAR	4.228	-	3.31	3.31	-	-	0.20	(0.25)	0.54	(0.79)	-	100%
57	Style Industries Limited	01-11-2012	01-Apr-2019 To 31-Mar-2020	KES	0.719	53.19	146.40	321.77	122.18	-	308.40	(21.07)	-	(21.07)	-	90%
58	Subinite (Pty) Ltd.	06-09-2011	01-Apr-2019 To 31-Mar-2020	ZAR	4.228	0.00	16.17	324.96	308.79	-	475.61	(24.39)	0.15	(24.55)	-	95%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
59	Weave Ghana Ltd	16-09-2014	01-Apr-2019 To 31-Mar-2020	CEDI	13.211	56.05	(5.00)	83.04	31.99	-	131.32	(1.12)	0.78	(1.90)	-	100%
60	Weave IP Holdings Mauritius Pvt. Ltd.	11-07-2011	01-Apr-2019 To 31-Mar-2020	USD	75.565	0.05	3.28	3.39	0.06	-	1.96	1.70	0.25	1.45	-	95%
61	Weave Mozambique Limitada	13-10-2011	01-Apr-2019 To 31-Mar-2020	MZN	1.121	13.84	121.92	144.59	8.84	-	114.87	1.43	0.84	0.59	-	95%
62	Weave Senegal Ltd	08-04-2016	01-Apr-2019 To 31-Mar-2020	XOF	0.128	29.80	(32.15)	6.95	9.29	-	1.43	(12.63)	-	(12.63)	-	100%
63	Weave Trading Mauritius Pvt. Ltd.	05-07-2011	01-Apr-2019 To 31-Mar-2020	USD	75.565	0.01	0.56	0.77	0.20	0.15	75.57	75.47	-	75.47	-	51%
64	Godrej CP Malaysia SDN. BHD	04-06-2018	01-Apr-2019 To 31-Mar-2020	MYR	17.510	-	-	-	-	-	-	-	-	-	-	100%

** Financials of subsidiaries were considered 100% in consolidated financial statements*

Names of subsidiaries which are yet to commence operations - NIL

Godrej Hair Care Nigeria Limited

Godrej Hair Weave Nigeria Limited

Godrej CP Malaysia SDN. BHD

Names of subsidiaries which have been liquidated or sold during the year:

Godrej Consumer Products Malaysia Limited, closed on October 7, 2019

Godrej Household Insecticide Nigeria Limited, voluntarily wound up and dissolved on March 18, 2020

Names of subsidiaries which have been liquidated or sold after the close of the year

Godrej Hair Care Nigeria Limited,voluntarily wound up and dissolved on April 14, 2020

Godrej Hair Weave Nigeria Limited,voluntarily wound up and dissolved on April 23, 2020

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ Crore

Sl. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for FY 20	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1.	Bhabhani Blunt Hairdressing Private Limited	Year ended March 31, 2020	4967 Equity Instruments & 3060 Debentures	₹ 20.04 cr & ₹ 12 cr	28%	Godrej Consumer Products Ltd is holding more than 20% of share capital	Godrej Consumer Products Ltd stake is less than 51%	3.61	0.81	2.89

Nisaba Godrej	**Vivek Gambhir**	**V Srinivasan**
Executive Chairperson	Managing Director & CEO	Chief Financial Officer
DIN: 00591503	DIN: 6527810	& Company Secretary

Mumbai: May 13, 2020

CONSUMER PRODUCTS

Godrej Consumer Products Limited

Registered Office:
Godrej One, 4th Floor, Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai - 400 079
Tel.: +91 22 25188010/20/30 **Fax:** +91 22 25188040
Website: www.godrejcp.com **E-mail:** investor.relations@godrejcp.com
CIN: L24246MH2000PLC129806

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th ANNUAL GENERAL MEETING (**AGM**) of the members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Tuesday, August 4, 2020, at 4.00 p.m. through video conferencing/other audio visual means to transact the following businesses.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended March 31, 2020 and Report of the Board of Directors and Auditor's Report thereon;

2. To confirm the Interim Dividends paid during fiscal year 2019-20;

3. To appoint a Director in place of Mr Pirojsha Godrej (DIN: 00432983), who retires by rotation, and being eligible, offers himself for re-appointment;

4. To appoint a Director in place of Ms Tanya Dubash (DIN: 00026028), who retires by rotation, and being eligible, offers herself for re-appointment;

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolutions:

5. **Ordinary Resolution for the ratification of remuneration payable to M/s. P. M. Nanabhoy & Co. (Firm Membership number 000012), appointed as Cost Auditors of the Company for the fiscal year 2020-21**

'**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P. M. Nanabhoy & Co. (Firm Membership number 000012), Cost Accountants, appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the fiscal year 2020-21, be paid a remuneration of ₹ 6,07,000/- per annum plus applicable taxes and out-of-pocket expenses that may be incurred.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution'.

6. **Ordinary Resolution for appointment of Ms Nisaba Godrej as Managing Director (DIN: 00591503)**

"**RESOLVED THAT** in accordance with the provisions of Sections 196,197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules thereunder, Ms Nisaba Godrej (DIN: 00591503) is hereby appointed as the Managing Director of the Company, on the following terms and conditions:

I. Period of appointment: July 1, 2020 to September 30, 2022

II. 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 ₹12,50,000 to ₹18,50,000 per month, payable monthly. The annual increments will be decided by the Board of Directors and will be merit based and 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 scheme of the Company for each of the financial year as relevant to the period of appointment or as may be decided by the Board of Directors.

C. Flexible Compensation

In addition to the fixed compensation and the performance linked variable remuneration, Ms Nisaba Godrej will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to Ms Nisaba Godrej in such form and manner as the Board may decide.

- Housing as per rules of the Company (i.e. unfurnished residential accommodation) OR House Rent Allowance as per Company's rules;
- Furnishing at residence as per rules of the Company;
- Supplementary Allowance;
- Leave Travel Allowance for self and family in accordance with the rules of the Company;
- Payment/reimbursement of medical/hospitalisation expenses for self and family in accordance with the rules of the Company.
- Group insurance cover, group mediclaim cover in accordance with the rules of the Company;
- Payment/reimbursement of Club Fees, Food Vouchers, petrol reimbursement;
- Company car with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Housing Loan as per rules of the Company, Contingency Loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Consolidated privilege leave, on full pay and allowance, not exceeding 30 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/or as may be approved by the Board from time to time.

Explanation:

Perquisites shall be evaluated at actual cost or if the cost is not ascertainable, the same shall be valued as per Income Tax Rules.

III. 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 in its absolute discretion may pay to Ms Nisaba Godrej 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.

IV. Minimum Remuneration

Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of Ms Nisaba Godrej, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule V to the Companies Act, 2013.

V. Other terms

a) Ms Nisaba Godrej shall not, during the continuance of her employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for her own or for any other purpose other than that of the Company, any information or knowledge obtained by her during her employment, about the business or affairs or other matters whatsoever of the Company and it shall be Ms Nisaba Godrej's endeavour, during the continuance of her employment, to prevent any other person from disclosing the aforesaid information.

b) If Ms Nisaba Godrej is 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 her duties as director or any breach of these terms, as in the opinion of all other Directors renders her retirement from the office desirable, the opinion of all other Directors shall be final, conclusive and binding on her and the Company may, by giving thirty days' notice in writing, terminate this appointment and she shall cease to be the Director of the Company, upon expiration of such notice.

c) In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendments 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, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.

By Order of the Board of Directors

V Srinivasan
Chief Financial Officer & Company Secretary
Mumbai, July 10, 2020

Notes:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed herewith. The Board of Directors have considered and decided to include the Item Nos. 5 & 6 given above as Special Businesses in the forthcoming AGM, as they are unavoidable in nature.

2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the MCA & Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 20th AGM of the Company shall be conducted through VC/OAVM. The Central Depository Services (India) Limited ('CSDL') will be providing facility for voting through remote e-voting,

for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 6.

3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at investor.relations@godrejcp.com.

5. **ELECTRONIC DISPATCH OF ANNUAL REPORT**

    - In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

6. **PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:**

    - Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access at www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.

    - Shareholders are encouraged to join the Meeting through Laptops / IPads/ Tabs for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

    - Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

    - Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

7. **PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATION WITH RESPECT TO ANNUAL REPORT:**

    - Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, Demat Account number / folio number, mobile number along with their queries to investor.relations@godrejcp.com latest by 5 p.m. on Friday 31st July, 2020. Questions / queries received by the Company till this time shall only be considered and responded during the AGM.

    - Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

8. **Procedure for remote E-voting**

In accordance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members the facility to exercise their right to vote at the 20th AGM through electronic means and the business may be transacted through the e-voting services provided by the Central Depository Services Limited (CDSL).

The instructions for members for voting electronically are as follows:-

(i) The e-voting facility is available from 9.00 a.m. on Friday, July 31, 2020 to 5.00 p.m. on Monday, August 3, 2020. The e-voting module shall be disabled by CDSL for voting thereafter. During this period, shareholders of the Company, holding shares either in physical or dematerialised (demat) form, as on the cut-off date, Tuesday, July 28, 2020, may cast their vote electronically.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders.

(iv) Enter their User ID

a. For CDSL use the 16-digit beneficiary ID,

b. For NSDL use the 8-character DP ID followed by a 8-digit Client ID,

c. Members holding shares in the physical Form should enter the Folio Number registered with the Company.

(v) Next, enter the Image Verification as displayed and Click on Login.

(vi) If shareholders hold shares in demat form and have previously logged on to www.evotingindia.com and have voted earlier on a poll of any company, then the existing password is to be used.

(vii) First time users should follow the following steps:

	For Members holding shares in demat and physical forms
PAN	Enter your 10-digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to enter the sequence numbers provided on the address label.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in the dd/mm/yyyy format) as recorded in your demat account or in the Company records to login. • If both the details are not recorded with the depository or Company please enter the member ID/folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on 'SUBMIT' tab.

(ix) Members holding shares in the physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the 'Password Creation' menu, wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.

(x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for GODREJ CONSUMER PRODUCTS LIMITED to vote.

(xii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.

(xiv) After selecting the resolution, you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

(xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on 'Click here to print' option on the voting page.

(xvii) If a demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on 'FORGOT PASSWORD' and enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app 'm-Voting' available for android-based mobiles. The m-Voting app can be downloaded from Google Play Store/Apple Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians

- Non-individual shareholders (i.e. other than Individuals, including HUFs, NRIs, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User will be able to link the account(s) for which they wish to vote.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com, and on approval of the accounts, they will be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, should be uploaded in the PDF format in the system for the scrutiniser to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at investor.relations@godrejcp.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) **The instructions for Members for e-voting on the day of the AGM are as under:**

(a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(b) Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting shall be eligible to vote through e-voting system during the AGM.

(c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(d) All grievances connected with the facility for voting by electronic means may be addressed to Mr Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

9. Mr Kalidas Vanjpe, Practising Company Secretary, (Membership No. FCS 7132) or failing him, Mr Ashok Ramani (Membership No. FCS 6808) has been appointed as the Scrutiniser to scrutinise the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

   The results of entire e-voting along with Scrutinizer's report shall be placed on the Company's website www.godrejcp.com within 2 days of passing resolutions at the AGM of the Company and communicated to stock exchanges, where the shares of the Company are listed.

10. **PROCEDURE FOR INSPECTION OF DOCUMENTS:**

   The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection through electronic mode, basis the request being sent on investor.relations@godrejcp.com.

11. **DIVIDEND RELATED INFORMATION**

   Pursuant to the provisions of Section 124 of the Act, the Unpaid/Unclaimed Dividend pertaining to the financial year 2012-13 has been transferred by the Company to the Investor Education and Protection Fund (the 'IEPF') established by the Central Government. The Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the 'Investor Education and Protection Fund' (IEPF) of the Government. Unclaimed Dividends, as per the details given in the table below, will be transferred to the IEPF on the dates mentioned in the table. Those members who have not, so far, encashed these dividend warrants or any subsequent dividend warrants may claim or approach our Registrars, Computech Sharecap Ltd., 147, M. G. Road, Fort, Mumbai 400001 (e-mail: gcpl@computechsharecap.in) or the Company for payment thereof.

Dividend Period	Type of Dividend	Paid in	Due date for transfer
2013-14	Interim	August 2013	September 8, 2020
2013-14	Interim	November 2013	December 17, 2020
2013-14	Interim	February 2014	March 9, 2021
2013-14	Interim	May 2014	June 3, 2021
2014-15	Interim	August 2014	September 9, 2021

Please note that Section 124(6) of the Companies Act, 2013 also provides that all shares in respect of which the dividend of last 7 consecutive years has remained unclaimed, shall also be transferred to the IEPF.

Hence, it is in the shareholders' interest to claim any uncashed dividends and for future dividends, opt for Electronic Credit of dividend so that dividends paid by the Company are credited to the investor's account on time.

12. The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The Member(s) whose dividend/ shares are transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://iepf.gov.in/IEPF/refund.html

- The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Computech Sharecap Limited / Investor Relations Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant. The Company will not be in position to issue Demand Drafts for dividends to those shareholders whose Bank account details are not updated.

- Details as stipulated under Listing Regulations in respect of the Directors being appointed/ re-appointed are attached herewith to the Notice.

By Order of the Board of Directors

V Srinivasan
Chief Financial Officer & Company Secretary
Mumbai, July 10, 2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM 5

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company.

On the recommendation of the Audit Committee, at its meeting held on May 13, 2020, the Board considered and approved the re-appointment of M/s. P. M. Nanabhoy & Co., Cost Accountants as the Cost Auditor for the fiscal year 2020-21 at a remuneration of ₹ 6,07,000/- per annum plus applicable taxes and reimbursement of out-of-pocket expenses.

The Board of Directors recommend the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the shareholders.

None of the Directors, Key Managerial Personnel (KMP), or their relatives are, in any way, concerned with or interested, financially or otherwise in the said resolution.

ITEM 6

The shareholders passed an ordinary resolution for the re-appointment of Ms Nisaba Godrej as whole time director from July 1, 2019 till September 30, 2022 at the Annual General Meeting held on August 1, 2019.

The Board of Directors at its meeting held on January 29, 2020 approved the continuation of Ms Nisaba Godrej as Executive Chairperson till March 31, 2022.

On June 9, 2020, Mr Vivek Gambhir resigned as Managing Director & CEO of the Company with effect from close of business hours on June 30, 2020. The Nomination & Remuneration Committee recommended his continuation as whole time director till September 30, 2020 and also proposed the appointment of Ms Nisaba Godrej as Managing Director with effect from July 1, 2020 till September 30, 2022 subject to approval of shareholders at the AGM. The Nomination & Remuneration Committee also recommended that she continue to hold the position of Executive Chairperson of the Company till March 31, 2022. The Board of Directors at the meeting held on June 9, 2020 approved the aforesaid recommendations. The Company shall ensure that the position of Chairperson is in compliance with the applicable provisions of the Listing Regulations with effect from April 1, 2022.

The details of Ms Nisaba Godrej as required to be given pursuant to the Listing Regulations and Secretarial Standards, are attached to the Notice.

For brevity, the particulars of the proposed remuneration, perquisites, and benefits payable to Ms Nisaba Godrej are not being set out in the explanatory statement and the members are requested to refer to the same as set out in the body of the respective resolutions.

A copy of the agreement with Ms Nisaba Godrej for her appointment as Managing Director can be made available for inspection of any Member on email upon a request received for such inspection through email at the Company's email ID viz. investor.relations @ godrejcp.com, upto the date of the AGM.

The Board believes that the Company will benefit from her professional expertise and rich experience. Hence, the Board recommends the resolution at item no.6 to the Members for their approval.

Mr Adi Godrej, Ms Tanya Dubash, Mr Pirojsha Godrej and Ms Nisaba Godrej herself are interested in the resolution under item no 6.

By Order of the Board of Directors

V Srinivasan
Chief Financial Officer & Company Secretary
Mumbai, July 10, 2020

Information pursuant to the Listing Regulations and Secretarial Standards with respect to appointment or re-appointment of Directors

Names of Director	Nisaba Godrej	Pirojsha Godrej	Tanya Dubash
Category	Whole-time Director	Non-Executive Director	Non-Executive Director
DIN	00591503	00432983	00026028
Date of Birth and Age	February 12, 1978 42 years	October 27, 1980 39 years	September 14, 1968 51 years
Qualification	• BSC, Wharton School, Pennsylvania • MBA, Harvard Business School	• MBA, Columbia Business School • Masters-International Affairs, School of International & Public Affairs at Columbia University • Graduate-Economics, Wharton School of Business	• Graduate in Economics and Political Science from Brown University, USA • Completed Advanced Management Programme from Harvard Business School
Nature of Expertise/ Experience	Industrialist	Industrialist/Management	Industrialist
Brief Resume	Appended at end of this table	Appended at end of this table	Appended at end of this table
First Appointment on the Board	May 2, 2011	April 1, 2017	May 2, 2011
Terms & Conditions of Appointment/ re-appointment	Appointment as Managing Director from July 1, 2020 to September 30, 2022	Appointment as a Non-Executive Director subject to retirement by rotation	Appointment as a Non-Executive Director subject to retirement by rotation
Last Drawn Remuneration Details along with remuneration sought to be paid	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. The remuneration details for proposed appointment is given in the text of the resolution.	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. As a Non-Executive Director, he is entitled to sitting fees for attending meetings of the Board/ Committee and Commission on Profits as may be approved by the shareholders from time-to-time within the limits set out in the Companies Act, 2013	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. As a Non-Executive Director, she is entitled to sitting fees for attending meetings of the Board/Committee and Commission on Profits as may be approved by the shareholders from time-to-time within the limits set out in the Companies Act, 2013
No. of shares held in GCPL as at March 31, 2020	3,70,083*	3,70,125*	62*
Relationship with other Directors/ Manager/ KMP	Daughter of Mr Adi Godrej, Sister of Ms Tanya Dubash and Mr Pirojsha Godrej.	Son of Mr Adi Godrej, brother of Ms Tanya Dubash and Ms Nisaba Godrej.	Daughter of Mr Adi Godrej, Sister of Ms Nisaba Godrej and Mr Pirojsha Godrej
No. of Board meetings attended out of 4 meetings held during the year	4	4	4

Names of Director	Nisaba Godrej	Pirojsha Godrej	Tanya Dubash
Directorship details	Listed Public Companies: Godrej Consumer Products Limited Godrej Agrovet Limited VIP Industries Limited Public Companies: Godrej Seeds & Genetics Limited Private Companies: Innovia Multiventures Pvt Ltd LLPs: Designated Partner in Anamudi Real Estates LLP Partnership Firms; Partner in RKN Enterprises	Listed Public Companies: Godrej Consumer Products Limited Godrej Agrovet Limited Godrej Properties Limited Public Companies: Godrej Housing Finance Limited Private Companies: Swaddle Projects Private Limited Godrej Investments Advisers Private Limited Godrej One Premises Management Private Limited Karukachal Developers Private Limited Eranthus Developers Private Limited Pyxis Developers Private Limited Ceres Developers Private Limited Praviz Developers Private Limited LLPs: Designated Partner in Anamudi Real Estates LLP Partnership Firms; Partner in RKN Enterprises	Listed Public Companies: Godrej Consumer Products Limited Godrej Industries Limited Godrej Agrovet Limited Britannia Industries Limited Escorts Limited Public Companies: Godrej Seeds & Genetics Limited Go Airlines (India) limited Ensemble Holdings & Finance Limited Private Companies: Godrej Holdings Private Limited Innovia Multiventures Private Limited LLPs: Designated Partner in Anamudi Real Estates LLP Partnership Firms; Partner in RKN Enterprises
Committee Positions	Member: Risk Management Committee Godrej Consumer Products Limited Corporate Social Responsibility Committee Godrej Seeds & Genetics Limited Godrej Consumer Products Limited Nomination & Remuneration Committee Godrej Agrovet limited VIP Industries Limited (wef April 8, 2020) Chairperson: NIL	Member: Stakeholders' Relationship Committee: Godrej Properties Limited Risk Management Committee Godrej Properties Limited Chairman: Corporate Social Responsibility Committee Godrej Properties Limited	Member: Stakeholders' Relationship Committee: Godrej Industries Limited Corporate Social Responsibility Committee Godrej Consumer Products Limited Godrej Industries Limited Risk Management Committee Godrej Industries Limited Chairperson: Corporate Social Responsibility Committee Godrej Seeds and Genetics Limited

* This shareholding reflects holding in their own name and does not include shares held as one of the trustee of family trusts.

Brief Resume of the Directors proposed to be appointed/re-appointed:

Nisaba Godrej

Nisaba Godrej is the Executive Chairperson of Godrej Consumer Products Limited (GCPL). She has been a key architect of GCPL's strategy and transformation in the last decade. She is also the Chairperson of Teach for India and sits on the board of Godrej Agrovet and VIP Industries. She has a BSc degree from The Wharton School at the University of Pennsylvania and an MBA from Harvard Business School.

Pirojsha Godrej

Pirojsha Godrej is a Non-Executive Director of Godrej Consumer Products Ltd, Executive Chairman of Godrej Properties, Godrej Housing Finance, and Godrej Fund Management. Pirojsha graduated from the Wharton School of Business in 2002, completed his Masters in International Affairs from Columbia University in 2004, and an MBA from Columbia Business School in 2008. Pirojsha joined GPL in 2004, became an Executive Director in 2008, and was appointed CEO of Godrej Properties in 2012. He has led the company through a phase of rapid growth. In Financial Year 2016, Godrej Properties for the first time became India's #1 publicly listed real estate developer by residential sales, a position it has retained for the past 5 years.

Under Pirojsha's leadership, Godrej Properties has been at the forefront of the sustainable development movement; in 2013, GPL received an award from former President of India, APJ Abdul Kalam for being one of the companies in India from across sectors to have driven the green building movement. Godrej Properties in 2016 was ranked #2 in Asia and #5 in the World in terms of its sustainability performance in the Global Real Estate Sustainability Benchmark Report. The Indian Green Building Council (IGBC) has awarded Pirojsha the IGBC Green Champion Award 2016 for his contribution to the sustainability of India's built environment.

In 2017, Pirojsha was appointed the Executive Chairman of Godrej Properties. He also assumed the role of Executive Chairman of Godrej Fund Management. In 2019, Pirojsha founded and became the Executive Chairman of Godrej Housing Finance. He has travelled to over 90 countries and every continent and his interests include chess, scuba diving, and rare-book collecting. He is married and is the proud father of two young daughters.

Tanya Dubash

Tanya Dubash is a Non-executive Director of Godrej Consumer Products Limited (GCPL). Tanya serves as the Executive Director and Chief Brand Officer of Godrej Industries Ltd., and is responsible for the Godrej Group's brand and communications function, including guiding the Godrej Masterbrand.

Tanya is also a Director on the Board of Godrej Industries Limited and Godrej Agrovet Limited. She also serves on the boards of Britannia, Escorts, Go Airlines, AIESEC and India@75.

Tanya was a member on the Board of the Bharatiya Mahila Bank between November 2013 and May 2015. She was a trustee of Brown University between 2012 and 2018 and continues to be member of the Brown India Advisory Council and on the Watson Institute Board of Overseers.

Tanya was recognized by the World Economic Forum as a Young Global Leader in 2007. She is AB cum laudé, Economics & Political Science, Brown University, USA, and an alumna of the Harvard Business School."

Notes

Notes

Notes

CONSUMER PRODUCTS