Godrej | CONSUMER PRODUCTS

Annual & Integrated Report 2022-23

Visit our Annual &
Integrated Report microsite

Contents

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 fifth 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 and Sustainability Report (BRSR) requirements of SEBI.

Our R&D teams lead new product development across the geographies we operate in

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 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

Scope and boundary

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

In line with our commitment to transparent reporting and sustainable business practices, we have adhered to the taxonomy established by the Securities and Exchange Board of India's Business Responsibility and Sustainability Report (BRSR) and the Task Force on Climate-Related Financial Disclosures (TCFD) framework. Our adherence to these robust frameworks provides a comprehensive understanding of our sustainability aspirations and the effectiveness of our actions to our stakeholders.

Reporting period

All information, financial and non-financial, is reported for the period from April 1, 2022 to March 31, 2023. For a holistic overview of our performance on sustainability, we have also incorporated comparative figures for the previous year (fiscal year 2021-22) and baseline year (fiscal year 2011-12, except for statutory financials).

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.

In addition, GCPL has commissioned TUV India Private Limited to conduct an independent external assurance of non-financial information disclosed in GCPL's Integrated Report for the period April 1, 2022 to March 31, 2023. It is a 'limited assurance' report of GCPL's sustainability information for the applied reporting period. This assurance statement is based on the principles of IIRC Integrated Reporting, GRI standards, and the ISAE 3000 standard.

Read TUV India's assurance statement of GCPL's ESG and non-financial information

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 2020-21, 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 6 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, that is, 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 6 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 a materiality matrix using a 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 2 parameters: ability to influence GCPL and extent of influence due to GCPL. Stakeholders were then assigned weightages on the basis of these 2 parameters.

Stakeholder prioritisation

Stakeholder group	Ability of a stakeholder to strongly influence GCPL's performance and operations	Extent of influence on a 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
Industry associates	Low	Medium

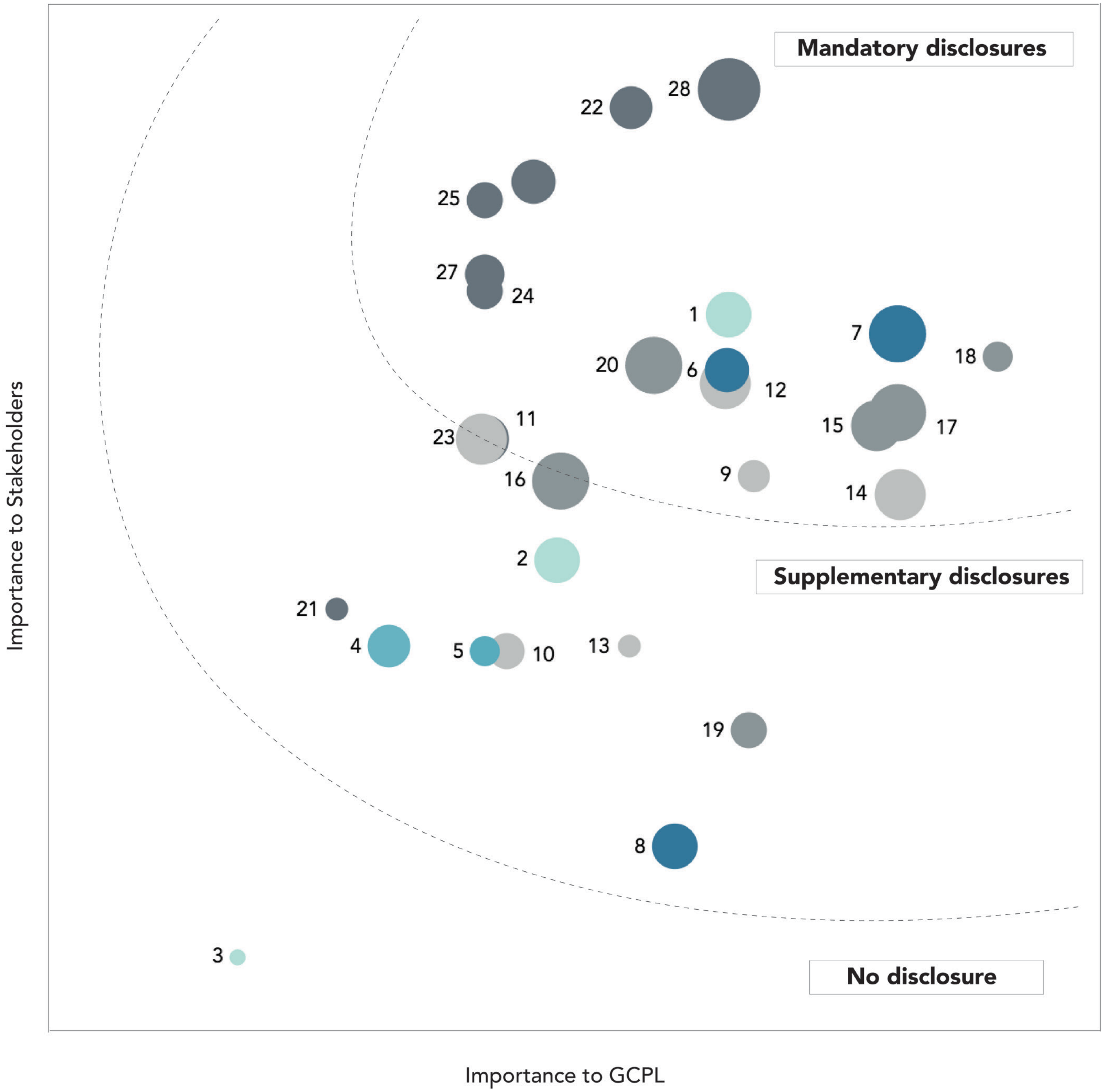
Feedback from stakeholders determined our top material issues, which are all within our boundary of operations. Our material issues are linked to our strategic pillars.

Top material issues	Link to our strategic pillars
1. Sustainable packaging	**People and planet alongside profit** Over 34% of our plastic is recyclable. We have reduced our plastic packaging intensity by 17% since the fiscal yeay 2019-20.
2. Research and development (R&D)	**Radical simplification** We continuously assess the sustainability of our products from a life cycle perspective and use the insights to constantly re-shape and strengthen our new product development framework.
3. Responsible marketing and communication	**Radical simplification** Our products are priced affordably, and we are committed to offering our innovative, eco-friendly products at a green discount rather than a premium price. We intend to make sustainable choices more appealing and affordable, driving a positive change in consumer behaviour and fostering a greener, more responsible market.

Top material issues	Link to our strategic pillars
4. Building inclusive and prosperous communities	**People and planet alongside profit** We are committed to ensuring human rights of our employees and the communities where we operate, suppliers and business partners, and customers and consumers. We conducted a self-assessment across our plants and locations in India and Indonesia, covering 93% of our blue collar workforce. Our CSR initiatives are impactful, making a difference in the lives of millions.
5. Governance and accountability	**People and planet alongside profit** We have a board level ESG committee with a focus on environment, social and governance issues of the company. They have oversight on sustainability risks, opportunities and progress against goals.
6. Occupational health and safety	**People and planet alongside profit** We focus on inculcating a culture of safety and health and creating an incident-free organisation. We are at a zero-fatality record since the last 3 years and we have also not had any major fire or any other significant property damage.
7. Skill development and training	**People and planet alongside profit** 100% of our white collar employees and over 90% of our workers are trained on skill upgradation, health and safety, prevention of sexual harassment, and other human rights issues.

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

Number	Material issues
1	Greater market penetration
2	Robust revenue growth
3	Ensuring reliable access to capital
4	Asset utilisation
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 and safety
13	Developing leadership capabilities
14	Skill development and training
15	Governance and accountability
16	Regulatory compliance
17	Responsible marketing and 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


Mandatory disclosures
Supplementary disclosures
No disclosure
Importance to Stakeholders
Importance to GCPL
28
22
25
27
24
1
7
18
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6
12
11
23
15
17
16
9
14
2
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19
8
3

We engage with all our stakeholders on a regular basis to foster and nurture strong relationships, which in turn help us improve our strategy and decision-making and grow our business. In a crisis like the COVID-19 pandemic, our partnerships with our stakeholders became even more important.

The table below provides an overview of our stakeholder engagement process and the steps we take to understand the needs and priorities of each stakeholder group.

Stakeholders and their significance	Frequency and manner of stakeholder engagement
Consumers	• 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
Investors and shareholders	• Investor meets • Investor calls • Roadshows and grievance forums for shareholders and investors
Employees	• Weekly/monthly reviews • HR forums • Town halls • Small group discussions • Employee engagement surveys • 360-degree feedback

Sustainability and other concerns	Our engagement approach
• Product safety and quality • Waste management and circular economy	• Providing high-quality, safe products that delight consumers • Understanding short and long-term needs • Ensuring responsible consumer engagement
• Profitability and growth • Focus on carbon emission, renewable and clean energy, and air pollution • Technology, product, and process innovation • Embed sustainability in supply chain	• Communicating progress transparently
• Health, safety, and mental well-being • Skill development and learning • Circular economy principles • Water recycling and reuse • Sustainable packaging	• Ensuring a safe and productive place to work where employees can be their whole selves • Prioritising learning and development • Highlighting employee feedback mechanisms through a variety of channels • Enabling medical facilities for employees and their families

Stakeholders and their significance	Frequency and manner of stakeholder engagement
Suppliers	• Sustainable procurement initiative • Supplier meets • Audits • Annual suppliers conference
Customers	• Customer meets • Customer surveys • Feedback calls • Direct visits
NGO partners and community	• Project planning and review meetings • Need assessment surveys • Field visits • Feedback surveys
Government and regulatory bodies	• One-on-one meetings • Meetings in industry forums

Sustainability and other concerns	Our engagement approach
• Product safety and quality • Responsible supply chain • Reducing environmental footprint • Waste management and circular economy • Sustainable packaging	• Supporting and enhancing their capabilities through skill development, growth opportunities, and safe operations
• Greater market penetration • Responsible marketing and communication	• Using technology to assess and respond in an agile manner • Providing high-quality, safe products that delight consumers • Ensuring responsible consumer engagement
• Building inclusive and prosperous communities	• Responding to the COVID-19 crisis by supporting communities with immediate relief kits and medical supplies and longer term livelihood revival • Creating and scaling up programmes that meet the needs of communities in terms of livelihoods, public health, waste management, and water conservation
• Carbon emission, energy efficiency, and waste management • Building inclusive and prosperous communities	• Committing to meet and exceed compliance and regulatory mandates • Collaborating on national agendas to build inclusive and prosperous communities

Our Company

Godrej Consumer Products is a part of the over 125-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 markets company, we have witnessed rapid growth and are pursuing our exciting and innovative aspirations.

Our Values

Our Purpose

Bringing the goodness of health and beauty
to consumers in emerging markets

Watch the video

85+
countries

13,000+
Godrejites

1.2 bn
consumers

USD
1.6 bn FY 22-23
revenue

USD
12 bn FY 22-23
market cap
(As on 31 March 2023)

~75% revenue
from top 11 brands

Leading presence in Asia, Africa, and Latin America

Latin America

#1 Hair Colour (Argentina)
#1 Hair Fixing Sprays (Argentina)**
#1 Depilatory Products (Chile)

Sub-Saharan Africa

#1 Hair Colour (Ethnic hair)

India & SAARC

#1 Household Insecticides
#1 Air Care
#1 Hair Colour

Indonesia

#1 Household Insecticides
#1 Air Care
#1 Baby Wipes

Source: **Scentia

Home Care

Household Insecticides
Air Care
Fabric Care
Home Hygiene

Personal Care

Personal Wash and Hygiene
Hair Colour
Premium Beauty and Professional Products

Sustainability

For over 125 years, the Godrej Group has actively championed social responsibility. It's core to who we are.

23%

of the promoter holdings in the Group is held in trusts that invest in education, environment, and health

Creating a more inclusive and greener planet through

Godrej Good & Green

Aligned with the

United Nations

Sustainable Development Goals, and the needs of local communities

Adopted

TCFD

framework and recommendations to assess and mitigate risks and opportunities arising from climate change

Board of Directors

Nisaba Godrej
Executive Chairperson

Indian C ESG

Sudhir Sitapati
Managing Director and CEO

Indian ESG

Nadir Godrej
Non-executive Director

Indian ESG C

Tanya Dubash
Non-executive Director

Indian ESG

Pirojsha Godrej
Non-executive Director

Indian C

Jamshyd N Godrej
Non-executive Director

Indian

Ireena Vittal
Lead Independent Director

Indian

Omkar Goswami
Independent Director

Indian C

Narendra Ambwani
Independent Director

Indian ESG C

Board Committees

● Nomination and Remuneration Committee
● Risk Management Committee
● Stakeholder Relationship Committee
■ Audit Committee
▲ CSR Committee
C Chairman
ESG ESG Committee

Pippa Tubman Armerding
Independent Director

French ● ■

Ndidi Nwuneli
Independent Director

Nigerian ■ ESG

Sumeet Narang
Independent Director

Indian ● ■

Mapping our Board of Directors basis their skill/capability matrix

	Strategy and business	Consumer staples industry expertise	Market expertise	Tech and future perspective	People and talent understanding	Governance, finance, and risk	Diversity of perspective
Ms. Nisaba Godrej	■	■	■		■	■	
Mr. Sudhir Sitapati	■	■	■		■	■	
Mr. Nadir B. Godrej	■		■	■		■	■
Ms. Tanya Dubash	■		■			■	■
Mr. Pirojsha Godrej	■		■			■	■
Mr. Jamshyd Godrej	■		■			■	■
Ms. Ireena Vittal	■	■	■		■	■	
Mr. Omkar Goswami			■	■		■	■
Mr. Narendra Ambwani	■	■	■		■	■	
Ms. Pippa Armerding	■		■		■	■	■
Ms. Ndidi Nwuneli	■		■		■	■	■
Mr. Sumeet Narang	■		■	■		■	■

A Letter to Our Shareholders

Dear shareholders,

Thank you for your continued belief in GCPL and taking the time to read this note.

Overall, I believe fiscal year 2022-23 was a moderate year of performance, but a strong year of strategic transformation. At value and volume growths of 8% and -1% respectively, and with PAT remaining flat, we were far off our targets for the year. However, we were happier with our performance in the second half, with quarter four ending on a strong note.

Category development continues to be at the heart of our strategy, and even in a difficult year of cost inflation we continued our increased and strong investments behind brands. One of the best examples is Air Care. We have pivoted this in India and Indonesia on the insight that the category is adopted when guests visit you at home.

We are also driving relevance of our brands by enhancing access through the creation of value packs and improving distribution through educative sampling.

I have often commented that working with Sudhir is such a learning experience that I feel like I am getting a second MBA. It is a pleasure to see the superb clarity of thought and deep execution capabilities that he and the team have.

I am very excited about the potential of our recent acquisition of the FMCG business of Raymond Consumer Care. The deodorant opportunity in India is significant. Raymond is a leading player in the Deodorants and Sexual Wellness categories in India with brands like Park Avenue and KamaSutra. So, through this, we are also increasing the number of categories we play in in India, and to categories with the potential to deliver double-digit multi-decade growth.

At our analyst meet in May, I shared my excitement and how perspectives from the past can give you some thoughts for the future. For me, it goes back to the story of how we acquired our Goodknight brand.

In 1994, Transelektra, an insecticides company, which made the Goodknight and HIT brands, was up for sale. Hindustan Lever was keen to acquire it, but the deal was held up and the owner didn't want to wait longer. So, my father, Adi, was approached by Uday Kotak, the banker overseeing the transaction, with the offer. He needed to decide in a week, which didn't leave much time for due diligence. But he was excited by the category and the potential, so he made an offer for ₹100 crore, and asked Uday to buy 10% of the company, and the then CEO, to buy 5%, and said he would loan them the money. That was the due diligence he built in. A year later, we entered a joint venture with Sara Lee and sold 51% of the business for ₹100 core, the same amount we had paid for acquiring the whole company.

We went on to invest in and grow our Household Insecticides business over the decades. It was a separate business from GCPL till 2010, when we acquired Sara Lee's stake and merged the business into GCPL. We believe this business has an implied value of around ₹30,000 crore today, based on the current GCPL market cap, with an underlying 30% CAGR on value creation.

I hope that we can tell the stories of the choices we are making today with similar pride when we look back on them a few decades later.

While growth in our Africa business has been good over the last few years, we need to be more strategic about some of the structural issues and forex management. The team has several projects underway to simplify and strengthen the business in the long run. In Indonesia, as part of our efforts to simplify sales and distribution, we have implemented a stronger structure for General Trade and moved from a direct distribution model to a distributor-led model.

As I do every year, I would like to share my perspectives on what I believe could have been better, what went well, and what we need to do going forward.

Goodknight was acquired in 1994 and then acquired again and merged in 2010. We believe this business has an implied value of around ₹30,000 crore today, based on the current GCPL market cap, with an underlying 30% CAGR on value creation.

1994
Godrej buys the Goodknight business for ₹100 crore

1995
51% of the business sold to Sara Lee for ₹100 crore, starting a JV

2010
GCPL acquired Sara Lee's 51% stake in the business for ₹1,240 crore, and merged the business into GCPL

2023
We believe this business has an implied value of around ₹30,000 crore today, based on the current GCPL market cap

Spending time across our global markets in India, Indonesia, and Africa, engaging with our team members, consumers, vendors, and partners.

Welcoming the Raymond team to Godrej and sharing perspectives on the significant opportunities we see ahead.

What could have been better

Indonesia had a disappointing year. Value (excluding the Hygiene business) and EBITDA growth was weak. However, with trade and inventory issues behind us and investments in a new General Trade structure and media, I am hopeful for a good year ahead. While our Africa business continued with its positive topline trajectory, we need to improve forex management, which has impacted the bottom line by over 100 bps this year. This will be a key area of focus for the team, along with projects to simplify how we do business.

Household Insecticides, our biggest category, did not meet our growth aspirations.

It is critical that we are able to drive category adoption and penetration for long-term sustainable growth. Performance has now picked up and continues to improve, with growth in the teens in the fourth quarter. The new launches of Goodknight Mini Liquid Vapouriser and HIT No-gas Spray, aimed at democratising mosquito repellents, are being received well.

What went well

Despite all the macroeconomic uncertainty, your company delivered on a lot of what we set out to do. It was a year of two halves, with progressively stronger performance each quarter and closing with a strong fourth quarter. We made good progress against some of the key priorities we had outlined. On the category front, Personal Care in India grew by 19%, continuing its solid trajectory. From a geography perspective, our India and Africa operations delivered healthy double-digit growth.

Our big hits were in Hair Colour and Air Fresheners in India, the FMCG business in Africa, and inventory and cost management. Consolidated inventory reduced by 21 days and we delivered 150 bps of controllable cost savings. Consequently, it was a record year in terms of cash flow from operations.

Brand building requires investments, and we are being deliberate about continuing to make these investments for the longer term. Despite the hyperinflation this year, we increased media investments by 40% and invested in market development. The results are very encouraging and our share of voice in India has increased by over 1,400 bps in the last 3 years.

Ensuring that we continue to make our products affordable and accessible is critical. One way we do is through the creation of value packs, like with Godrej Expert Rich Crème, where the smaller pack is priced at ₹15.

We are using educative, door-to-door product sampling to better understand consumer perception of our brands and use this to enhance existing products and develop new ones. We covered 3 million households in India last year, with a plan to ramp this up to 6 million next year.

On the category front, our big hits were in Hair Colour and Air Freshners in India.

What do we need to do now?

Our leadership team is driving a very clear focus on our strategy and the double-digit volume growth ambition we have set ourselves. We will focus on scaling up Household Insecticides performance and the growth of the Indonesia business. Margins and forex management will be the focus in Africa. Through the use of digital technology and automation, we are reimagining and radically simplifying how we work. The aim is to become leaner and to create the cost efficiencies needed to fuel our growth strategy.

We are committed to delivering business growth while becoming more sustainable and inclusive in our approach.

Grooming women leaders and ensuring adequate representation continues to be a key priority. We have set specific goals and regularly review progress, while ensuring we make the necessary changes to support women at the workplace.

We recognise that shifts must happen across levels. When Shalini Puchalapalli, Senior Director - Country Head for Google Customer Solutions, joins the GCPL Board of Directors in November 2023, she will be the sixth woman director on the Board, taking women representation to 50%. I am very proud of this important step in our journey to ensure equitable gender representation at the most senior levels of leadership. Women represent 47% of our total workforce at GCPL, but only 25% of senior leadership. We are making targeted efforts to take this up to 30% in senior leadership in the next few years through various hiring and development initiatives.

Given the nature of our business in Africa, building representation of local ethnic talent in management and key functions is critical. We have 90% representation in Marketing, 71% in Finance, and 76% in Manufacturing.

Representation in senior leadership roles has increased from 33% in fiscal year 2021-22 to 40% in fiscal year 2022-23.

Over the years, we have introduced various policy changes to become more inclusive for our LGBTQ+ colleagues, but the translation from advocacy into hiring remains slow.

Sustainability is core to our strategy and operating model and we are embedding it across various aspects of our business. Our sustainability vision, roadmap, and action plan for 2025, which is overseen by the ESG Committee at our Board of Directors, is aligned with the World Business Council for Sustainable Development's 9 pathways for the sustainable transformation of businesses. These pathways, in turn, tie in with the UN's Sustainable Development Goals which are aimed at helping solve 'wicked' social and environmental problems.

Shalini Puchalapalli, Senior Director - Country Head for Google Customer Solutions, who joins the GCPL Board of Directors in November 2023, will be the sixth woman director on the Board, taking our women representation to 50%.

As part of our CSR initiatives, we continued to scale up our Elimination of Mosquito Borne Endemic Diseases (EMBED) programme in partnership with the governments of Madhya Pradesh, Uttar Pradesh, and Chhattisgarh. Since 2015 we have helped make 1,598 villages malaria-free, and are now also addressing dengue and chikungunya in 9 cities. We have scaled up our waste management and plastics programmes to 5 cities.

We ensured over 2,300 MT of waste has been recycled over the past year, partnered with local authorities to strengthen waste management systems, and invested in the well-being of waste workers.

I am particularly energised by our recently articulated ambition to be net zero by 2035. It reinforces our commitment to putting people and planet alongside profit.

With the launch of Magic Body Wash, our reconstitution portfolio is growing. We believe this portfolio will enable us to democratise access to health and hygiene products while also and importantly, offering a green discount to our consumers.

Manch, our employee resource group for women in sales roles in India, leverages the power of collective action to help make our workforce more inclusive.

Our product, design, and sustainability teams continue to work closely on a sustainability framework for developing new products that are greener across the value chain. We remain agile to the changing global context of sustainability, increasing stakeholder interest, and growing internal ambition.

On behalf of the GCPL Board and Management Committee, I want to take this opportunity to say a very special thank you to our incredible team members; for their passion and leadership, which allows us to build a more purposeful GCPL.

To all our customers, business partners, shareholders, investors, and communities, our deep gratitude for your support through the years. We will continue to count on your partnership as we take GCPL to a new level of ambition and achievement.

Nisaba Godrej

We continue to scale up EMBED in partnership with the governments of Madhya Pradesh, Uttar Pradesh, and Chhattisgarh, and since 2015 we have helped make 1,598 villages malaria-free.

In conversation with our Managing Director and CEO, Sudhir Sitapati

Share with us your reflections on how GCPL performed in fiscal year 2022-23, against the backdrop of the global macroeconomic and political crises.

In December 2021, we articulated our strategy, which is to focus on category development driven by product innovation, relevance building, creating access and marketing investments; and to fund it through a digitally enabled radical simplification of our company. We will do this while continuing to live our values and place our people and the planet alongside profits. Our measure of medium-term success is the double-digit volume growth ambition we have set for ourselves.

How does this translate for our business in the short term? Our strategy led to a plan for fiscal year 2022-23 that we crafted back in January 2022. We were already on a high inflationary wicket at that point and our aim was to bring the business back to at least moderate volume growth, ensure reasonable price growth, good gross margin improvement, and moderate EBITDA growth, given increased media investments.

Then, in February 2022, the Ukraine war unfolded into what has been a classic black swan event. In a situation like this, it isn't just the volatility that hits, there is also the fact that you just don't know how to respond. We couldn't have predicted back then just how long or far reaching the impact would be.

The GCPL strategic narrative, which links our purpose, vision, strategy, and operating philosophy, guides our choices and ways of working

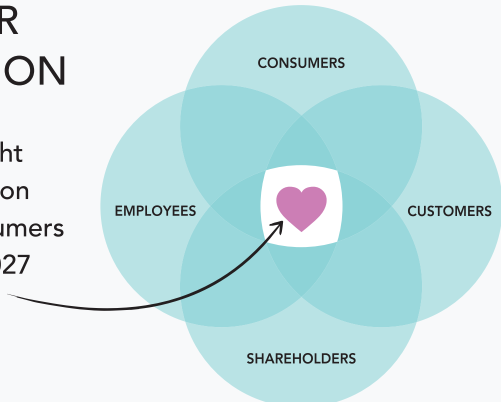
OUR PURPOSE

Bringing the goodness of health and beauty to consumers in emerging markets

OUR VALUES

OUR VISION

Delight 2 billion consumers by 2027



OUR STRATEGY

Category develop existing portfolio

Funded by radical simplification

People and Planet alongside Profit

OUR OPERATING PHILOSOPHY

1. Less is more; Much less is much more
2. Consumer first, Business second
3. Think local, Act global
4. Tomorrow before today
5. Better from within, Different from outside

THE GCPL WAY

A manual prescriptive guideline to help in our day-to-day operations

The bedrock of our capability development programme

OUR MEASURES

1. 10% UVG
2. More spends on brands, Less on cost to serve
3. More automation, Less working capital
4. More diversity, Less environmental impact

Sharing our purpose and strategy with our Indonesia team at a town hall when our global management committee visited Jakarta

The question we asked ourselves as a leadership team was: We have just crafted our plans for the year. How do we face this black swan event?

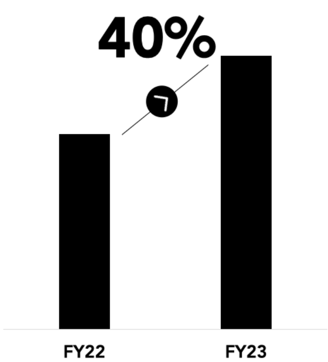
The answer ended up being simple. We stick to our strategy, because this isn't a strategy for the next 6 months or even a year. We believe it will hold for the next couple of decades. Like we have since learned, it's not strategy unless it tests your resolve.

So, in a year of hyperinflation, we increased media investments by 40% and invested in market development. We took hard calls on simplifying our business. Take inventory for example. Consolidated inventory reduced by 21 days, and in our Indonesia business, Modern Trade channel inventory reduced by 24 days. Similarly, for other aspects like new product development or people and efficiencies.

Simplification in a time of volatility has consequences, so we shifted the focal metrics from margins to cash flow from operations. We knew that it would be difficult to get the margins we were aiming for with the kind of costs and pressures underway. Given these choices, it ended up being a year of two halves and we saw progressively stronger performance each quarter, closing out with a very strong fourth quarter. It was a record year in terms of cash flow from operations, something that was in the making for a few quarters.

How do you deal with a black swan event?
You stick to the strategy

Media spends



Invested in category development

Consolidated inventory

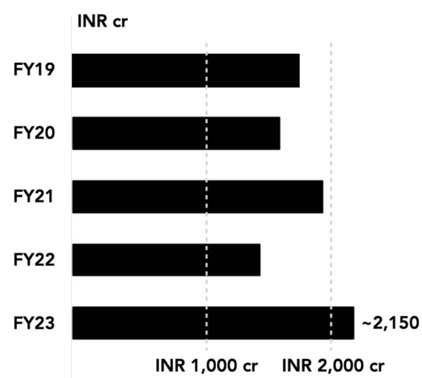
21 days
Reduction

Indonesia MT channel inventory

24 days
Reduction

Simplified business

Cash flow from operations



Cash, not margin, is King

In the fourth quarter in India, our India branded business delivered strong growth of 16%, with Household Insecticides growing at 14%. It was heartening that much of this broad-based sales growth came from volume growth (13% underlying volume growth) and that categories like Hair Colour and Air Care have delivered explosive growth. Profitability also increased sharply with gross margins of 56.2% and EBITDA margins of 26.6%. This is despite a 51% increase in media spends.

We feel much more confident about the improvement we are seeing in our core business in Indonesia. Sales growth excluding Hygiene in the fourth quarter was at 11% in constant currency terms and EBITDA margins are now at 21.5%. While Africa had a slightly slower close to the year at 8% sales growth, it has been largely due to demonetisation in Nigeria, and we do not see this impacting performance going forward, which has otherwise been quite strong.

Sharing my reflections on our strategy and performance at our Annual Analyst Meet in Mumbai

You have said that category development is at the heart of your strategy. Why is this so important and what progress have you made on this journey?

Category development is about driving relevance for a category—why people should adopt the category. It is different from gaining market share. Here, you are basically marketing the category and not just the brand. Our vision is to delight 2 billion consumers globally by 2027, and category development will power that.
If you look at the key markets that we operate in—India, Indonesia, Nigeria, Bangladesh, they are all at the cusp of explosive Home and Personal Care growth. The categories we operate in are still underdeveloped and while the reason for that is in part, the income and spending power of people in these economies, it is also about what companies like ours do to develop these categories.

Our category development playbook has three key levers. The first, is building relevance. Let's look at Air Care, where we have gained market share and grown penetration. The insight we worked on is that this category is typically adopted when guests come home. Guests are also likely to gossip about you when your back is turned, and this comes together in the idea of 'talking rooms' which are featured in the campaigns in India and Indonesia.

The second, is investing in our brands. We deliberately chose to increase our investments in brand building last year at a time when others were reducing it. Consequently, our share of voice in India has increased by over 1,400 bps in the last 2 years.

And the third, is creating access. One of our biggest successes recently is the ₹15 Godrej Expert Rich Crème hair colour in a sachet in India, which provided a fillip to a category that had somewhat slowed down pace and is now back to galloping. In February, we introduced two innovations in Household Insecticides, Goodknight Mini Liquid Vapouriser and HIT No-gas Spray, aimed at democratising mosquito repellents and creating access for the category in India.

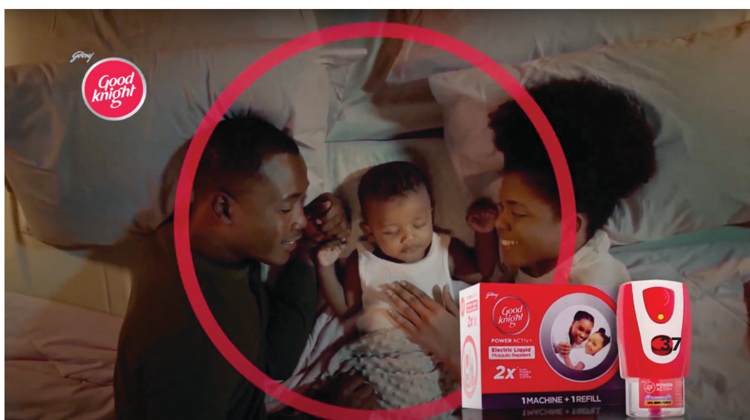
Our Stella brand in Indonesia builds on the insight of Air Care being adopted when guests visit your home

We are ramping up distribution. In our new FMCG business in Africa for example, we have increased direct coverage by 1.8x in Nigeria and 2x in Kenya over the last year. In India and Indonesia, we are building strong internal capabilities in household sampling and putting the necessary enablers in place to grow this. Last year, we sampled 3 million households in India and we plan to sample 6 million in the year ahead in India and another 3 million in Indonesia. In India, we have also started focusing on rural wall painting to reach media dark consumers and consumers who are otherwise difficult to reach through traditional media channels.

We continue to scale our internal capabilities for market development. The work on our global categories of Household Insecticides, Hair Colour, and Air Care is spearhead by a best-in-class Global Category and Innovation team, which is mining and testing centralised strategies on product development, innovation, and brand communication. For our Goodknight brand for example, we have the same relevant insight across India, Indonesia, and Nigeria, of mothers being afraid of mosquitos disturbing their children's sleep and yet worried about using a product like coils. We tested the same creative idea across these markets and it has worked well.

As we centralise and leverage synergies for R&D and marketing, we are also setting up Godrej International, a dedicated team to scale up global exports and serve world class product mixes. We have consolidated small country operations, both flag and distributor models, with the intent to expand to over 120 countries and double the business in 3 years (~USD 70 million in fiscal year 2022-23).

We tested Goodnight Liquid Vapourier advertisements with the same creative idea for the first time in India, Indonesia, and Nigeria and they were very well received



How are you going about 'radical simplification' as you call it, to reduce controllable costs and fund category development?

Our game plan is to fuel category development by simplifying our operations and cutting down on what we call 'controllable costs' (costs which consumers don't see), and investing that in costs that consumers do see, like material costs and media, and some parts of distribution costs.

A good example of how we are doing this is in our Indonesia business, where we simplified our sales and distribution system, moving from a three-tier distribution system to a two-tier one in 4 months. Roughly 30% of our sales would come from direct distribution through 60,000 outlets, in a system which had heavy overheads and high-cost operations. Rajesh Sethuraman, our new CEO for the business, took a call shortly after joining to change this. In what was a difficult year, the team moved with admirable speed and boldness to shift to a distribution system which is similar to what we have in India.

In a similar vein, in Nigeria and West Africa, under the guidance of Dharnesh Gordhon, CEO of our Godrej Africa, USA and Middle East business, we are exiting direct distribution and will move to a single distribution partner. In Nigeria, this has doubled the number of outlets we reach overnight, increased our warehouse footprint from the one we had to 23, reduced lead times by 4x, and offered better working capital management. While this may not be cost dilutive in the short run, it will certainly be growth accretive. We are reasonably certain that in a year this will be margin accretive.

The other area that we are simplifying is supply chain and we are doing this by consolidating manufacturing. We are seeing explosive wet hair growth in Africa, so we want to shift more of our manufacturing base from the USA into Nigeria, where we are already manufacturing some of these products. This should result in lower net manufacturing cost and simplify our USA business to a marketing and distribution focused business. The higher US dollar availability in Nigeria will also help lower forex expenses.

Rajesh Sethuraman and our Godrej Indonesia team led a bold simplification of our sales and distribution system, moving from a three-tier distribution system to a two-tier one in 4 months

We are working on various ways to integrate technology in decision making and simplify how we do business; moving to algorithms over judgement as an approach for greater accuracy. I am particularly happy about media planning and how we have shifted to running media on an algorithmic model, focused on minimising cost per reach and cost per incremental reach. In financial forecasting we are finding a top-down financial forecasting model far more accurate than the bottom-up approach we had been using.

In line with our shift to lighter manufacturing and distribution models, we are also creating global shared services in finance, supply chain, human resources and global exports, allowing us to leverage synergies of scale and expertise.

We are starting to see the results of some of these initiatives, and in fiscal year 2022-23 we clocked controllable cost savings of 150 bps.

In Nigeria, we are shifting our distribution model to partner with a single large national distributor and capitalise on their reach

How is GCPL refreshing its approach to people and personal growth to continue to attract and develop top talent globally?

We have a fantastic team; highly driven, capable, and most of all, people who truly live the Godrej way. Our global leadership team has spent a large part of the year travelling across various countries to spend time with our people, learn from insights and drive change. We have enjoyed travelling together as a team a few times a year, spending time on our collective reflections and leadership approach, and working with the local teams to ideate and problem solve. We spent time in Jakarta in August, in Kenya in December, and in Mumbai in April.

We have been thinking quite deeply about the importance of nurturing leaders who fundamentally connect with our purpose at GCPL and helping them to think through how to create a tangible legacy and impact in the roles that they serve. In April this year, along with the time we typically spend discussing annual plans, we spent a day with 60 of our most senior leaders from across the globe to reflect on and craft our personal leadership stories, anchored to our role of enabling GCPL to live its purpose. Listening to people share that day really reinforced my belief in the potential we have to build on, and the gratitude to be part of this journey.

We are setting the bar unrelentingly high on talent; ensuring that top talent has richer, more meaningful jobs, with market-leading opportunities for value creation through our performance-linked rewards schemes. We have found listening to the wisdom of crowds also very valuable to hire the right talent from outside Godrej, and, in what has made me particularly happy, re-hire great talent back.

Crafting and sharing our leadership stories at the GCPL Global Leadership Meet in Mumbai

I enjoy the time I get to spend in conversation with our interns and younger team members; they can really push the boundaries on how we are thinking

Developing best-in-class functional expertise is a critical imperative and I am personally overseeing a lot of the work in this area. We have set up the Business Learning Academy to facilitate functional learning by building programmes, products, technologies and mechanisms that make delivery of results fast and effective. The bedrock of this functional learning is what we call the 'GCPL Codebooks', a set of codified principles which detail the GCPL 'Beliefs' and 'Actions' in a series of key functional areas. This has been put together by functional experts from across our teams and in action, is streamlining our ways of working globally. This is complemented by customised leadership development journeys for key individuals and cohorts, where we are leveraging multidisciplinary elements for immersive experiences.

Being diverse and inclusive is core to who we are at Godrej and we are committed to exploring how we can build more equitable opportunities. In India, we are experimenting with Project NEO. Designed as an alternative hiring pathway for people from diverse work backgrounds, NEO attracted over 6,500 applications last year, and offered learning and insights into how we can rethink our hiring approach. We will take it global now. In our Africa business, scaling the representation of local talent in management is key and we have steadily improved this over the last few years. Women representation continues to be a focus globally. One of the challenges we face is representation in functions like Sales and Manufacturing in India where women are typically under-represented in the workforce. Through Aarambh, a focused initiative to hire women for entry-level sales roles in India, our team aims to double the number of women in Sales in India to 100 in the next 2 years. Our leadership team continues to be responsible for making this change possible by deepening their commitment to become better allies to under-represented groups in our teams and the industry at large.

Cascading the GCPL Codebooks and ways of working across our teams; sharing perspectives and best practices

The World Economic Forum's Global Risks Report 2023 has featured the failure to mitigate climate change in the top 5 risks both for the short-term and the long-term. Where is GCPL in its climate change journey and what are your future ESG ambitions?

Climate and environmental risks are slowly moving from being a distant possibility to becoming a pressing reality. Impacts of climate change on the global economy are still undervalued, and our preparedness to tackle them will be a critical differentiating factor.

At GCPL, we have taken concerted steps to comprehend the financial and physical impacts of climate change on our operations. Following a meticulous climate risks scenario analysis based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, we have integrated climate-related risks into our enterprise risk management strategy.

We are tracking these risks closely and developing robust mitigation strategies.

There is more ground for us to cover and so, we are stepping up our commitments. We have set science-based targets in line with the initiative to help limit global warming Well Below 2 Degrees Scenario. While these goals are ambitious, we have seen progress. Over 31% of our energy is sourced from renewables and our emission intensity has reduced by nearly half from 2010. We have also set a Scope 1 and 2 net zero commitment by 2035 that is crafted on a science-based approach. Additionally, we maintain a steadfast commitment to sending zero waste to landfills.

We recognise that climate change and nature loss, especially water loss, are closely linked. These issues collectively threaten food security, livelihoods, and amplify the impacts of natural disasters. To address this, we have invested in afforestation programmes and carbon sequestration initiatives within our watershed projects. This not only helps conserve water and store carbon, but also revitalises ecosystems, preserves biodiversity and improves livelihoods for local communities. Our watershed initiative recharges over six times the water we use at GCPL.

Product innovation is another area of focus. We aspire to delight our customers with new ranges of products at a green discount. Our reconstituted product portfolio is a good example. Our Magic handwash and Magic bodywash products are in a powder-to-liquid or liquid concentrate format This innovation reduces transportation weight, resulting in lower fuel consumption and decreased emissions. Moreover, our reconstituted products require 84% less plastic packaging, further reducing waste and aiding in building a more sustainable supply chain.

Our sustainable efforts also extend to our suppliers. The regular assessment of the ESG performance of our suppliers, sharing industry best practices, and capacity building are core aspects of our Sustainable Supply Chain Policy.

We want to break the stereotype that eco-friendly products and packaging cater only to a niche market. We strongly believe in making sustainable products accessible to everyone. So, we are committed to pricing our innovative, eco-friendly products at a green discount, not a premium, making sustainable choices more appealing and affordable. Our ESG ambitions are shaped by the belief that every step we take towards sustainability today will pave the way for a more inclusive and greener world tomorrow.

Our reconstituted product portfolio of Magic handwash and bodywash require 84% less plastic packaging and help build a more sustainable supply chain

Several recent investor surveys indicate that environmental and governance issues often take precedence over social issues in ESG investment considerations. How is GCPL ensuring that aspects of human rights and CSR are not overlooked?

At GCPL, we firmly believe that environmental and governance issues cannot eclipse the importance of social concerns within ESG considerations. Upholding human rights and fulfilling our Corporate Social Responsibility (CSR) is at the heart of our ethos.

We have devised a multi-pronged systemic strategy to ensure the comprehensive integration of human rights throughout our business. This starts with the GCPL Board of Directors providing oversight and trickles down to implementation by the Operations teams. Our Audit teams continually monitor our compliance, while our HR supports this initiative across all levels.

In fiscal year 2022-23, we took proactive measures to further embed this commitment in our company culture. We conducted a thorough self-assessment at our plants and locations in India and Indonesia, covering 93% of our blue collar workforce. Any identified gaps were immediately addressed, with steps taken to fortify labour contracts for contract workers in India.

Our CSR initiatives have been equally impactful and the EMBED (Elimination of Mosquito Borne Endemic Diseases) programme being a good example. Since 2016, EMBED has been supporting the Government of India's mission to eliminate malaria by 2030. Despite being preventable, malaria continues to be a significant health burden in India, accounting for 85% of the malaria cases in Southeast Asia.

EMBED has made a difference in the lives of over 28.2 million people at high risk for malaria. These individuals, most of whom reside in disadvantaged and hard-to-reach

Project EMBED has made a difference in the lives of over 28.2 million people at high risk for malaria




communities, have directly benefited from our initiative. In our rural malaria project alone, we have achieved the target of zero malaria cases in 4 out of 9 districts. Moreover, the expansion of EMBED to an urban dengue programme in 9 Indian cities has shown a promising reduction in dengue cases by 36%.

Beyond public health, we also acknowledge our role in community waste management. As a global FMCG company, we are committed to reducing waste across our value chain and contributing positively to the communities we operate in. Our approach extends beyond compliance with Indian EPR laws to collect 100% of the plastic waste we generate annually. In line with the principles of a circular economy, we are supporting communities around our offices and plants to manage their solid waste. Our partnerships with 5 municipal corporations in India have led to the establishment of scientific waste management systems. As a result, we have successfully diverted over 2,300 MT of waste from landfills in fiscal year 2022-23.

Going forward, our key leaders, including myself, will have specific ESG-linked goals in our annual plans. Performance against these goals will impact our variable pay. We believe that leading by example will help foster a culture of accountability and commitment towards our ESG ambitions.

Through our various initiatives we have successfully diverted over 2,300 MT of waste from landfills in fiscal year 2022-23

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Our Business Model

Inputs

Financial Capital
- Equity
- Increased spends on brands
- Investment in assets

Manufactured Capital
- Five manufactuing clusters across 9 countries
- Agile manufacturing through smart automation and Internet of Things (IoT)
- Investments in green manufacturing

Intellectual Capital
- Strong legacy of the Godrej Group and portfolio of brands
- Unique consumer insights through advanced predictive analytics
- Investments in R&D

Human Capital
- Over 13,000 team members across geographies
- Investments in training and development and health and safety

Social and Relationship Capital
- Doubled down efforts to improve distribution
- Global network of suppliers
- Investments in CSR and community initiatives

Natural Capital
- Sourcing and investment in raw materials and resources for our products
- Investments in green supply chain products
- Lifecycle assessments of our products and investments in greener products

Business Process

PURPOSE

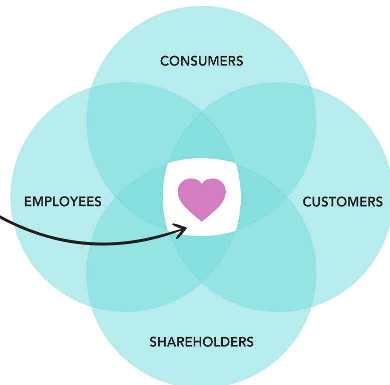
To bring the goodness of health and beauty to consumers in emerging markets

VALUES

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

VISION

Delighting 2 billion consumers by 2027



STRATEGY

Category develop existing portfolio	Double-digit volume growth More spends on brands
Funded by radical simplification	More automation SKU rationalisation
People and planet alongside profit	More diversity Less environmental impact

OPERATING PHILOSOPHY

1. Less is more; Much less is much more
2. Consumer first, Business second
3. Think local, Act global
4. Tomorrow before today
5. Better from within, Different from outside

Outputs

Financial Capital

₹**13,199** crore
Consolidated revenue

44% revenue
From international businesses

13.34%
Return on equity

Manufactured Capital

96.91%
Stock availability in India

5-13%
Increase in OEE (Overall Equipment Effectiveness) scores

₹**2.4** crore
Saved through green manufacturing initiatives

Intellectual Capital

#1
Brand position across Household Insecticides, Air Care, and Hair Colour

33%
Growth in e-commerce business

11
Brands over ₹200 crore

Human Capital

5.72
Human capital return on investment

47%
Gender diversity

0
Fatalities

93%
Blue collar workforce in India and Indonesia assessed for Human Rights

Social and Relationship Capital

28.2 million
People reached through rural malaria and urban dengue programmes

1,598
Malaria-free villages

Natural Capital

71%
Suppliers by revenue assessed for supply chain sustainability

48%
Reduction in emission intensity

31.6%
Energy from renewable sources

2,321 MT
Waste diverted from landfill through CSR projects

17%
Reduction in plastic packaging intensity

6x
Water positive

Outcomes

Leadership positions (market share) across geographies, category penetration, and consumption rate

Exponential growth in our e-commerce business

Enhanced long-term value for all stakeholders, including shareholders, customers, consumers, suppliers, distributors, retailers, and the community

Reduced waste to landfill, GHG emissions, and water consumption

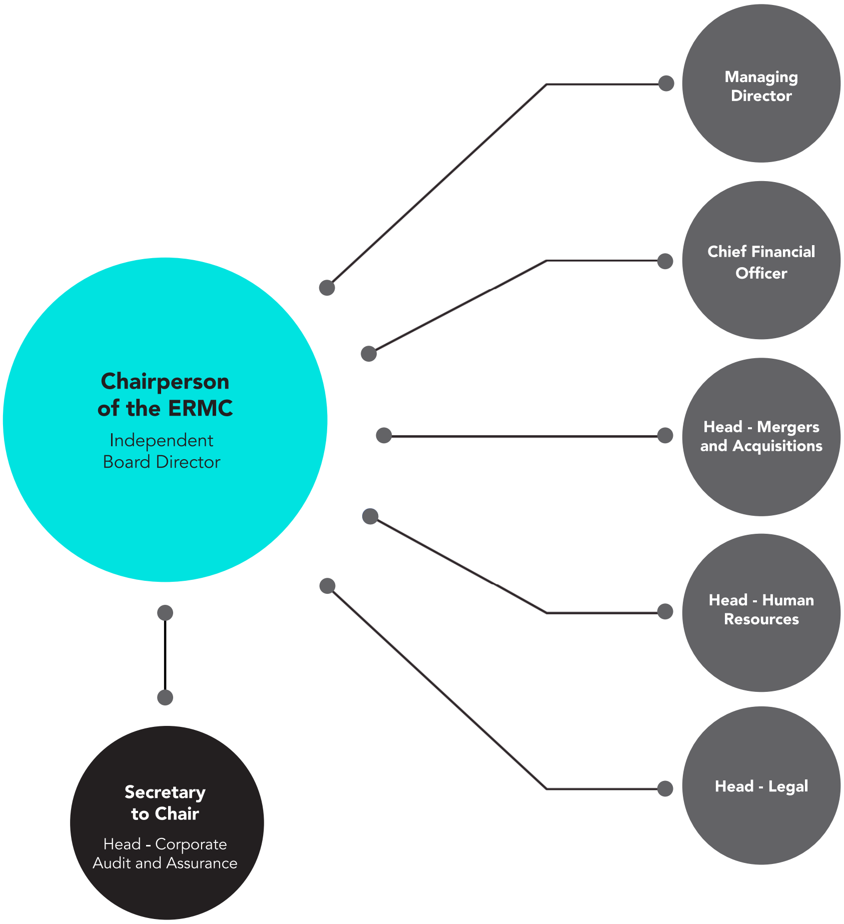
Risk Management

At GCPL, we have a comprehensive and structured approach to risk management. Across our geographies, we have integrated our approach to risk management into the operating framework and reporting channels of our business. Starting with a Board-level oversight to a dedicated Risk Management Committee and a cross-functional team within the business, we routinely assess risks across the company and all geographies.

Executive Risk Management Committee
The Executive Risk Management Committee (ERMC) ensures that we follow a structured risk management process. This committee is entrusted with the crucial task of risk identification, assessment, and mitigation for our company across various domains, including strategic, material, operational, transitional, technological, and environmental.

The ERMC shoulders the comprehensive responsibility of monitoring the company's risk landscape and managing it effectively to ensure a robust and thriving business. This committee remains steadfast in its commitment to uphold transparency and safeguard the interests of the company and its stakeholders.

Structure of the Executive Risk Management Committee



Based on the recommendations of the Managing Director and CEO or the Chief Financial Officer, the ERMC may nominate or invite additional members/directors, as required, to participate in specific meetings.

The Secretary to the ERMC is the highest-ranking person with a dedicated risk management responsibility at operational and performance levels. The Secretary acts as a Chief Risk Officer and oversees the functioning of the risk management process. The Secretary must ensure that the ERMC meetings are held half-yearly or more frequently, if required.

Approach

We take a proactive approach to risk management, wherein an annual risk identification and assessment process is incorporated in line with our strategic business planning and annual business planning initiatives.

The annual business plan is a foundation for identifying and prioritising risks. Following prioritisation, a risk competency scan is conducted to determine existing management strategies that effectively address material and emerging risks to our business. This scanning process helps in pinpointing opportunities for enhancing risk mitigation.

For each material and emerging risk, the combined outcomes of the existing management strategies and identified improvement opportunities are documented in a formal risk management plan. Subsequently, the assessment of prioritised risks and their mitigation strategies is presented to the Board Risk Management Committee for evaluation and review.

The risk assessment function is structurally independent of business and is overseen and coordinated by the Secretary to the ERMC. The risk assessment outcomes fall under the ownership of the respective business function heads. This collaborative approach ensures a comprehensive and efficient risk management strategy across the organisation.

Risk management approach

Risk review

Risk owners are appointed for material and emerging risks. These risk owners assess, manage, evaluate, and monitor the risks and propose the risk mitigation plan. The implementation of the risk mitigation action plan is agreed upon by the ERMC and Board Committees, and any deviations are discussed with the function heads and Managing Director and CEO.

The risk owners may change over time, depending on their changing roles and responsibilities within the organisation.

On a half-yearly basis, the risk owner formally reports about risk management within their area of operation at the ERMC meetings. This reporting is aimed at assessing how well material risks are being managed and if any additional risk has emerged that can adversely affect business operations. The risk report includes:

- Performance of the function in managing its material risks, considering the mitigation strategies
- Identification of any additional emerging risks
- Definitions of the mitigation strategy for the new material risks

The results of this report are coordinated by the Secretary to the ERMC and are made available for review by the ERMC. The Secretary submits a half-yearly report on risk management for review and appraisal of the ERMC. In addition, every 6 months, based on a pre-specified calendar, a risk owner would formally present the risk management initiatives and status of their area of operation to the ERMC

The ERMC is responsible for:

- Half-yearly reports to the Audit Committee and Risk Management Committee
- Half-yearly review of the risk mitigation status for material and emerging risks
- Annual assessment of risks in line with business/strategic planning

Risk culture

Employees across all levels and geographies have risks as part of their individual goals and performance review. These risks range from measures to reduce occupational health and safety incidents, adherence to regulations and compliance, financial forecasting to reduction of volatile forex exposure. The risk goal weightage for employees ranges from 30% to 60% and is a part of their half-yearly HR employee performance review. Compliance and quality risk assessments are a part of our new product development (NPD) process, and the goal is aligned with the key performance indicators of R&D team members involved in NPDs.

New managers are inducted on Enterprise Risk Management training, which is organised quarterly. They are trained on inputs on risk definition, identification, rating, classification, prioritisation, mitigation, control, and review. Across all manufacturing facilities, we also conduct workshops on occupational health and safety risks and management throughout the year, encompassing over 100% of our manufacturing plant workforce.

Our employees are encouraged to share feedback for continuous improvement in risk management practices. A formal annual NPS survey is conducted across the company for all functions. Risk management is a part of that survey, and the feedback helps us improve our processes and systems.

An annual InTune survey is also conducted across the company seeking suggestions and feedback from all employees. Moreover, emerging risks and development of mitigation measures are discussed in regularly conducted departmental monthly review meetings. The line manager records valid risks identified by team members and communicates them to the Risk Management Committee for further action. At the plant level, we have a mobile app to identify occupational health and safety risks. These risks are tracked, reviewed, and mitigated through the app.

Risk management

Risk category	Risks description	Risk mitigation	Priority
Financial	**Forex** Unfavourable fluctuations in the currency and/or open exposures could put pressure on the cash flow and margins.	At GCPL, the forex policy is determined by a dedicated Forex Committee. This committee monitors all exposures and guides decisions on open exposures and hedging. The committee meets monthly and provides quarterly reports to the Board on forex exposures.	High
Supply chain	**Commodity price volatility** Our supply chain faces the challenges of unexpected and cyclic fluctuations in input costs and commodity pricing pressures, specifically concerning commodities such as palm and crude oil. The recent Russia-Ukraine conflict has had a significant impact on global oil and natural gas trading and transportation, further exacerbating the situation.	Our primary commitment remains to serve the needs of our consumers above all else. In challenging times, we continue to work in their best interest and have passed on only a fraction of the increased input costs to them. Additionally, we have consistently maintained the quality standards of our products, refusing to compromise on quality in the face of rising input costs. To further mitigate this risk, we are actively working to secure high-quality palm oil from various regions and geographies, thereby reducing our dependency on major palm oil markets.	High
Operational	**Occupational health and safety** Physical risk to the workforce in manufacturing operations and frontline distribution teams; risk of appropriate handling, training, and safely disposing of waste; risks of unrest due to incidents in both the workforce and local communities that they are from.	This is a high-priority area for us. We have a dedicated Human Rights Policy, strong standard operating procedures to ensure the highest adherence to health and safety, and a governance mechanism to ensure any incidents are duly investigated and resolved for the future. We ensure a periodic review of safety procedures, and the Central Safety Committee and committees at plants review monthly data for occupational health and safety.	High

Risks category	Risks description	Risk mitigation	Priority
Economic	**Hyperinflation and currency devaluation** Hyperinflationary pressures pose significant challenges, disproportionately affecting those with limited financial means. The instability of local currencies in regions where we operate results in an increasing number of vulnerable individuals being priced out of access to necessities.	We are strategically utilising our manufacturing capabilities and human resources in regions experiencing hyperinflation to lower our production costs. Simultaneously, we are investing in local procurement initiatives to reduce reliance on imports and minimise the impact of global supply chain disruptions. By supporting the local economy, we aim to foster economic stability and contribute to the well-being of the communities we serve.	Medium
Financial	**Changing consumer preferences** The move towards natural and sustainable options with an emphasis on the entire value chain being sustainable.	We have conducted Life Cycle Assessment of more than 50% of our products (with a plan to cover 80% by 2025) to assess where in the value chain can our products be more sustainable on all environmental fronts: energy, water, plastic, and waste. We are working on the findings of the reports to make our products demonstrably greener. A great example of our green product is our innovative powder-to-liquid Magic handwash. It is the world's most affordable handwash. It uses half the plastic packaging compared to a regular handwash refill and only a quarter of the fuel to be transported. We are also working, finding, and testing alternate packaging materials and increasing the use of post-consumer recycled plastic to move away from virgin plastic.	Medium

Risks category	Risks description	Risk mitigation	Priority
Regulatory	**Evolving regulations** Stringent regulations/ban limiting the use of some ingredients or packaging materials such as plastic. Evolving regulations on carbon pricing, ESG disclosures, and other government-mandated disclosures on ESG issues.	We have the highest levels of statutory compliance and ensure all regulations and laws of the land are adhered to. We have an internal system called Legatrix that helps all manufacturing units monitor adherence to compliance and regulations. It enables management with a one-stop view of the organisation's compliances and control mechanism through comprehensive compliance dashboards and provides necessary information at the operating level by creating a comprehensive matrix on laws and their management. Further, our Corporate Affairs, Legal, and Audit teams are consistently communicating with key government departments and industry bodies to track new and emerging regulations. They routinely assess and analyse regulations to evaluate how these will impact business and mitigation for the same.	Low

Emerging risks

1. Climate change

Climate change is a critical challenge facing our planet, with its impact already being felt worldwide. Businesses and economies are particularly vulnerable to climate-related risks, such as supply chain disruptions, increased insurance premiums, and regulatory penalties. Our largest pool of consumers are in tropical countries such as India, Indonesia, and Africa, and all of these countries are witnessing significant impacts of climate change—unpredictable weather and scanty or excessive rainfall.

To address this challenge, a collaborative effort is required from all stakeholders, including businesses, policymakers, and society at large. We need to work together to transition to a low-carbon future by integrating technology, the economy, and society.

Technological advancements in renewable energy, energy efficiency, and carbon capture and storage are essential for reducing our reliance on fossil fuels and mitigating the impacts of climate change. However, technology alone is not sufficient. Policies and regulations that incentivise sustainable practices and reduce carbon footprint are also necessary, such as carbon pricing, renewable energy mandates, and building codes that promote energy efficiency.

Raising awareness and engaging society at large in this transition to a low-carbon future are also critical. This can be achieved by conducting education and outreach programmes, as well as through public-private partnerships that bring together businesses, governments, and civil society organisations to work towards a shared goal. Overall, addressing climate change requires a multifaceted approach that integrates technology, the economy and society. By collaborating, we can build a more sustainable and resilient tomorrow for ourselves and future generations.

Impact of climate change risk

By conducting a thorough scenario analysis using the Task Force on Climate-related Financial Disclosures (TCFD) framework, we have determined that the potential ramifications of climate change will be particularly pronounced in our operational locations at Karaikal, Katha, and Guwahati. This analysis was conducted by examining key parameters such as temperature, water scarcity, and precipitation, all of which will have a crucial role in shaping the impact of climate change on our business.

Our analysis was conducted within the context of two Shared Socioeconomic Pathways (SSPs), namely SSP-1 and SSP-5. By considering both scenarios, we could fully explore the range of potential climate change-associated outcomes and gain a comprehensive understanding of how our business may be affected.

Mitigation action

We have conducted a risk assessment based on the recommendations of TCFD to identify climate-related risks and develop effective strategies for their long-term mitigation. Furthermore, we have optimised our processes to reduce our carbon footprint and work towards achieving our goal of net zero emissions.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We support TCFD and have recently concluded a climate-related risks assessment

2. Cybersecurity risk

Cybersecurity refers to the protection of computer systems, networks, and electronic data from theft, damage, or unauthorised access. As FMCG companies are becoming increasingly dependent on digital technology and online platforms, they are increasingly being exposed to cyber threats, which has made cybersecurity an emerging risk.

We often store large amounts of sensitive data, including financial information, customer data, and proprietary technology. We also rely on online platforms to connect with customers and suppliers, conduct transactions, and manage their supply chains. This makes us targets for cybercriminals who seek to steal data, disrupt operations, or extort money.

Cyber threats can come in many forms, such as phishing attacks, malware, ransomware, and denial-of-service attacks. These attacks can cause substantial damage to FMCG companies, including loss of revenue, damage to reputation, and legal liabilities.

Impact of cybersecurity risk

1. A cybersecurity breach can disrupt operations, leading to delayed shipments, lost sales, and decreased productivity.
2. A cybersecurity breach can lead to financial losses due to theft of sensitive data, disruption of operations, and the cost of repairing and recovering from the attack.
3. GCPL being customer-centric, places a high weightage on brand reputation to attract and retain customers. A cybersecurity breach can erode customer trust and damage brand reputation.
4. A cybersecurity breach can result in legal liability if the company is found to be negligent in protecting customer data or if it violates data protection regulations.
5. GCPL relies on proprietary technology, manufacturing processes, and recipes to differentiate their products from competitors. A cybersecurity breach can result in the theft of valuable intellectual property.

Mitigation of risks

While developing robust cybersecurity strategies that incorporate risk assessment, threat monitoring, incident response plans, and employee training, we regularly update our cybersecurity systems and infrastructure to keep up with the evolving threat landscape. By taking proactive measures to protect our digital assets, we mitigate the risk of cyberattacks and safeguard their reputation and financial well-being. We have implemented a cutting-edge disaster recovery solution that is both robust and fully automated, ensuring that our operations remain resilient even in the face of unforeseen disasters.

We have bolstered our security measures to offer enhanced protection for our endpoints, email and internet security, particularly in the context of a work-from-home scenario. Our teams can control, monitor, and log all access to protected assets. We have defined and enforced secure change control and configuration management processes. We have trained all our employees in incident-handling and contingency plans.

Further mitigation measures include advanced web security for work-from-home scenarios, perimeter intrusion prevention, perimeter firewalls, application firewalls, internal firewalls, and advanced server security.

We have crafted a robust Information Security Policy based on risk approach that implements, operates, monitors, reviews, maintains, and improves our information security. It encompasses people, process, and technology.

With these advanced technologies in place, our organisation can confidently navigate any challenge and safeguard against potential threats, all while maintaining seamless productivity and efficiency.

Read our Information Security Policy

Our security systems are ISO 27001:2022 certified

Our TCFD Report

Climate change poses severe risks to the global economy, entailing adverse financial impacts to all. Climate change also brings several opportunities that entities, including organisations, can leverage. Markets, investors, and consumers require clear, comprehensive, and high-quality information about these risks and opportunities to make relevant investment decisions. For a consumer goods enterprise like ours, climate-related risks and opportunities majorly stem from drivers such as a change in climate extremes, increasing frequency and severity of climate disasters, global and national policy shift towards a low-carbon economy, emerging technologies, and changes in consumer perception towards carbon and water-intensive products across the lifecycle.

The TCFD framework recommends climate-related financial disclosures for supporting enterprises in better communicating the threats emerging from climate change and strategies to mitigate the same. These disclosures provided by organisations position them as market leaders through effective communication to concerned stakeholders and help them in strengthening their business strategy for efficient risk mitigation and resource allocation. The framework is structured across four pillars, namely governance, strategy, risk management, and metrics and targets. Within these four pillars, there are 11 recommended disclosures. These disclosures help investors or any other stakeholder to understand how companies address climate-related risks and opportunities.

As a company, we have regularly reported on our strategies towards climate change through Integrated Annual Reports, and Carbon Disclosure Project (CDP) and Dow Jones Sustainability Index (DJSI) disclosures, which continue to strengthen the gaps in climate and water-related disclosures as per industry standards. We understand the growing importance of aligning our disclosures to the TCFD framework. In the current reporting cycle, we are disclosing climate change-related information on climate governance; processes to identify, assess, and manage climate change risks and opportunities; strategies to safeguard business performance; climate change scenario analysis as a forward-looking business strategy; and lastly, the metrics and the targets. Details about the aforementioned disclosures are provided in subsequent chapters. Further, we are also in the process of publishing our first standalone TCFD report.

Governance

We have a well-defined governance structure, covering the Board and management, to address emerging risks such as climate change. The key stakeholders proactively engage and strategise on these emerging risks. The governance structure is presented in Figure 1.

The TCFD framework recommendations

Governance

Report on the organisation's governance mechanism around climate-related risks and opportunities

Risk management

Report how the company identifies, assesses, and manages climate-related risks

Strategy

Report potential impacts of climate-related risks and opportunities on the business, strategy, and financial planning where it's material

Metrics and targets

Report the metrics and targets used to assess and manage relevant climate-related risks and opportunities where it's material

Figure 1: Core elements of recommended climate-related financial disclosures

Board's role in addressing climate-related risks and opportunities

We have a strong Board-level oversight of climate-related issues in the organisation. The Managing Director and CEO approves climate-related strategies and reviews the sustainability performance through key performance indicators on a quarterly basis. Further, a mid-year review of Annual Operating Plans is also conducted at all levels. We have a Board-level Sustainability Committee headed by the Chair of the Board to oversee the sustainability performance and provide strategic inputs on various climate change-related matters.

Management's role in addressing climate-related risks and opportunities

We integrate the oversight of climate-related risks and opportunities into our operations at the plant or facility level. The Operations team at each facility works towards achieving annual sustainability targets, which contribute to long-term climate action goals.

In India, our operations are headquartered in Mumbai, with production facilities based in four regional manufacturing clusters: North, South, Central, and North Eastern clusters. Each cluster has a Green Champion to coordinate with the respective factory teams that involve members from production, maintenance, and electrical departments. These teams lead implementation of climate-related measures, such as implementation of energy efficiency in operations and renewable energy projects. We have a cloud-based monitoring platform to capture and monitor sustainability-related data to furnish performance reports on a monthly basis.

Governance structure

Figure 2: Governance structure

In addition to incentives, GCPL provides quarterly awards at the company level and annual awards at the group level, where the best-performing individuals and teams on sustainability are recognised. The following members are entitled to these incentives:

Entitled to incentive	Incentivisation details
Head - Good & Green	Green goals are set at the Godrej Group level and best-performing companies are recognised during the annual awards. The Head of Good & Green is responsible for overseeing the performance on GCPL's climate change goals.
Business Unit Manager	Business Unit Managers are rewarded based on their performance against goals established at the beginning of each financial year for the plant's performance in operations and climate action.
Green Champion	Green Champions are rewarded for projects undertaken to address climate change issues.
Process Operation Manager	Operation Managers are rewarded for improvements in manufacturing process to reduce emission intensity.

Strategy

We have established systems to interlink climate change to the business strategy. Processes exist for identifying risks and opportunities that have substantive financial impacts and for integrating the same into the Enterprise Risk Management (ERM) framework. In this reporting period, we conducted a scenario analysis to bolster our climate change strategy.

The climate change scenario analysis is a process for examining the likely future to assess risks and opportunities arising from climate change. A scenario is a hypothetical situation that describes a pathway to a particular future outcome. The TCFD framework recommends organisations to consider a set of scenarios, including one aligned with the 2015 Paris Agreement (1.5°C future). Organisations are also recommended to consider a business-as-usual (BAU) scenario where physical risks such as increased flooding, heat waves, and water scarcity dominate. Transitional risks and opportunities for an organisation emerge from shifting to a low-carbon economy. We have considered two SSPs that are provided by the International Panel on Climate Change. Descriptions of the two SSPs are provided below.

We have utilised SSP-1 (which aligns with RCP-2.6) and SSP-5 (which aligns with RCP-8.5) pathways, with a time period of 2030, as most development plans, including the Sustainable Development Goals, are aligned to the target year 2030.

SSP	Narrative
SSP-1 Sustainability: Taking the Green Road (Low challenges to mitigation and adaptation)	This is the Paris Agreement-aligned scenario where the world shifts towards sustainable development, improved global commons management, reduced inequality, and low material growth.
SSP-5 Fossil-fueled development: Taking the Highway (High challenges to mitigation, low challenges to adaptation)	This is the BAU scenario, where investments towards sustainability plateau, economic development staggers, and environmental degradation increases.

The physical risk scenario analysis was conducted by modelling water scarcity, temperature, and precipitation variables for SSP-1 and SSP-5. Recognised tools such as the World Bank Climate Change Knowledge Portal and WRI Aqueduct were used for collecting data for the period of 2020-39.

Through the scenario analysis, we have identified prioritised facilities that are likely to witness severe physical impacts of climate change. These prioritised locations are in Katha, Puducherry, Guwahati, and Karaikal.

Way forward for addressing physical risks

As a starting point for climate strategy on mitigation and adaptation, Katha, Karaikal, Guwahati, and Puducherry will be considered for further detailed assessments to identify cluster/facility-specific hotspots. This will help the company strengthen supplier engagement, reduce greenhouse gas (GHG) emissions across the value chain, and consequently reduce operational and reputational risks.

The transition risk scenario analysis was conducted through a sectoral review to assess potential risks and opportunities. Further, the EnROADS Simulator (developed by MIT Sloan and Climate Interactive) was used to model low-carbon economies that align with the Well Below 2 Degrees (WB2DS) and 1.5°C futuristic situations. The following risks and opportunities were identified through the transition risk scenario analysis:

RISKS

- Carbon price volatality
- Enhanced energy efficiency
- Transition to low-carbon technology
- Increase in fuel prices that impact upstream and downstream operations

OPPORTUNITIES

- Subsidised renewable energy
- Increased purchasing power of customers
- Manufacturing of products with lower carbon and water footprint would attract environmentally conscious consumers

The identified physical and transition risks pose financial implications on the consumer goods sector. We have further evaluated the financial impacts of the prioritised risks. Specific risks with substantive financial impacts are summarised on the next page.

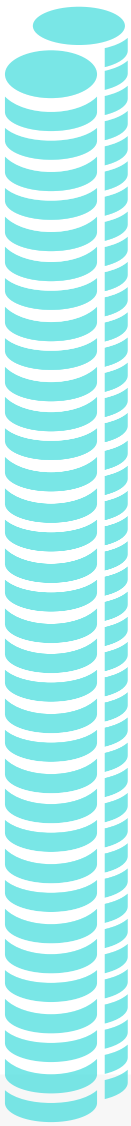
Financial impact of climate-related risks

Increased cooling demand

- Increased cost due to a rise in electricity consumption with an increase in cooling demand in 2030
- Electricity consumption for cooling increases by approximately 1-8% with every 1°C increase in warming above 20°C weather

Financial assessment

- Projected mean temperature (anomaly) calculated across all the facilities through SSP-1 and SSP-5
- Percentage increase in electricity consumption: 0.88-6.24%
- Summer electricity consumption: 1,32,32,579 kW

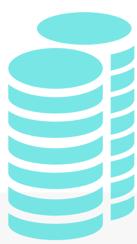


Workforce health and safety

- Increase in workers' wages due to loss in productivity caused by heat wave-induced heat stress
- Financial impact due to loss in productivity in the fiscal year 2029-30

Financial assessment

- Days with a heat index of more than 35°C (anomaly): 146.6 days
- Total number of days lost: 7.76 days
- Assuming 300 days of work.
- Total number of workers: 1195
- Average blended rate of non-managerial workers for the fiscal year 2022-23: ₹680/day
- Assuming 5% rate of inflation, inflated adjusted wage by 2030: ₹1,005/day



₹8.20-25.20 crore financial impact due to increase in electricity cost

₹0.93 crore financial impact due to loss in productivity in 2030

Figure 3: Financial impact of climate-related risks on the company

Increased cost of upstream and downstream operations

- Financial impact due to the rise in fuel prices and tax imposition scenario

Financial assessment

- Scope 3 emissions for the fiscal year 2021-22 from upstream transportation and distribution: 44,404 tCO_2e
- Tax imposed on oil calculated using the EnROADS Simulator: ₹14.34-20.76 lakh

Water availability

- Facilities in high water-stress areas account for approximately 50% water withdrawal
- Financial impacts emerge from increased procurement of treated water by third-party vendors due to a change in the rainfall pattern and water recharge potential for North and South regions

Financial assessment

- Rainfall Pattern: Baseline: 956 mm, BAU: 992 mm, and 1.5°C: 972 mm
- Water recharged through a large rainwater harvesting system:
- Baseline (fiscal year 2021-22): 1950 Mega litres (ML), BAU scenario: 1,548 ML, and 1.5 DS Scenario: 1,510 ML
- Inflation-adjusted cost of procurement from third-party in 2030: ₹1,91,66,036-2,09,39,923

Palm oil availability

- Effects on crop production and market price of palm oil

Financial assessment

- Decrease in the demand for palm oil due to a shift towards palm oil alternatives
- As per the RCP 2.6 scenario, the market price of crude palm oil (CPO) is projected to decrease
- Impact on the crop yield of palm oil by 2030: 30% decrease

₹0.42-0.68 crore financial impact of diesel consumption

₹0.04-0.05 crore financial impact of water consumption

Decrease in the demand of CPO might result in excessive supply, which may lower the price, resulting in no financial impact

Risk management

Risk management extends from materiality assessment wherein material issues are identified through stakeholder engagement and secondary research. Our materiality analysis uses the methodology of identifying issues across 6 capitals, followed by engagement with 450+ key stakeholders on material issues and finally, the development of a materiality matrix by using a specialised tool for issue prioritisation. All stakeholder groups play a significant role in influencing our overall performance and operations.

Climate change is one of the material issues identified through the materiality analysis exercise. This material topic is also a part of our ERM. Following the identification of key material topics through materiality assessment, our Board-level Risk Management Committee and Risk Management team oversee the risks and mitigation measures. Our risk identification and management processes are integrated with the business strategy. We identify risks through analytical techniques such as scenario analysis. Probability and impacts are assessed qualitatively and quantitatively, and action plans are developed for risk management.

The risk mitigation plans are presented to the Board-level Committee for their inputs, which are incorporated into the mitigation plan from time to time. Climate change-related risks are assessed along with other business risks, and the identified risks are classified into short-term (1-3 years), medium-term (3-5 years), and long-term (5-7 years).

The risk mitigation strategy translates to action plans made at two levels:

- Business level: We develop our sustainability strategy at the business level to manage major risks such as climate change and water-related risks. Progress on risk mitigation is monitored on daily, monthly, quarterly, half-yearly, and an annual basis.
- Site/plant level: The business strategy is cascaded down to the plant level, and an action plan is created for every plant. Daily and monthly meetings are conducted, and the progress is reviewed.

We have established a comprehensive and structured approach to risk management. It involves a Board-level oversight to a dedicated Risk Management Committee and a cross-functional team within the business to routinely assess risks across the company.

Through informal forums, discussions, and annual planning conferences, we regularly seek feedback from employees to improve the risk management practices. For understanding climate-related risks and developing mitigation measures, regular open forums and monthly review meetings are held.

Integrating climate-related risks in GCPL's ERM system

CLIMATE-RELATED RISKS ANALYSIS

GCPL's sustainability team organised a climate change scenario analysis study

FINANCIAL IMPACT OF RISKS

In consultation with the Plant and Operations team, GCPL calculated the financial impacts of climate-related risks

PRIORITISATION OF RISKS

Based on the financial impacts, the GCPL team priortised the climate-related risks

INTEGRATION OF RISKS IN GCPL'S ERM

The Risks team incorporated climate-related risk drivers in GCPL's ERM framework that has a Broad-level oversight

Metrics and targets

We identify, record, and monitor key performance metrics authentically, which helps in analysing the organisation's operational performance and establishing goals and targets to enhance them further. We maintain a robust data management system to record our performance and take strategic decisions accordingly.

In line with our Group's vision and goals, we have established five goals, called 'Greener India Targets', which are expected to be achieved by the year 2025-26.

Below is the list of goals, our approach towards achieving them, and our performance in achieving them so far during the reporting period:

Focus area	Goal	Approach	Fiscal year 2022-23 performance
Energy	• Reduce specific energy consumption by 40% by 2025 • Increase renewable energy portfolio to 35% by 2025	• Improvising processes and enhancing system efficiencies • Upgradation of technologies • Increasing adoption of renewable energy sources such as solar and biomass	• Reduced our specific energy consumption by 39% • Increased the renewable energy portfolio to 31.6%
Emissions	• Reduce GHG emission intensity by 45% by 2025 and carbon neutrality for Scope 1 and 2 emissions	• Enhancing adoption of cleaner fuels such as biomass, and improving process efficiencies	• Reduced our GHG emission intensity by 48% *(Note: This includes Scope 1 and 2 emissions, and specific emissions are calculated per tonne of production)*
Water	• Reduce water intensity by 40% by 2025 while maintaining water positivity	• Innovative water management systems, technological improvements, and integrated watershed management programme	• Reduced water intensity by 30% and achieved water positivity
Waste	• Maintain zero waste to landfill and achieve zero liquid discharge	• Judicious and innovative use of materials, including reuse and recycling and greater circularity	• Diverted 100% waste from landfill, and 91% of facilities have zero liquid discharge *(Note: Waste generated is calculated by specific waste to landfill per tonne of production)*

Other Disclosures

A. Key financial ratios

	Standalone		Consolidated	
	FY 22-23	FY 21-22	FY 22-23	FY 21-22
Debtors turnover ratio	22.90	23.24	11.18	11.48
Inventory turnover ratio	10.89	9.13	7.20	6.33
Interest coverage ratio	529.25	199.83	12.02	19.11
Current ratio	3.03	2.62	1.76	1.43
Debt equity ratio	-	-	0.07	0.14
Operating profit margin (%)	24.37	24.90	19.07	20.30
Net profit margin (%)	20.10	21.69	12.90	14.65
Return on net worth (%)	17.56	20.82	13.34	16.99

Reasons for change in standalone ratios

- Increase in interest coverage ratio is due to lower borrowings in the current year

Reasons for change in consolidated ratios

- Interest coverage ratio has decreased due to an increase in interest cost of approx 60%, as compared to last year
- Debt equity ratio has decreased due to repayment of long-term debt
- The reduction in return on net worth is on account increase in net worth on account of profit for the year and foreign currency translation reserve

Formulae used for calculation of the ratios

Debt equity ratio (including financial liabilities)	Net sales/average of opening and closing trade receivables
Inventory turnover ratio	Net sales/average of opening and closing inventories
Interest coverage ratio	(PAT + finance cost + depreciation and amortszation expense + (profit)/loss on the sale of fixed assets)/finance cost
Current ratio	Current assets/current liabilities
Debt equity ratio (including financial liabilities)	Non-current + current borrowings/total equity
Operating profit margin (%)	(Profit before depreciation, interest, tax, exceptional items and foreign exchange gain/loss less other income)/total revenue from operations
Net profit margin (%)	Profit after tax/net sales
Return on networth (%)	Profit after tax/average 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 keep track of any major changes both at the beginning of any activity as well as during the process.

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 are 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 Strateg Pillars

gic


₹50/-
HIT
ANTI MOSQUITO
NO GAS SPRAY

1

Category develop existing portfolio

Category develop existing portfolio

Financial Capital

Manufactured Capital

Intellectual Capital

Key enablers

- Global category structure
- Enhanced, digitally enabled consumer insights
- Democratising our brands
- Enhancing go-to-market
- Laying the foundation for future growth possibilities

Risks identified

- Changing consumer preferences
- Hyperinflation and currency devaluation
- Commodity price volatility

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our aim is to achieve consistent, double-digit volume growth by capitalising on our existing market leadership and deepening category penetration, thereby creating long-term value for all our stakeholders.

10
#1 brands across 4 clusters

13.34%
Return on equity

33%
Growth in e-commerce in India

₹13,199
Crore in revenue

Our chosen portfolio

At GCPL, we are deeply driven to create affordable, delightfully designed products. Our consumers are at the heart of everything we do, and serving them is what makes it all worthwhile.

As category leaders, our strategy is to increase innovation-led growth and discover new ways to disrupt our product portfolios. Democratisation and accessibility are important while creating superior quality and delightfully designed products, given our focus on emerging markets.

Our geographic footprint comprises some of the largest and fastest growing emerging economies in the world. However, our top categories in these countries, such as Household Insecticides, Air Care, and Hair Colour, are underdeveloped, with substantial headroom for growth. We view this as a huge opportunity for value creation by applying our winning strategies for category development through our know-how in product, communications, and activations.

Our aim is to achieve consistent, double-digit volume growth by capitalising on our existing market leadership and deepening category penetration, thereby creating long-term value for all our stakeholders.

India & SAARC

- Improved distribution reach, with a focus on enhancing coverage in underpenetrated areas
- Rural substockist network in India grew by **10%**
- Modern trade channel in India delivered a **high double-digit growth trajectory**
- E-commerce in India grew at **33%** with a 2-year CAGR
- Doubled down our efforts on quick commerce
- In India, we have geo-tagged all our general trade urban outlets, enabling optimal utilisation of our resources

Indonesia

- In Indonesia, we outsourced the entire distribution for general trade to large-scale distributors to reduce operational complexity, significantly increase direct coverage, and reduce the cost of operations
- Multiple initiatives have been launched to leverage digital technologies and build closer connections with different partners

Our strong product portfolio in the Home and Personal Care categories continues to help us bring the goodness of health and beauty to consumers in emerging markets.

However, in terms of market penetration, we are not where we would like to be. Goodknight Liquid Vaporizer's market penetration in India is still only 25%, and in Indonesia and Africa, it is between 1% and 2%. We view this as a tremendous opportunity to accelerate growth in our existing categories and to foster long-term economic value creation.

While we continue to innovate and create brilliant products in our emerging categories, we will focus heavily on increasing the footprint of our flagship products and categories, which, as market leaders, have high profitability and growth potential. This will be driven by doubling down on our marketing and distribution to really accelerate volume growth in these sectors over the next 5 years, in all the markets in which we operate.

Africa & USA

- Strong e-commerce focus in the USA, accounting for **~6%** of the total business
- Nigeria's van model continues to increase our direct reach
- Top line online revenue grew by **11%** YoY to USD **3,60,000**, while traffic remained flat
- We moved to a self-sustainable model in which the platform was funding itself by spending the profit for next months' expenses and marketing
- The advertising cost of sales reduced from 100% to 30%, which made the platform profitable
- Repeat customer rate increased to **25%** from 19% in the fiscal year 2021-22
- Direct-to-consumer (D2C) made a **16%** contribution to key NPDs across Premium Beauty and Professional Product categories

Our globalisation strategy

Latin America

#1 Hair Colour (Argentina)

#2 Hair Colour (Chile)

#1 Premium Beauty and Professional Products (Hair fixing sprays | Argentina)**

#2 Premium Beauty and Professional Products (Hair styling products | Argentina)*

#1 Premium Beauty and Professional Products (Depilatory products | Chile)

Sub-Saharan Africa & USA

#1 Hair Colour (Ethnic hair | Sub-Saharan Africa)

#2 Premium Beauty and Professional Products (Hair extensions | Sub-Saharan Africa)

Source: *Nielsen, **Scentia

India & SAARC

- #1 Household Insecticides
- #2 Fabric Care
- #1 Air Care
- #2 Personal Wash and Hygiene
- #1 Hair Colour

- #3 Hair Colour (Caucasian hair colour | South Africa)

Leader in Premium Beauty and Professional Products (Hair care and maintenance products | Africa & USA)

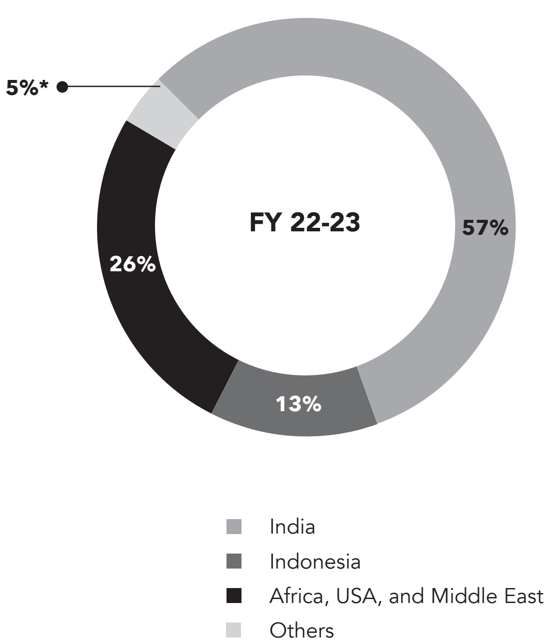
Indonesia

- #1 Household Insecticides
- #3 Hair Colour
- #1 Air Care
- #1 Baby Wipes

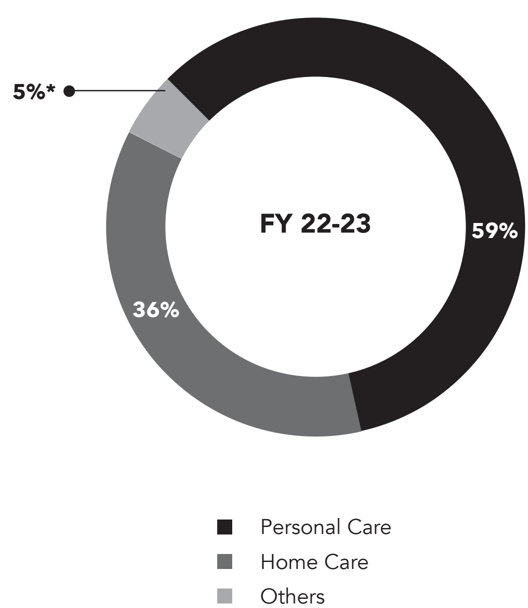
A broad emerging markets portfolio

In the fiscal year 2012-13, 44% of our overall revenues came from international businesses. In the fiscal year 2022-23, it was 44%.

Geography Salience



Category Salience



*Comprises inter-company eliminations and miscellaneous products

Portfolio of our power brands

₹ 1,000 crore+

₹ 500-1,000 crore

₹ 200-500 crore

Top 11 brands contribute ~75% of revenue

Strengthened brand positions across key markets and geographies

#1

Godrej Good knight

Godrej expert

DARLING

INECTO

Godrej aer

mitu baby

HIT

AIR FRESHENER Stella

PROFECTIV Mega Growth

HIT

ISSUE

ROBY*

Millefiori Makes you feel better

#2

Godrej No.1

CINTHOL

Godrej Ezee LIQUID DETERGENT

ilicit color

*Roby Sprays only

Renewed global category structure

In the fiscal year 2021-22, we created a renewed global category structure. This new structure will power our global categories in Household Insecticides, Air Care, Hair Colour, and Hygiene and will build on product development (innovation and renovation) and brand equity (brand strategy and advertisement), enabling three critical sources of value:

Coherent global strategy and cross-geography synergies

- Goodknight Liquid Vapouriser, a successful product in India for the last decade, is now being further scaled up in the region, as well as in new markets like Indonesia, Bangladesh, and Nigeria.
- Godrej Shampoo Hair Colour, which is currently being scaled in India, has now been launched in Indonesia too, with the same basic technology but significant variations in product, packaging, and positioning.
- Goodknight Smart Spray in India, Goodknight Power Shots in Africa, and HIT Fast Insect Killer have all been created using the same technology. Launched in India with Smart Spray, the product has seen success in Nigeria with Power Shots, and we're now back in India with a smaller SKU, which is being further developed for other geographies.
- We cross-pollinated aer Matic from Indonesia to India, and with great success; alternatively, we are taking aer Power Pocket from India to Indonesia, along with Bangladesh and the Middle East.

Scaling up products across our categories and geographies

Deeper capability on product and communication development

We are very focused on formalising our global innovation and renovation pipeline across categories, which is being managed through a structured stage-gate process.

There is a renewed focus on renovating our core to ensure a winning product portfolio.

We are centralising communication development with the help of in-house creative teams: Light Box (our media development studio) and Design Lab (a creative space that leads new product development across geographies).

Globally, we are standardising our approach to advertising development. For example, in Air Care, we built on the insight that the category is typically adopted when guests visit home. So we took the idea of 'talking rooms' and used it in advertisements in India (aer) and Indonesia (Stella).

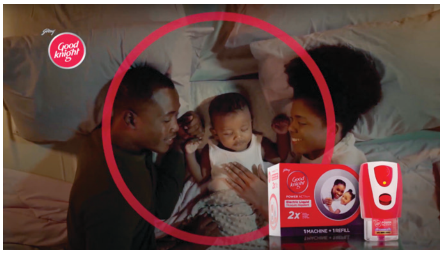
Better alignment across product development and brand equity

Our Product and Equity teams are structured to be lean and flat with both reporting to the Head of Global Category and Innovation and work jointly on most projects. Cross-training efforts include training on operating principles for decision-making and other functional training. The basic principle is to train our Marketing team on all core principles of the function.

Strengthening of brand codification also occurs with brand leaders acting as guardrails for both sets of activities.

We understand local consumers' behaviour and preferences and use ideas and know-how from around the globe to innovate and develop products that cater to the evolving needs specific to regions and markets.

Our global footprint is our asset as we use our experience to solve common challenges across similar markets, which may be worlds apart on a map. We are also investing heavily in expanding operations and recruiting locally for our emerging markets to leverage local expertise and experience.



Adopting global synergies for product development

Enhanced, digitally enabled consumer insights

By taking a step back and looking at the landscape more broadly, considering current performance, trends, and changes in consumer behaviour, we could understand how things might pan out, and how both categories and brands can evolve to meet consumer needs in the future. This helps us identify opportunities to achieve the trifecta—right for the consumer, right for the brand, and right for the category. From the technology perspective, we aim to continue to invest in consumer research and data analytics, which will allow us to identify trends and drive category growth.

Consumer obsession: A sustainability lens

Long-term brand tracking is a valuable tool for measuring if our brand values resonate with our consumers and translate into awareness, preference, and ultimately, loyalty.

Brand perception surveys help us to define our top consumer segments and understand what they care about, why they shop, and the best way to capture their attention. These insights enable us to better comprehend the trends of consumers.

Brand perception tracking is traditionally performed through a scientific process of meeting a randomly selected relevant target group (typically category users) at their homes. A survey is conducted to understand their levels of awareness, perception, and usage of brands in the category, as well as their salience of advertising for the brands.

In today's rapidly changing market, we are also adopting a more agile approach. Our company is leveraging new technologies to continuously measure brand performance and tap into consumers' sentiment, whenever required. We are tracking consumer preferences on various metrics—from awareness to product feedback to usage behaviour and appeal for various new ideas.

In the fiscal year 2022-23, we covered over 50,000 consumers and their perception of our brands. We reached these consumers through various channels, online and offline, randomly at their homes or at central locations to gather insights. This survey covered nearly 60% of our brands by revenue.

Gathering consumer insights across various channels

By incorporating a sustainability lens into our existing surveys, we gained a deeper understanding of the role sustainability plays in shaping consumer preferences.

We engaged our consumers to:

1. Assess attitudes towards sustainability

We asked questions that helped us understand how sustainability factors into our consumers' priorities and values, and how it influences their perception of our brand.

2. Identify opportunities for innovation

We asked questions to explore consumer values and preferences that could drive brand differentiation and provide us with a competitive advantage.

We recently commissioned a brand perception survey among 21-45 year olds in India. In the survey, 67% of the people found 'reusability' and 32% found 'less plastic waste' to be relevant. This drove a perception of being an eco-friendly product among about two thirds consumers.

Using an agile brand perception-tracking approach, we are working to ensure that our brands remain relevant and resonate with our consumers. We aim to make more informed decisions that foster long-term growth, enhance our reputation, and contribute to a more sustainable future for all.

Democratising our brands

Our purpose has always been to serve the needs of consumers above everything else. We innovate continuously to create versions of our products in different sizes and at multiple price points to cater to as big a net of consumers as possible. Smaller value pack offerings such as HIT No-gas Spray in India and Indonesia, Goodknight Mini Liquid Vaporiser in India, and Godrej Expert Rich Crème in India have revolutionised the market and made our products more accessible to a larger section of consumers. This also increases consumer loyalty, when they see a bespoke creation of a beloved brand that works for them specifically.

We are democratising our brands by creating smaller value packs

HIT No-gas Spray (India)

Goodknight Mini Liquid Vaporiser (India)

Godrej Expert Rich Crème (India)

Enhancing go-to-market

As we delve deeper into emerging markets, ensuring that consumers have access to our products on a regular basis is vital to our goal of achieving increased penetration. We are continuously expanding our distribution channels to increase our consumer reach, with a greater focus on unserved or poorly served rural and remote markets.

We are rapidly increasing our presence across multiple platforms—traditional and modern retail channels, e-commerce, and digital marketplaces—to ensure our products are always available to serve our consumers, regardless of where they are located.

We continue to leverage traditional kirana stores in India

Channels of the future

New technologies are transforming the sales and distribution landscape. In India, they are growing more than double than that of traditional channels, with quick commerce gaining significant popularity. Additionally, e-commerce has seen strong growth across India, Indonesia, and the USA, and modern trade, Cash and Carry, and, more recently, eB2B continue to grow.

In India and Indonesia, it has also refocused attention on the role of traditional kirana or neighbourhood convenience stores. Similarly, in Africa, we have seen the acceleration of proximity shopping to overcome the challenges posed by the pandemic. This has reinforced the importance of last-mile distribution. New models will now be omnichannel, straddling a pyramid of online and offline sales.

In Bangladesh, the focus continues to be on building the traditional kirana (modir dukaan) backbone because modern trade and e-commerce are limited to urban centres. In Sri Lanka, we continue to focus on all channels, including traditional, modern trade, and, more recently, the e-commerce channel too.

Our leadership engages with our partners on ground

Shopper behaviour

Regarding an assortment mix, the shift in shoppers' demand for health and hygiene that we witnessed in the fiscal year 2020-21 across markets sharply reversed this year. In India, for example, the spike in both handwash penetration and Household Insecticides consumption observed during the COVID-19 pandemic began tapering off significantly in the fiscal year 2022-23.

However, during the year, we have seen a global economic slowdown and high inflation impacting consumers' purchasing power. This has impacted volumes across geographies, as consumers have been leaning more towards 'value' buys. We have been meeting this consumer need by making our products more accessible and affordable. We launched access packs of Godrej Expert Rich Crème, Goodknight Mini Liquid Vaporizer, and HIT No-gas Spray in India.

In Indonesia, we relaunched an access pack of our hero brand HIT Aerosol. We also launched a low-cost hair colouring solution to cater to consumers' shopping through general grade.

Partnerships

The interdependencies of our networks have always been crucial for the business. For the system to deliver successfully, we need all partners to be enabled and benefited. In addition to continuing our support towards our suppliers, distributors, wholesalers, and modern trade customers globally, we are establishing deeper partnerships with large-scale salons across Africa.

Building partnerships with salons across Africa

Expanding penetration and reach

In India, we continue to focus on deepening our penetration in traditional trade. Specifically, we aim to expand our reach in underpenetrated areas of the country by driving rural reach and penetration through the launch of lower priced stock-keeping units in our key categories, which will result in greater accessibility of our products to rural consumers.

In the past year, we created a blueprint of the ideal rural coverage along with our external partners. Guided by this blueprint, we have grown our rural substockist network by 10%. We have further leveraged external partnerships in rural India and worked closely with an emerging player in the rural eB2B space. The partnership has helped us reach villages with a population of less than 3,000, where we could not reach directly through our substockist network. This has significantly complemented our rural distribution, and the initiative has now been expanded to approximately 15 states in India.

To strengthen our in-market execution, we are now tracking tertiary sales in rural areas, measuring sales from substockists to rural retailers, and using that as a key performance indicator (KPI) for rural sales team members. We launched the tertiary sales tracking system in the past year, which made us one of the first FMCG companies that not only tracks tertiary sales but also uses this data as a crucial KPI for our rural sales ecosystem.

We have experimented with moving the frontline salesforce to third-party payroll, which has resulted in improved productivity and reduced attrition. We have now moved 40% of the business with frontline salesforce to third-party payroll and plan to continue this transition going forward.

Tapping into the emerging opportunity of a growing chemist channel remains a key strategic lever for us. To achieve this goal, we have created a strong network of pharma/over-the-counter drug distributors, and accordingly, created a new revenue stream. This channel helps us expand our reach into the previously untapped chemist outlets.

Our focus in Bangladesh remains on becoming one of the top FMCG companies through category development and strengthening of our go-to-market in the top 175 towns.

In Sri Lanka, our team is driving productivity and expanding reach through a cloud-based distributor management system and salesforce automation. Our focus is to ensure that we reach a good mix of traditional and modern trade stores across the country.

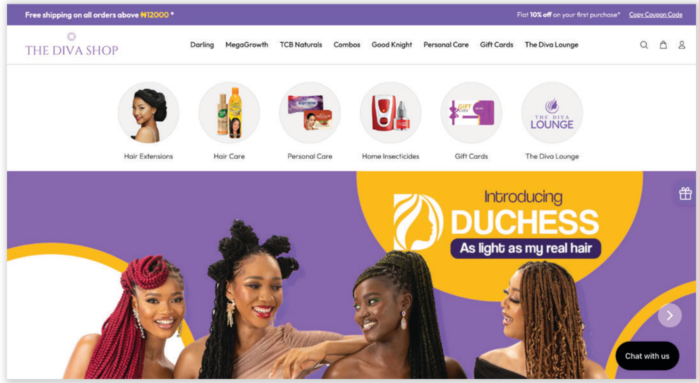
In Indonesia, we significantly accelerated our go-to-market transformation in general trade by outsourcing our direct operations to distributors. This transition has significantly reduced our operational complexity and released our Sales team’s bandwidth to focus on business development activities. In addition, this has reduced the cost of operations and allowed us to deepen our direct coverage.

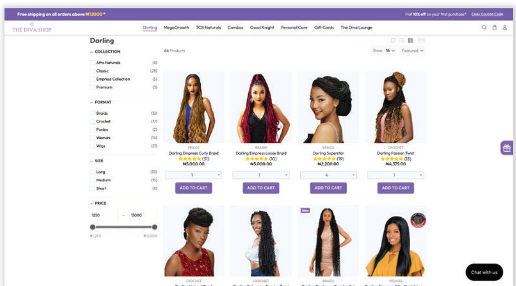
Going forward, we aim to continue the momentum on distribution expansion and double down on new outlets while maximising output from our existing distribution base.

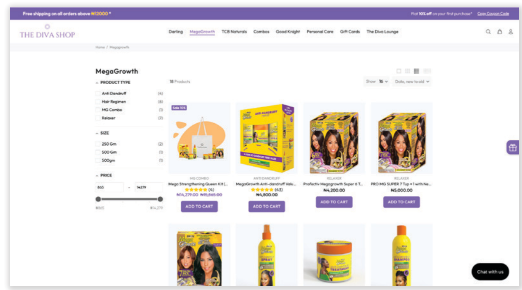
We are ramping up our go-to-market efforts across Africa. In Nigeria, where trade is largely unorganised and wholesale-led, we are scaling up our last-mile distribution through van models, subdistributor models, and salon advocacy.

Our experiment of launching a D2C channel aimed at seeding new products, experimenting with untested price points and product bundles, leveraging consumer analytics, and potentially providing distribution in white space regions, with retailers coming onto the platform, has been faring well.

Diva Shop, our multi-brand D2C channel







We continued our door-to-door sampling drive to build demand and educate consumers on our recently launched Household Insecticides portfolio, in addition to expanding distribution to modern trade. This resulted in a significant shift in our non-wholesale channel contribution. We aim to continue the momentum in Nigeria and strengthen fundamentals at an accelerated pace in South Africa and Kenya to unlock the full potential over the next few years.

We have expanded the distribution of our Hair Extensions business in the USA. Alongside Walmart, we have now expanded into other retail partnerships such as Target. Hair Extensions is a USD 1 billion market in the USA, and this offers a tremendous opportunity with significant consumer synergies. We are the only end-to-end hair player (Hair Extensions and Hair Care) catering to the African-American community.

Expanding our Hair Extensions business in the USA

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. Reducing sales losses through auto-replenishment and enhancing salesforce effectiveness through technology remain the critical levers of future growth.

Building an omnichannel play

Given the changing shopper trends and environments, we are ramping up capabilities to service the demands of an omnichannel play. Externally, this translates into servicing and solving channel conflicts. Internally, it means implementing the right team structure to service this channel with agility.

Exploring new go-to-market formats

In Nigeria, we continue to explore the D2C channel and are seeing strong wins, given the overall shopper preference for online purchasing.

Transforming modern trade

Modern trade is a key driver of growth across geographies, and we intend to ramp this up. Building blocks include account and portfolio prioritisation, category management, fill rate improvement, and strong partnerships with customers through joint business planning.

In India, we are investing in category management to build new-age categories such as Air Care and Household Insecticides. To this end, our teams are sharing and learning on category management best practices from our Indonesian and Latin American businesses.

We are also investing in developing modern trade-specific analytics and shopper marketing capabilities.

Modern trade accounts for nearly 65% of our business in Indonesia. We continued our long-term journey to drive modern trade excellence, with a continued thrust on strategic investments, prioritising winning accounts, which was particularly relevant with shopper shifts post-COVID-19, and focusing on joint business partnerships, which were crucial to winning in an unprecedented macroenvironment.

In Africa, given that modern trade continues to be key, we are leveraging availability, strong in-store presence, and competitive pricing to build on the opportunity, particularly in South Africa. Our entire business in the USA is modern trade-led, with the channel split into retail and beauty stores. We continue to leverage strong channel partnerships and joint business planning to drive distribution and new product listing, compelling in-store presence and competitive pricing.

Building on the salon channel

We are moving beyond traditional retail to build other new-age channels such as a salon. Restructuring of our salon channel in Africa will be a big focus as salon partnership programmes are key to creating influence, driving penetration, and generating demand in hair fashion as well as hair care. We intend to leverage this channel to drive last-mile distribution.

Training and capability building for frontline teams

Equipping our team members to best serve the changing landscape is critical. We continue to drive multiple capability-building initiatives, which were enhanced over the past year and were moved online.

In India, our in-house training academy, the 'Godrej Sales Academy', was moved completely online to encourage easy access and on-the-go learning. In other geographies too, we have leveraged online training modules for continuous skillset improvement in a tough macroenvironment, while also focusing on team engagement and motivation.

Ramping up e-commerce

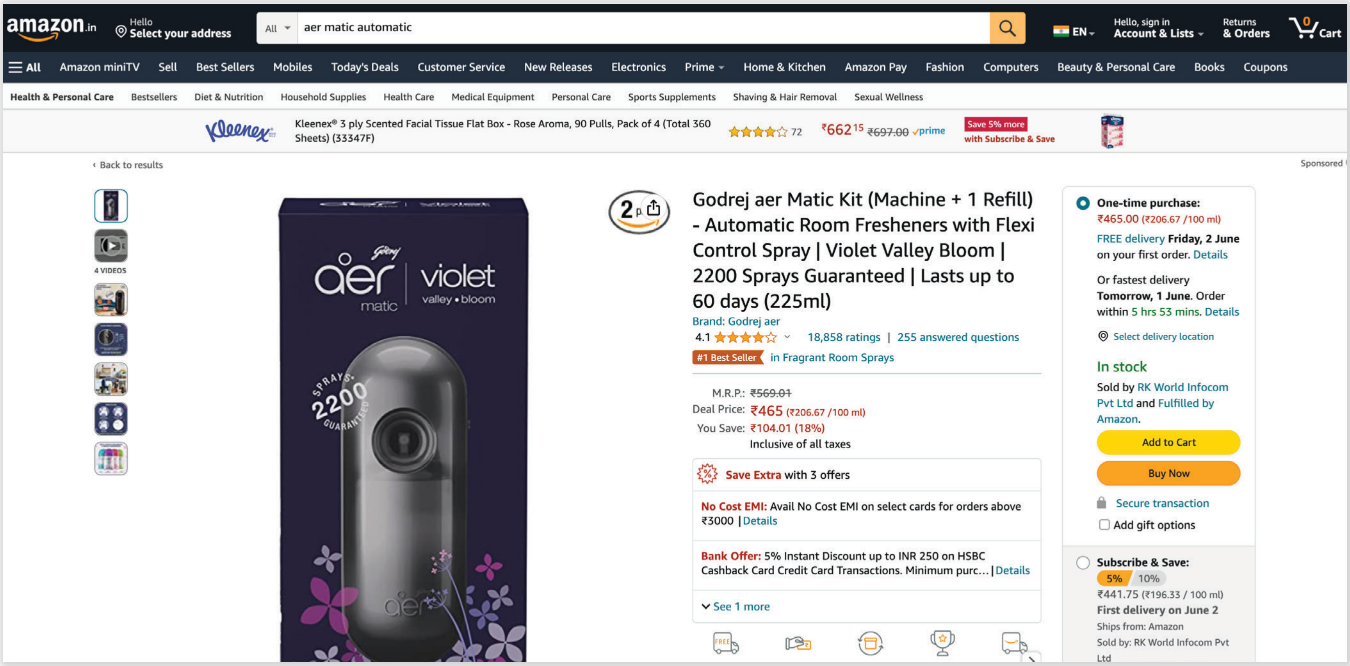
In India, we fully integrated e-commerce more closely with our overall sales structure, building synergies on the omnichannel nature of shopper behaviour of our customer base. We embarked on the journey of leveraging e-commerce to expand our more premium categories such as Air Care and Household Insecticides and saw some great results. This encouraged us to explore more of the channel's potential to sharply target an audience base with higher spending capacity along with a bigger appetite for experimentation.

E-commerce represents strong opportunities to win in a fast-growing channel, while leveraging its unique reach to bring innovative products and brands to market.

Underpinning this benefit, in India, we are building a strong data backbone to leverage the data-rich environment of e-commerce and drive our efficiency and effectiveness across the board. We are investing in expanding capabilities in the e-commerce function by insourcing capabilities such as graphic design, content writing, and search engine optimisation as well as performance marketing. We have a dedicated Shopper Marketing team to distil insights from e-commerce brands and platforms to extract the maximum efficiency from our visibility and promo spends. To improve operational efficiencies, we are also automating our processes from the order-receiving stage to the billing stage and leveraging data analytics to improve our forecasting methods. Our objective is to improve margins in the e-commerce channel through a better mix and optimisation of operational efficiencies.

Through joint business planning, promotion strategies, and online content, we have made substantial upgrades to our capabilities, which are yielding results in terms of on-platform conversion rates and off-takes. We continue to deliver strong performance on e-com-focused product innovations such as Goodknight Mosquito Nets, HIT Anti-mosquito Racquet, and aer Matic.

aer Matic, our e-commerce-first launch



In Indonesia, our e-commerce business grew by 40% after COVID-19. The focus has now shifted to our main platforms where we are collaborating for joint business partnerships, which have translated into new product launches, catalogues, and programmes. Driving focused digital activity on online and offline platforms helps in creating a seamless consumer experience: from digital awareness to e-commerce purchases. We also began creating special e-commerce-only products to serve large online consumer segments, thereby increasing the basket size across transactions.

In the USA, our efforts to strengthen e-commerce fundamentals paid off with the business growing strongly to become nearly 4% of our overall USA business this year.

E-commerce in Africa has noteworthy headroom for growth, particularly in the fashion and beauty segments. Given limited resident traffic on third-party platforms, in Africa (unlike in India, Indonesia, and the USA), we launched our own D2C platform in Nigeria.

This has been more than just a sales channel, with substantial upsides to leverage, like the immediate availability of new products, controlled brand building, consumer data, seeding new products, ability to cross-sell/upsell, experiment with untested product bundles, price assessment, and opportunities for focused consumer research. We have established a new e-commerce team in Latin America and are investing in multiple ways to grow our presence on different digital platforms and marketplaces.

Leveraging brand advocacy

Car Fragrance is a 30% penetrated category in India. Headroom is available to grow the category by building relevance for the format and getting new triers into the category.

Digital as a medium gives one the opportunity to share their message with the target audience, while minimising wastage. For our brand Godrej aer Twist, we leveraged deterministic data signals on digital mediums, with the objective of maximising reach, while directly reaching out to the product users: car owners. We identified key platforms to target car owners through digital channels such as fuel payments and fast tag transactions. The results and learnings have been very encouraging.

India's rural areas have a bigger and more rapidly expanding digital universe than urban areas. In line with our increased focus on scaling up our reach in rural markets, for brands like Godrej Expert Rich Crème and Godrej No.1, we continue to have sustained digital investments on leading video platforms. We have been actively leveraging advanced targeting capabilities, specifically designed to target rural markets, at scale, through negation of urban areas.

With consumer journeys becoming increasingly complex and non-linear, activating touchpoints and being present in consumers' purchase journey, when they are seeking decision-enabling information on digital mediums, are important.

Quora, being an intent-driven search platform, allows consumers to educate themselves on numerous topics, hence playing a key role in influencing purchase decisions. Consumers on the platform are at the mid stage of the funnel, and this makes Quora an apt platform for getting new users into the category, especially for a brand like Godrej Expert Rich Crème. Through a combination of targeting options and ad formats, we actively answered hair colouring-related queries and addressed top searched queries from consumers looking at covering grey hair.

Our digital penetration in Indonesia reached 77%, which is 10 million (5.2%) more than that in 2022. We partnered with content creators and influencers to create content that showcased our products. We also chose different personas for different brands that catered to different consumer interests.

Ampifying our digital presense in Indonesia

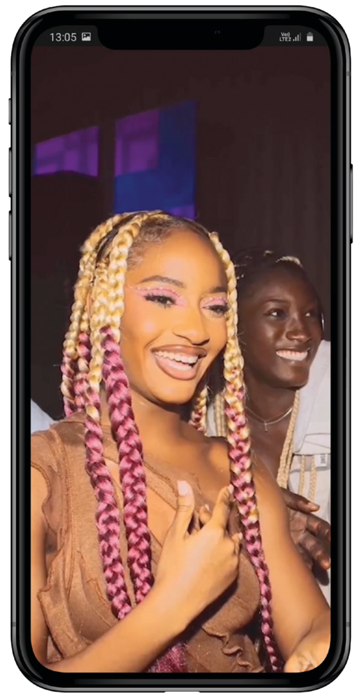
TikTok alone has been a big success in building our digital presence in Indonesia. Indonesia is now the second largest region with the most active users, after the USA. We leveraged the platform by using it to create content related to hair colouring for our Hair Colour brand NYU, whose target audience comprises women in their twenties, who also constitute a majority of TikTok's users.

In Africa, we moved our Nigeria D2C business to a self-sustained model, while continuing to provide world-class customer experience. This resulted in an impressive 25% repeat customer rate. It has also clocked upwards of 16% saliency in the launch of premium new products across categories.

In Africa, our categories are heavily driven by the visual content and influencers. We plan to scale-up our strategy of co-creating content with influencers to enhance believability and impact, while driving new products and styles. We have partnered with macro, micro, and nano influencers across markets to drive new product awareness and considerations.

We have also leveraged celebrity partnerships to amplify our digital presence. Darling Nigeria partnered with Ayra Starr, an international pop sensation from Nigeria, who is immensely popular among our core target audience of young women across Nigeria and other African markets.

Darling Nigeria collaborates with pop sensation Ayra Starr



Leveraging TikTok to build brand advocacy

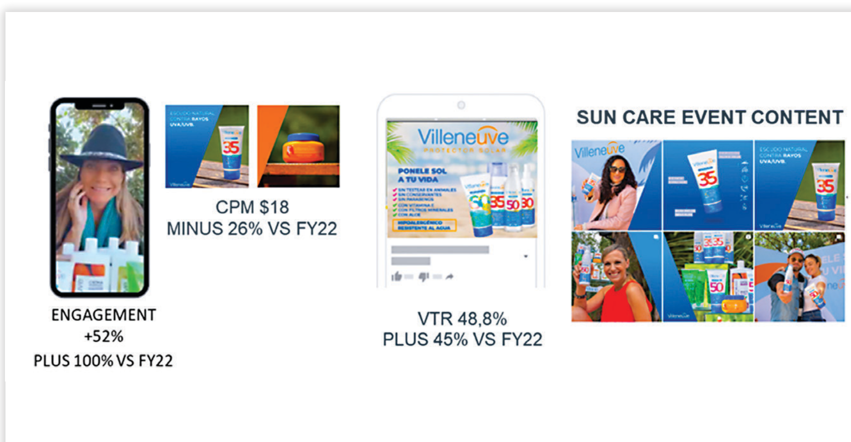
In Argentina, our Hair Styling brand Roby started a campaign to strengthen our consumers' self-esteem to embrace whoever they want to be. The brand launched a campaign called 'You Have All What You Need' and built partnerships with influencers by using our products to achieve different types of hairstyles to enhance their unique personalities. We partnered with nano, micro, and macro influencers, which allowed us to reach a larger audience in an organic manner.

Our Hair Styling brand Roby partners nano, micro, and macro influencers

Issue's 'It's Natural to Choose' campaign

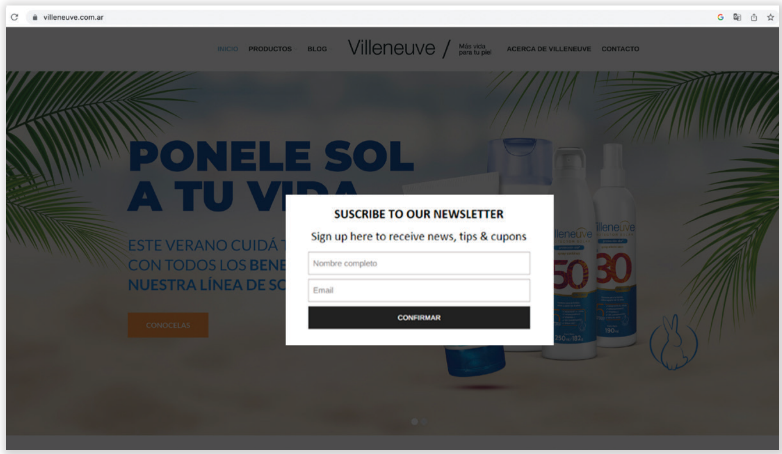
Our Hair Colour brand Issue launched the 'It's Natural to Choose' campaign, which amplified the reach of the brand, enabling other points of contact with the target audience and, as a whole, achieving better results than estimated.

As a media best practice, in Latin America, we worked an ODR with Issue. On apps like Meta and TikTok, this tool capitalises on influencer-created content, helping to develop the credibility of the message with the public through collaboration. Consequently, we have seen double-digit growth in some of our main campaign KPIs. This consumer-centric way of thinking led Villeneuve to achieve a 2.5× growth in the number of Instagram followers, in addition to an improvement in content quality, leading to better delivery on KPIs.



Leveraging analytics to enhance campaign performance

First-party data has become more relevant than ever before. Our Villeneuve brand has been gathering simple but important information on visitors. This tiny step will allow us to enhance consumer experience by providing relevant and personalised messages.



Experimenting with customised content

Leveraging technology and analytics

We have integrated different technology solutions across the value chain in India, starting with our sales people on the ground, through our many channel partners. Predictive analytics enables our urban sales people to sell the right assortment in a store. We are moving our distributor billing software and hand-held terminals to cloud-based servers to bring more agility to the sales ecosystem. We have completed cloud transformation for our urban and rural businesses. We are currently exploring the usage of Global Policy and Strategy locations to drive the in-market execution of our Sales team both in urban and rural markets. We also have ready plans to move our distributors to an automated replenishment system by the end of the coming year, thereby minimising sales loss due to stock-outs.

Going forward, we are building a strong analytics platform to forecast sales with higher accuracy levels by considering both external and internal factors. This is a key organisational priority and will enable us to predict demand better and thus improve operational efficiency.

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

A trade spend optimiser tool helps drive return on in-store investments for modern trade. We aim to continue to integrate technology across all execution touchpoints. We have also built stronger visibility in e-commerce analytics on Amazon, which we are translating into action points.

In SAARC, we are leveraging the potential tech partnerships and analytics to help augment our traditional trade expansion through systems such as cloud-based document management systems, micro-targeting, SOQ, and TPM.

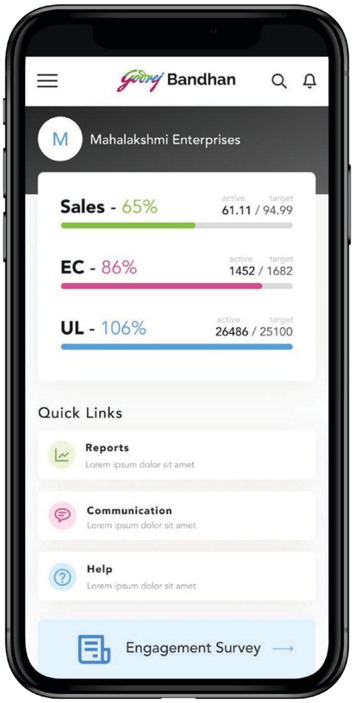
Through this, we intend to ensure that our primary aim remains to expand distribution in traditional trade in both Bangladesh and Sri Lanka and drive efficiencies in penetrated stores. We are also leveraging automation to streamline other functions such as inventory management and claims management.

In Africa, salesforce automation has been expanded to cover most feet-on-street in South Africa and Nigeria. This has helped expand coverage and improve brand visibility across the subcontinent. We now focus on scaling up distribution, extracting efficiencies, and building accountability across all channels and regions.

We have also leveraged technology in consumer insights, for example, taking consumer insights from the D2C channel in Nigeria to product bundles and price points that can work, and shifting to virtual consumer and stylist interactions to continue having a strong pulse of the on-ground trends and for agile action planning.

Fostering win-win partnerships

To increase digital connect, we scaled up our industry-pioneer android app called 'Bandhan', which is a one-stop app for all GCPL-related information, communication updates, and training for all our distributors. We have also adopted a comprehensive approach to improve return on investment for our distributors to enhance engagement.



Bandhan, our industry-first app, that fosters better connect with distributors

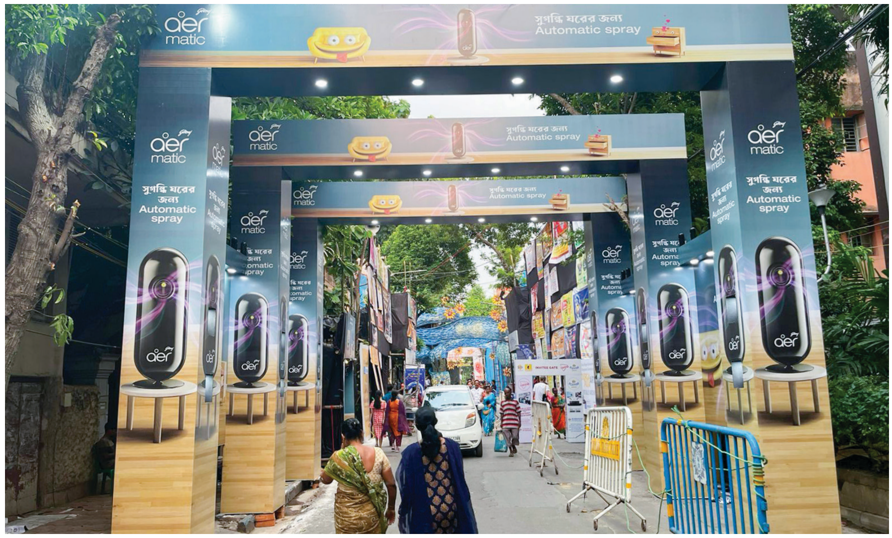
Investment in media and communication

In this age of information overload, it is absolutely critical to ensure that our brand, values, and offerings are communicated frequently, clearly, and through as many different platforms and media as possible. In the fiscal year 2022-23, we increased our investments in brand communication across multiple media to facilitate continuous dialogue with our consumers.

With the launch of Goodknight's new TVC 'Neendo Ko Nazar Na Lage', we launched a month-long social media campaign to invite user-generated content from parents who captured adorable papa–baccha sleeping moments. A large number of parents tuned into our endearing lullaby and sent pictures and videos. We collated these beautiful moments through a digital film, stitched with the lullaby in the background and pictures and videos sent in by them, which were published on Goodknight's social media channels.

Goodknight's 'Neendo Ko Nazar Na Lage' social media campaign

Godrej aer Matic seized Durga Pujo as an opportunity to create a larger 360-degree campaign. In line with the objective of amalgamating digital and the Durga Pujo on-ground activation, the digital leg of the campaign leveraged polygon technology to retarget users who witnessed and experienced the on-ground activation at the pandals. This is one example of how we leveraged technology to create an impactful integrated marketing communication for the brand.



Godrej aer creates a special 360-degree marketing campaign for Durga Pujo

With communities becoming the next big thing on digital platforms, and consumers actively participating in them to seek information and advice, share their experiences, and be a part of conversations around a topic of interest, we leveraged women-centric Facebook communities around beauty and hair for Godrej Expert Rich Crème.

The campaign was executed during the wedding season, a time when new consumers are highly likely to enter the category. We enlisted group admins and evangelists to create a buzz around the category in the context of weddings. The activity propelled user-generated content, with users sharing their first-hand experiences related to hair colouring using Godrej Expert Rich Crème. This resulted in a positive movement in the share of voice and engagement metrics for the brand.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Funded by radical simplification

Funded by radical simplification

Manufactured Capital

Intellectual Capital

Key enablers

- Leverage economies of scale
- Improve our speed-to-market
- Reduce our environmental impact

Risks identified

- Changing consumer preferences
- Hyperinflation and currency devaluation
- Commodity price volatility
- Regulatory

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

We are simplifying our products and relooking at our innovation processes to focus on what truly matters. We are leveraging our manufactured capital to focus on high-margin products and inventory optimisation, and improving our process efficiency with sustainable manufacturing, industry 4.0, and quality management.

17%

Reduction in India SKUs

Zero

Waste to landfill since 2019

48%

Reduction in the GHG emission intensity since 2011

Plastic neutral

In India

Net zero

By 2035

Simplifying products and improving process efficiencies

Innovation has always been at the heart of everything we do. We have redefined our approach towards product innovation and renovation to focus on high-impact opportunities that deliver substantial value to our stakeholders in the long term.

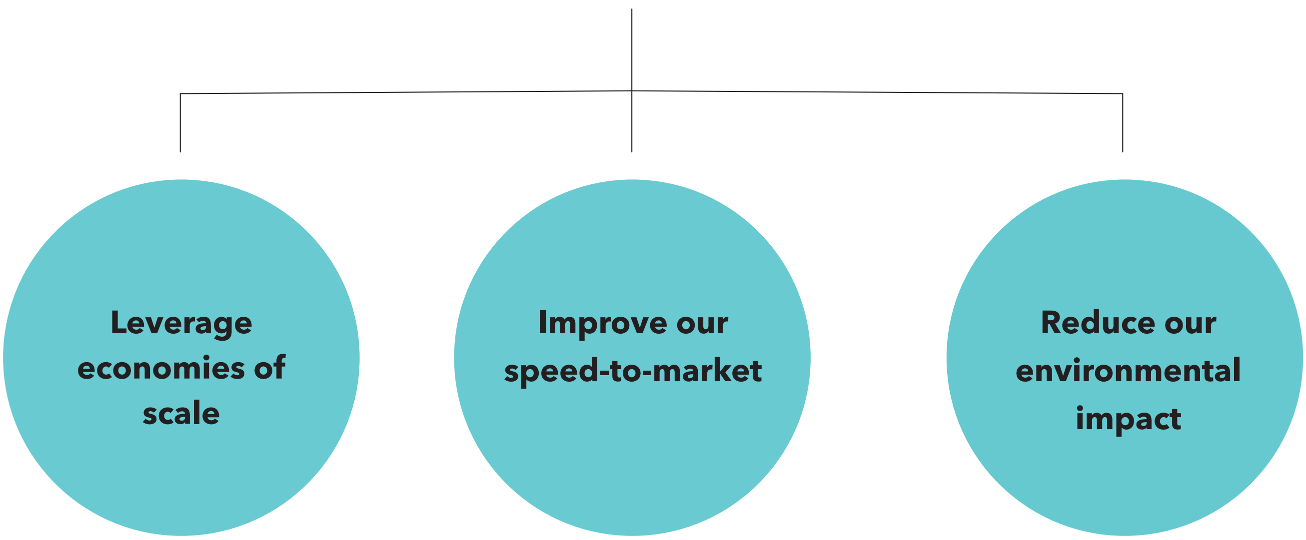
Our refined innovation framework emphasises the launch of fewer, yet more significant NPDs that have the potential to drive exceptional growth.

We drive our innovation capabilities to the next level by adopting the following key principles:

- A 'less is more' approach: Fewer, bigger, better innovations
- Even more consumer-centric: Deeper insights, prioritising the voice of our consumers in decision-making
- 100% objectivity: Rigorous stage-gate process, right governance
- Become truly global: Efficiently delivering synergies
- Sustainability: Sustainability built into our products from Day 1

While new brand development will continue to be a crucial capability and driver of value, we aim to discontinue smaller brands, where it makes sense from a better parentage/value realisation perspective.

All our manufacturing investments and initiatives have a three-point focus



These will help us become more competitive in the market while driving sustainability across our value chain.

Factories across our locations in India, Africa, Latin America, and Indonesia

Critical enablers

1. SKU rationalisation

As part of our ongoing commitment to optimising resources and enhancing efficiency, we recently undertook a comprehensive SKU rationalisation exercise across all product portfolios. By streamlining our offerings and focusing on high-performing products, we have achieved significant improvements in manufacturing efficiency and waste reduction.

In India, we successfully rationalised our SKUs by 17% from the fiscal year 2022-23. Similarly, across our Africa, USA, and Middle East cluster, we rationalised our SKUs by 25% in the fiscal year 2022-23. This strategic initiative has enabled us to run a lean supply chain operation, resulting in better resource utilisation for higher value generation while minimising wastages.

In Indonesia, we have reduced our SKU production by more than 50% compared with January 2022. This consolidation has resulted in several benefits:

- Reduced sourcing of packing materials by 50%, resulting in less operational complexity and fewer manufacturing challenges
- Focused replenishments to our distributors, simplifying work processes at our customers' end by managing a smaller number of SKUs
- Reduced obsolete stock provisions by 10%, as we concentrate on running profitable SKUs and eliminating tail SKUs

Strengthening business outcomes

SKU rationalisation in Kenya

In 2021, our Kenyan operations produced approximately 3,000 SKUs spanning our Hair and Personal Care categories. Recognising the potential for improvement, we conducted an in-depth analysis of these SKUs and successfully reduced them by 80% over the subsequent years, arriving at just over 570 SKUs.

This strategic consolidation has yielded several noteworthy benefits, including reduction in inventory storage requirements and minimisation of wastage. The adage 'less is more' proved apt in this context, as our streamlined product offerings have allowed us to direct our resources and growth initiatives more effectively.

Moving forward, we will continue to assess and refine our SKU offerings to further drive focused growth and operational efficiency across all our global markets.

2. Inventory optimisation

In our continuous pursuit of operational excellence, we have achieved a noteworthy milestone of reducing our inventory days. This strategic enhancement in working capital management enables us to better adapt to fluctuating market conditions and align our supply chain more effectively with consumer demand. To achieve this, we have implemented several digitisation initiatives across our manufacturing and supply chain operations. Among these initiatives is the adoption of a Transportation Management System, which has helped us better manage our transportation operations, optimise routes and loads, and lower freight costs.

Additionally, we have automated the scheduling and planning processes, integrating our supply chain to allow real-time decision-making to improve the overall efficiency. We have made significant progress in key projects, including the development of a future network footprint for our distribution network and implementation of replenishment-driven sales strategies for our distributors.

In parallel, we are continuously refining our demand-forecasting capabilities by leveraging advanced analytics and historical sales data.

This approach allows us to predict future demand with greater precision and proactively adjust inventory levels, thus minimising the risk of stock-outs and excess inventory while ensuring the timely availability of our products to consumers.

Our commitment to inventory optimisation remains steadfast as we continue to explore and implement innovative solutions to drive efficiency, reduce costs, and enhance customer satisfaction across our global operations.

Engaging with shopfloor employees

3. Industry 4.0

We are investing in advanced automation technologies and IT systems to enhance our manufacturing processes, minimise manual intervention, and boost operational efficiency.

In our North Cluster, we implemented a cloud-based computerised maintenance management system software at our Katha plant to strengthen onsite maintenance practices. This system effectively manages maintenance and preventive maintenance activities by creating schedules, maintenance requests, and job plans. Consequently, we have optimised spare inventory and reduced maintenance costs.

Our Industry 4.0 digitisation initiatives have not only increased productivity but also reduced energy costs. These initiatives align with our environmental objectives while promoting longer equipment life.

To effectively monitor energy and utility consumption, we installed an energy and utility management (EMS) system at our Katha and Kathua plants. Daily tracking and analysis of plant energy data allow us to take timely corrective actions to reduce energy consumption, improve equipment health, and establish comparative analysis for various product SKUs.

Following the implementation of EMS, specific energy consumption has reduced by 5%. Moreover, the system has empowered our shop floor workers with reliable, on-demand access to data through hand-held devices, replacing manual methods.

We have successfully integrated IoT across all five soap lines in our North Cluster. IoT implementation in our production lines has enabled real-time data analysis and facilitated timely decision-making to improve equipment productivity, reduce manual intervention, minimise breakdowns, and enhance operational efficiency by identifying bottlenecks.

IoT implementation at our Katha soap plant has significantly improved critical decision-making based on data analytics, yielding a 6% increase in the plant's OEE. Similarly, we have incorporated IoT into both soap lines at our Kathua plant, yielding a 5% increase in plant OEE.

IoT implementation and digitisation initiatives play a crucial role in reducing change and set-up losses for all soap lines, analysing frequent minor stoppages, creating history cards for major equipment breakdowns, and guiding corrective and preventive actions.

In our South Cluster, we installed an online visual inspection system featuring 360-degree cameras in the LV line at our Conso plant in Puducherry. This system detects defects in real time and automatically ejects defective products, reducing the need for manual intervention and thus improving the quality of finished goods. At the same plant, we have implemented an automated finished goods loading conveyor system with automated counting, auto data push to SAP, and sales invoice operations in SAP. This automation tool has streamlined the booking process, reducing both time spent and manpower requirements.

IoT implementation at our
manufacturing facilities

Furthermore, we have installed a SMART coil feeding system in each line of our Coil-6, Coil-7, and Coil-9 units to decrease manpower requirements. We have also incorporated an IoT-based flow-wrapping system with smart feeding in Line-2 of Coil-9 to reduce dependence on manual labour. At our Conso factory, we have installed an IoT-linked servo capper in the refill line, eliminating quality defects caused by broken wicks.

In the North East cluster, we have launched 27 automation projects, including the introduction of flow wrap machines, cartoning machines for LV lines, and filling machines. These initiatives have reduced manpower requirements and significantly improved the OEE of our operations. Specifically, we have seen 13% and 7.6% increases in the OEE of our Godrej Expert Rich Crème and aer lines, respectively.

In the Central West cluster, we have implemented 8 automation projects, including flow wrap machines, soap banding machine, and electric stackers for moving finished goods.

These initiatives have led to a reduction in manpower requirements and significant cost savings.

4. Sustainable manufacturing

By optimising our manufacturing processes, reducing waste, and implementing energy-efficient technologies, we can minimise our environmental footprint and contribute to a more sustainable future. We are driving sustainability initiatives across the supply chain and even extending them to our vendors through our Sustainable Procurement Policy.

As part of our Good & Green vision, we have identified environmental sustainability goals to be achieved by the fiscal year 2025-26. We aim to make one-third of all our products greener than those in 2020. We intend to source at least 35% of our energy mix from renewable sources, improve energy efficiency by 100% in line with our EP100 commitment, and maintain a zero waste to landfill status.

We track energy, emissions, water, and renewable data for all the locations where we have 100% operational control. We are now imbibing carbon and water pricing to capture the financial implications of our emissions and water use and build sustainability into decision-making at every point in the value chain.

To measure our progress against our environmental goals, we use the standards, methodologies, and assumptions entailed in the 'IPCC Guidelines for National Greenhouse Gas Inventories, 2006', and the 'IPCC AR6 Assessment Report'. Our performance is guided by the sustainability team at the corporate level and driven by manufacturing cluster heads and team members at each of our manufacturing locations.

Our processes include:

- Extensive meetings with multiple stakeholders to align on priorities, budgets, and expected benefits for the year
- Setting targets to help drive environmental sustainability in our manufacturing process and brands
- Cascading an annual operating plan where sustainability targets are included in the key responsibility areas for 'Green Champions'
- Using an internal sustainability monitoring tool to collect and analyse data, and generating monthly reports highlighting key indicators, including the carbon footprint as per the established GHG protocol
- Identifying and circulating best practices on multiple platforms for wider adoption
- Strong governance mechanism to monitor, review, and improve sustainability performance
- Strategic improvement planning for underperforming units
- An innovation cell to look at bleeding-edge sustainability solutions for the medium to long term
- Participating in multiple ESG disclosures to measure our performance against peers engaging external consultants when required for specific initiatives such as materiality or climate risk assessments

Optimising our manufacturing processes towards contributing to a more sustainable future

Our goals and performance for 2025-26

Energy*

Reduce specific energy consumption by 40% by 2025 (v. 2011 baseline)

Increase renewable energy portfolio to 35% by 2025 (v. 2011 baseline)

Approach

- Improvements in processes and increase in the efficiency of systems
- Adoption of green energy sources such as solar and biomass
- Upgradation of technologies

Reduced our specific energy consumption by 39%

Increased renewable energy portfolio to 31.6%

Water**

Reduce water intensity by 40% by 2025 (v. 2011 baseline) while maintaining water positivity

Approach

- Innovative water management systems, technological improvements, and the integrated watershed management programme

Reduced water intensity by 30% and achieved water positivity (through rainwater harvesting within our facilities and our community watershed programme, we are conserving six times more water than we use in our operations).

Emissions***

Reduce GHG emission intensity by 45% by 2025 (v. 2011 baseline)

Approach

- Adopting cleaner fuels such as biomass and continually improving process efficiencies

Reduced our GHG emission intensity by 48%

Waste****

Sustainable packaging commitment

- Maintain zero waste to landfill and achieve zero liquid discharge
- Collect and recycle 100% of pre and post-consumer plastic
- Minimum 50-microns thickness of plastic product labelling to include the thickness of plastic and extended producer responsibility (EPR) registration details
- 20% reduction in packaging intensity
- 80% of plastic used to be recyclable
- Rigid plastics to be replaced by 30% recycled plastic by the fiscal year 2025-26. Flexible plastics to be replaced by 10% recycled plastic by the fiscal year 2026-27 and multi-layer plastics to be replaced by 5% recycled plastic by the fiscal year 2026-27.

Approach

- Judicious and innovative use of materials, including reuse and recycling and greater circularity
- Establishment of a monitoring system to track and implement initiatives to reduce plastic packaging consumption and intensity.
- Exploring vendors and enterprises to increase our use of PCR plastic instead of virgin plastic

Our specific waste to landfill has reduced by 100% (diverted 100% waste from landfill)

We are plastic neutral in India and collect and recycle 100% of pre and post-consumer plastic that we send out

**Energy use is calculated by specific energy consumption per tonne of production*
***Water usage is calculated by specific water consumption per tonne of production*
****Emissions are tracked for Scope 1 and 2 and calculated by specific GHG emissions per tonne of production*
*****Waste generated is calculated by specific waste to landfill per tonne of production*

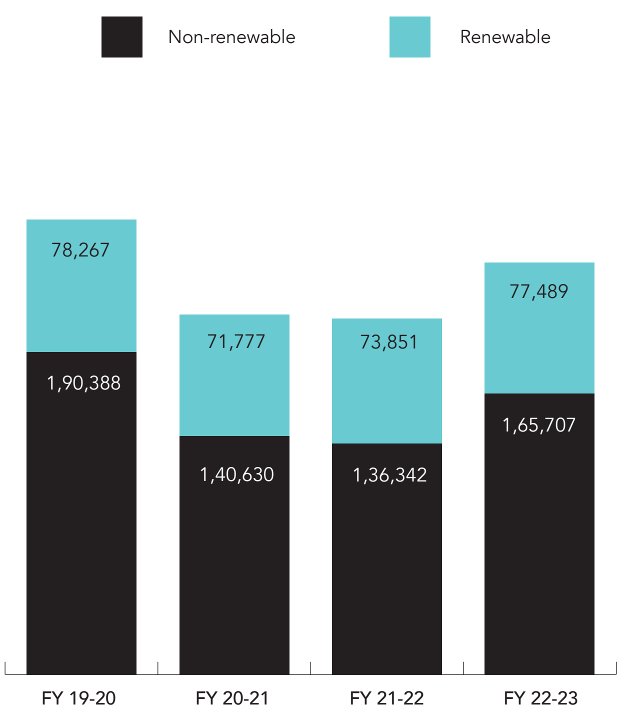
1. Energy

This year, our energy performance is on track with our vision 2025. We have implemented over 40 green initiatives across all our locations.

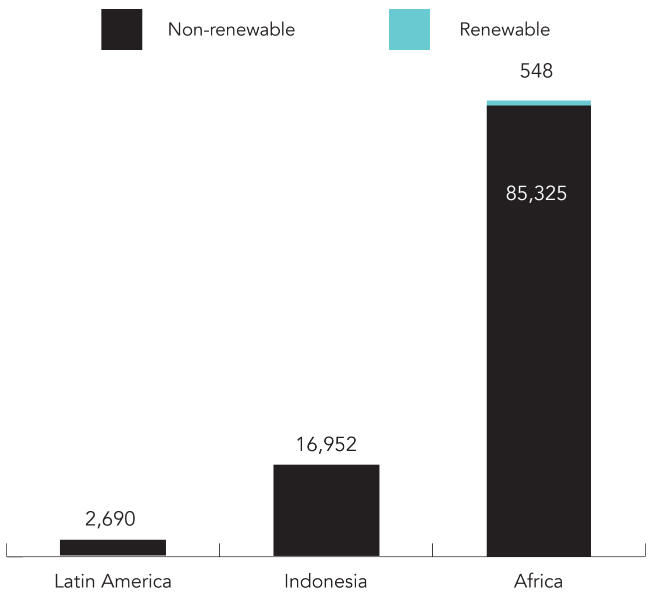
Highlights from the fiscal year 2022-23:

- In the South Cluster, we transited from IE1- to IE4-rated motors in our MM Nagar manufacturing plant. The high-efficiency motors offer benefits such as reduced power consumption, reduced operating temperatures, and decreased thermal stress on motor components. The switch to IE4 motors not only contributes to energy conservation but also extends the motor service life, thereby enhancing our overall operational efficiency. Installing the energy-efficient IE4 motors saves us over 71,600 kWh a year. This is equivalent to emission savings achieved by planting approximately 960 trees annually.
- In the North Cluster, we have installed 624- and 336-kWp capacity solar rooftop power plants in Kathua and Thana plants, respectively, which help us generate over 9 lakh units of clean energy per annum. This has built the renewable energy porfolios of Kathua and Thana plants to 17% and 46%, respectively.

Energy consumption (MWh) - India



Energy consumption (MWh) - Global FY 22-23



No renewable energy at Indonesia and Latin America

Adopting solar energy to
power our factories

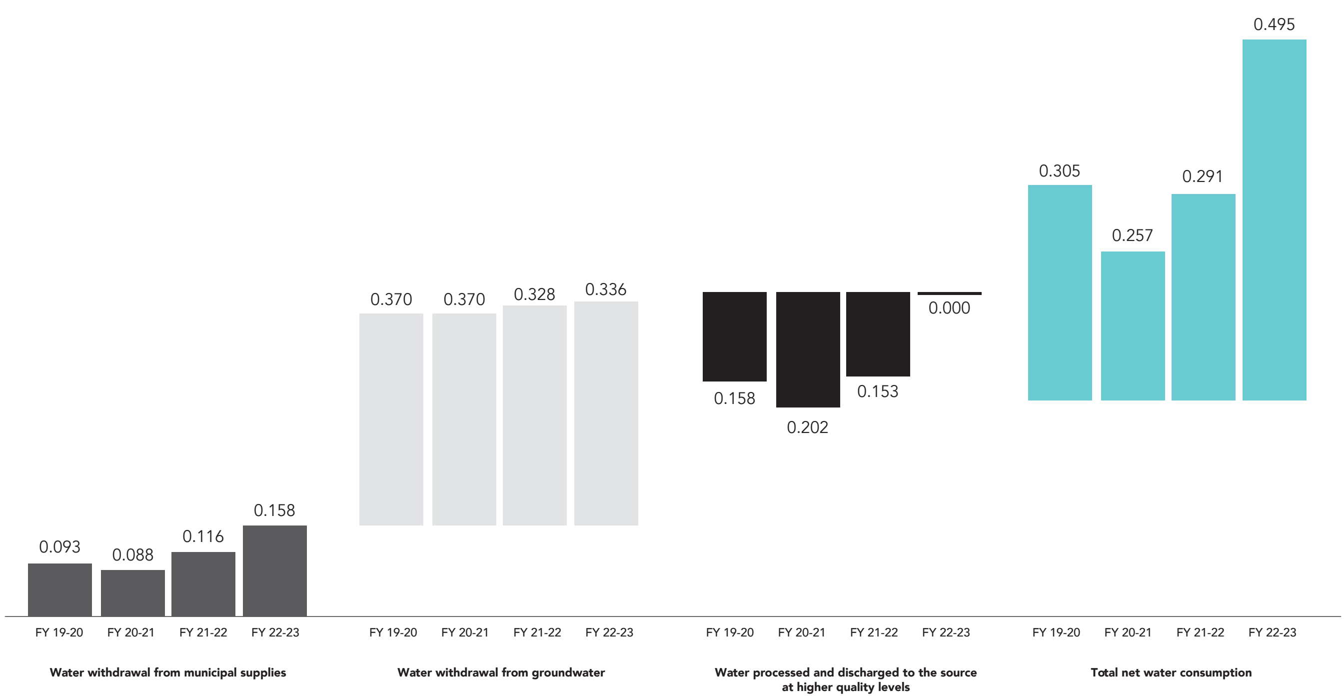
2. Water

We have evaluated and implemented innovative projects to reduce our specific water consumption. Our performance is in line with our set targets. We continue to source our water from sustainable sources and have also supported integrated watershed projects to replenish groundwater levels.

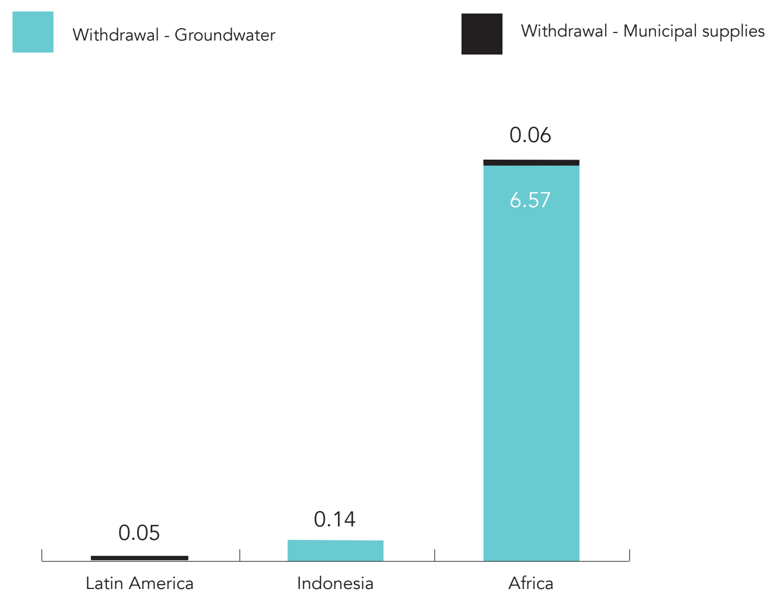
Highlights from the fiscal year 2022-23:

- In India, we have established a zero liquid discharge process at each of our plant locations. In the North Cluster, water processed through the common effluent treatment and the ETP/STP-treated water is recycled and used for domestic purposes in our plants.
- Similarly, in the South Cluster, we generate no process waste water. Our STP treats all waste water and recycles it for domestic use. We ensure no waste is discharged out of our plants.
- In the Central West Cluster, we have installed a rainwater harvesting system in our new soap plant. This has resulted in harvesting of approximately 15 lakh litres of water per annum.
- In Argentina, our team has implemented several measures to reduce water consumption in our processes.

Water consumption (million cubic meters) - India



Water consumption (million cubic meters) - Global FY 22-23



3. Emission

All our manufacturing units have implemented systems for monitoring GHG emissions and short-term reduction targets with the long-term aim of achieving Scope 1 and 2 carbon neutrality.

Our initiatives on improving energy mix and reducing specific consumption have helped us reduce our GHG emissions.

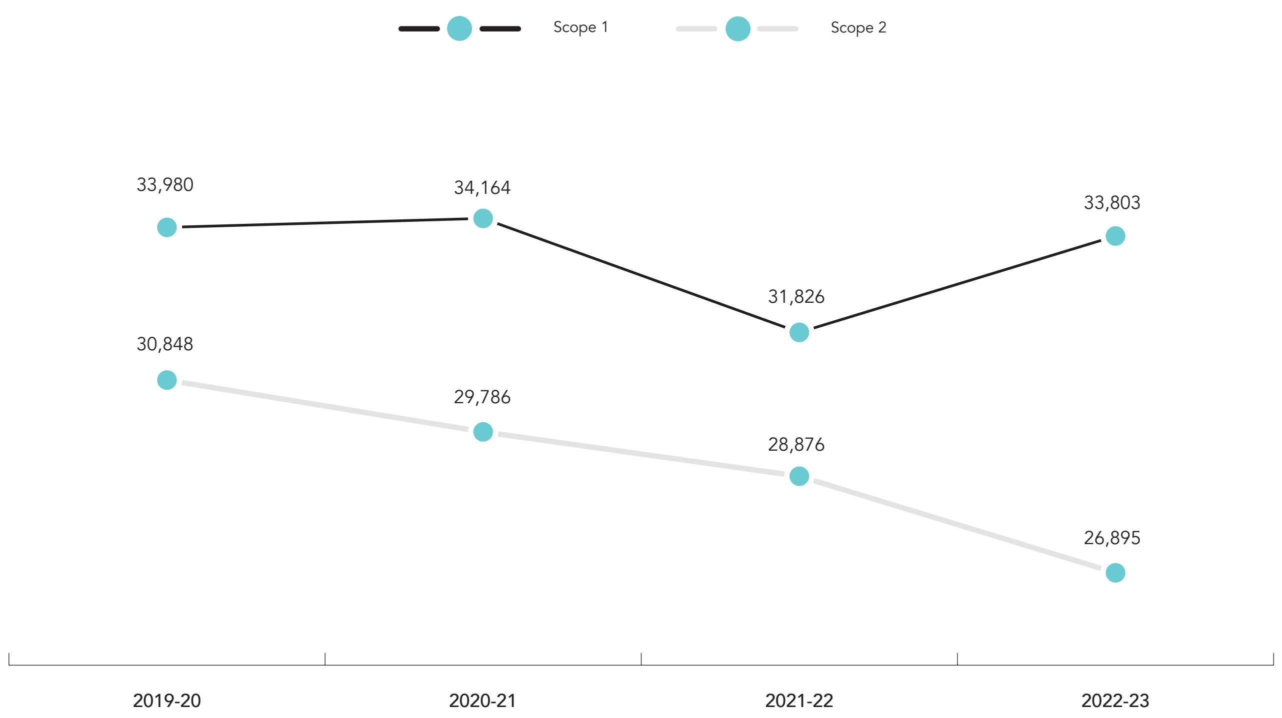
Some of these initiatives include switching to renewable biomass for boilers, increased procurement of renewable energy, flue gas heat recovery from boilers for process utilisation, and installation of energy-efficient equipment, among others.

Highlights from the fiscal year 2022-23:

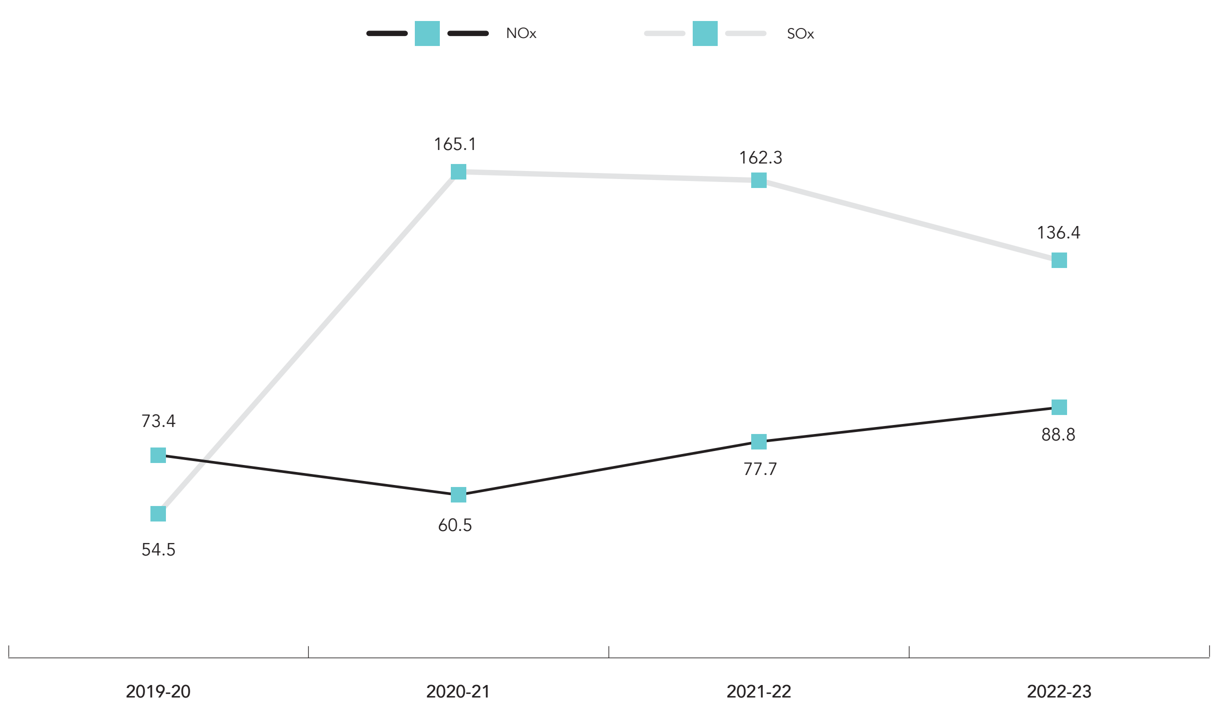
- In the Central West Cluster, we have installed 1,700-kWp shed solar panels. This installation has resulted in the generation of 25 lakh units of power per annum, thereby helping us reduce our GHG emissions.
- In addition to increasing renewable energy consumption, we have implemented a strong energy efficiency programme and set specific energy reduction targets. To double our energy productivity by 2030 as against the 2018 baseline, we are committed to the Climate Group's EP100 initiative.
- We are committed to reducing our emissions in line with the global Science Based Targets initiative (SBTi) and have set and submitted science-based reduction targets for emissions aligned with the Well Below 2 Degrees Scenario, which are currently being validated by the SBTi committee.
- We have set an internal science-based commitment to be Scope 1 and 2 net zero by 2035. We have already implemented initiatives such as community carbon mitigation programmes to be on track to net zero.

More details on our net zero by 2035 commitments in the pillar 'People and planet alongside profit'.

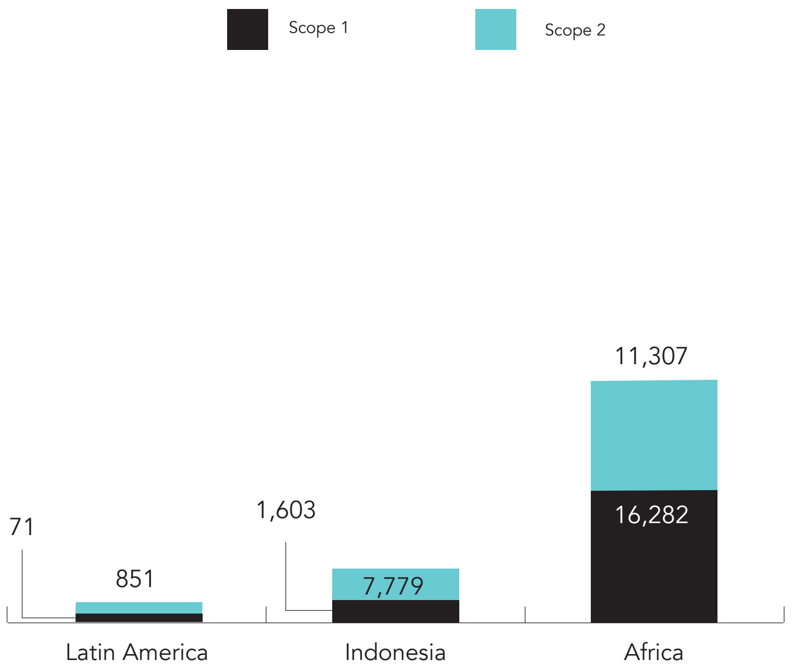
Scope 1 and 2 emissions (MT CO_2 equivalent) - India



NOx and SOx emissions (MT NOx and SOx equivalent) - India



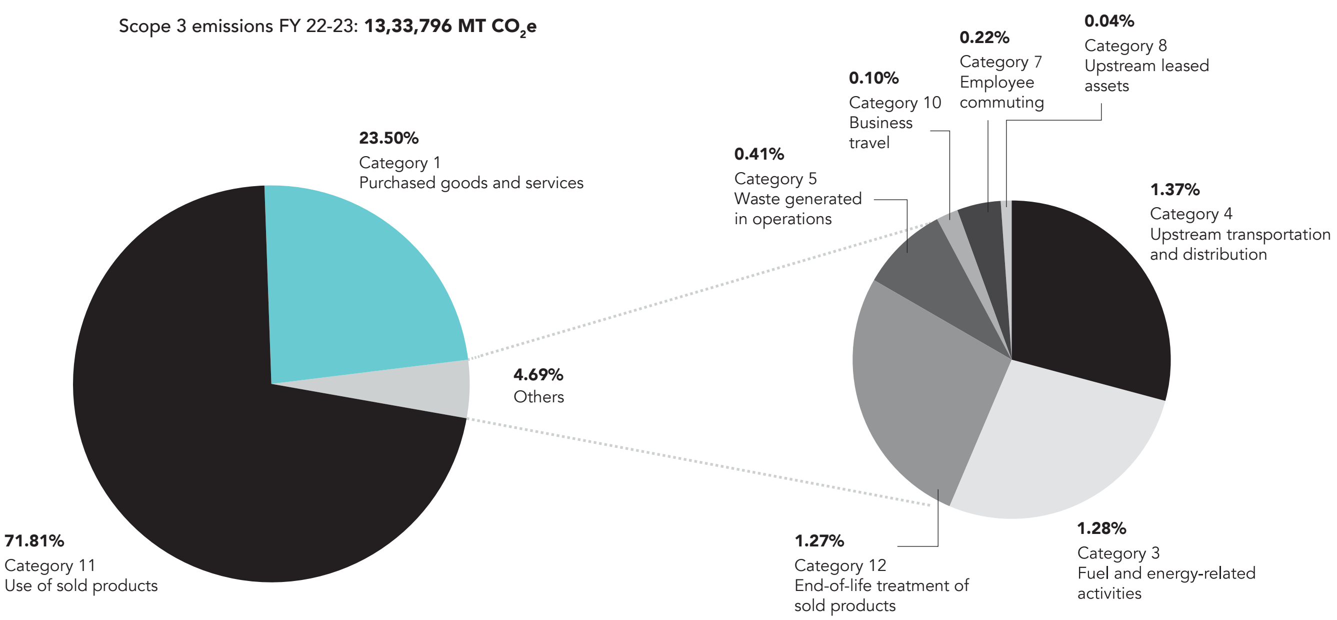
Scope 1 and 2 emissions (MT CO_2 equivalent) - Global FY 22-23



Scope 3 emissions (MT CO_2 equivalent) - Global FY 22-23

Scope 3 emissions FY 21-22: 16,46,782 MT CO_2e

Scope 3 emissions FY 22-23: **13,33,796 MT CO_2e**



4. Waste

We undertook several initiatives to reduce waste generation and divert waste from landfill. We continue to send ETP sludge from our Malanpur plant for co-processing at a cement plant and have already achieved a zero waste to landfill status in our India operations.

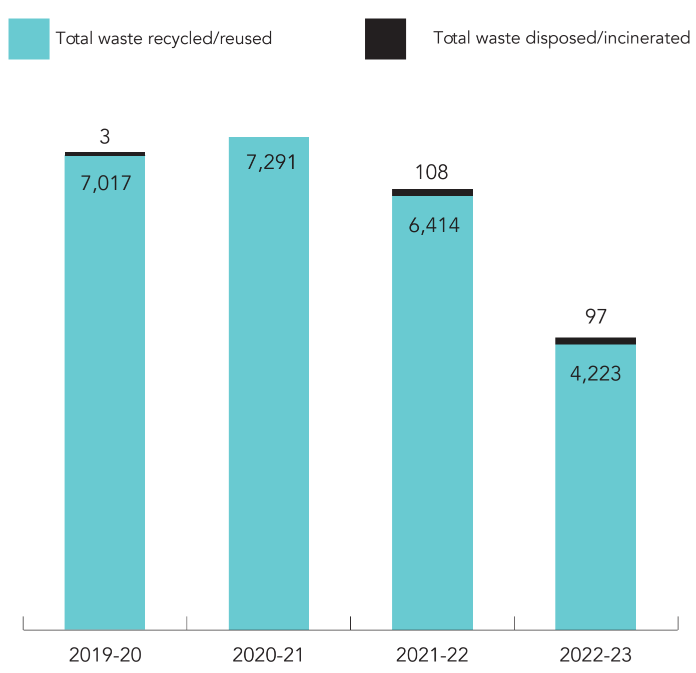
We are fully compliant with our EPR regulations. Our plastic packaging footprint is approximately 18,750 MT in India. We are plastic neutral, which means we take back the equivalent amount of plastic that we send out to our consumers. In addition, we continue to invest in community solid waste management programmes.

Highlights from the fiscal year 2022-23:

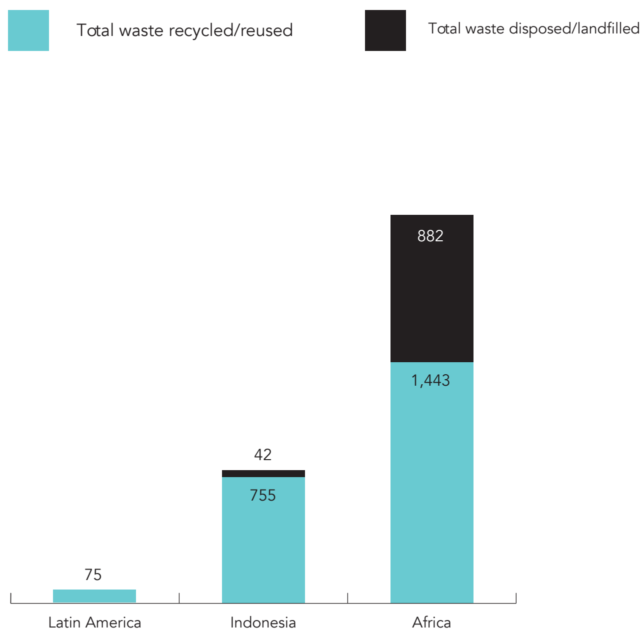
- In Nigeria, we have started diverting waste materials from our manufacturing plants to recycling and in the process we earned over ₹2.9 crore.
- In India, we continue to maintain the zero waste to landfill status.
- In Kenya, South Africa, and Mozambique, we have started diverting waste to recycling.

Moreover, we have reduced our plastic intensity by 17% from 2017. We also intend to use PCR content within our plastic packaging.

Waste disposal (MT) - India

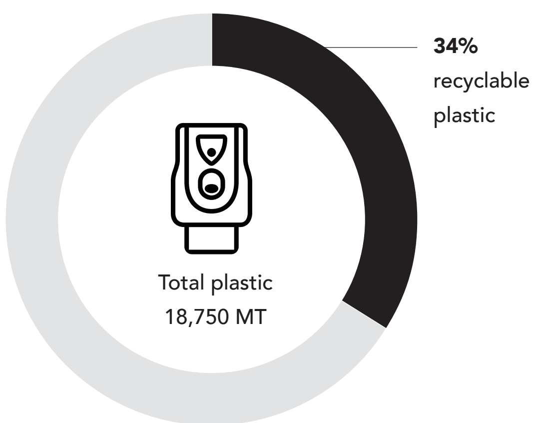


Waste disposal (MT) - Global

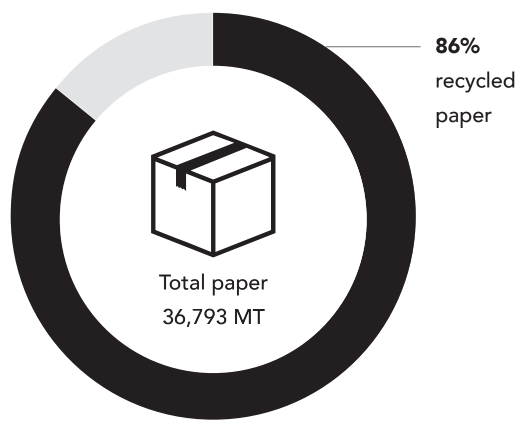


Packaging materials (MT) - India

Plastic



Paper



Addressing unmet consumer needs

We are proud of our strong track record of disruptive innovations, which has allowed us to enter new categories and address unmet consumer needs. Often, this work has also led to the development of new, distinctive memorable brands.

We have adopted a stringent innovation evaluation process that includes rigorous consumer trials and test markets. This process ensures that only the most promising products enter the market. This approach maximises the chances of success, leading to higher returns on investment and long-term value creation for our stakeholders.

Establishing winning products in new geographies

GCPL's geographic footprint comprises some of the largest and fastest growing emerging economies in the world. However, our top categories in these countries, such as Household Insecticides, Air Care, and Hair Colour, are underdeveloped, with significant headroom available for growth. We see this as a huge opportunity for value creation via the application of our winning strategies for category development through our know-how in product, communications, and activations.

We are focusing on designing products that cater to local market preferences while also having the potential for global appeal. This enables us to leverage our intellectual capital to create blockbuster innovations that can travel across the world, capitalising on global market opportunities and ensuring long-term competitiveness.

We have already laid the foundation for achieving this goal, cross-pollinating Magic, our revolutionary powder-to-liquid handwash, from India, Africa, Indonesia, and Latin America, making it our first-ever global product. Similarly, we forayed into the Household Insecticides category in Africa with the launch of Goodknight Power Shots.

We forayed into the Household Insecticide category in Africa with the launch of Goodknight Power Shots

Enhanced, digitally enabled consumer insight

Central to our innovation strategy is our commitment to consumer centricity. By augmenting our consumer insight capabilities, we empower our innovation team to develop products and solutions that resonate with consumer needs and preferences.

Our enhanced consumer insight capabilities include:

1. Global structure

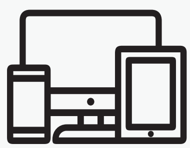
By fostering a global category structure that promotes the sharing of insights and know-how across the organisation, we tap into a wealth of knowledge that drives better-informed decision-making and strategic planning.

2. Standardised testing protocols

Implementing clear global testing protocols and action standards ensures consistent, high-quality evaluation of our products and innovations, minimising risks and maximising the chances of success in the market.

3. Strong agency partnerships

Building deeper relationships with critical agency partners helps us leverage their expertise and global scale, further enriching our intellectual capital and supporting the development of products that cater to diverse consumer preferences.



4. Digital techniques

Harnessing new-age digital techniques for consumer insights allows us to gather real-time data, identify emerging trends, and react swiftly to changing consumer demands. This agility contributes to our competitive advantage and long-term growth potential.

Investments in R&D, design, technology, and skills

Our state-of-the-art R&D centre at our global headquarters, Godrej One, in Mumbai, is supported by local R&D teams who partner across geographies and share learnings. At our in-house global Design Lab, we integrate design thinking and transform product capabilities. While this is usually a capability outsourced in FMCG, we have chosen to build it internally and make it a competitive advantage. The lab comprises highly skilled graphic and industrial designers across geographies collaborating on projects.

Our state-of-the-art global R&D centre at our headquarters, Godrej One in Mumbai is where we lead new product development

Sustainability built into our products from Day 1

We continuously assess the sustainability of our products from a life cycle perspective and use the insights to constantly re-shape and strengthen our NPD framework. This is also informed by the quantitative and qualitative insights received through market research, focus groups, consumer panels, and analytics. Our R&D will continue to play a crucial role in creating innovative, high-quality products that are good for the people and the planet.

1. Reconstitution portfolio

Our reconstitution portfolio plays a critical role in creating innovative, high-quality products that benefit both our customers and the environment.

Due to the high-water content of personal care products, tonnes of water are shipped before production, and the finished product is heavier while it is transported.

Magic handwash is a powder-to-liquid handwash, and Magic Bodywash are liquid concentrate products that allow consumers to themselves add water to the concentrate, transforming the product into a usable liquid form.

With Magic powder-to-liquid handwash, our sustainable and affordable solution to handwashing, we are driving change in consumer behaviour and fostering a greener, more responsible market.

This approach has several substantial advantages for the planet. First, by removing water from our products, we reduce the overall weight of our product. This allows us to transport larger quantities of our products with reduced packaging requirements. Consequently, our reconstituted products require 84% less plastic packaging compared with the traditional liquid versions of the same quantity. This reduction in packaging minimises plastic waste as well as leads to a more sustainable supply chain.

Second, the lighter weight of our reconstituted products results in a 44% reduction in fuel consumption during transportation. In turn, this translates to a 44% decrease in emissions caused by the transportation of our products to consumers. By reducing packaging, fuel consumption, and emissions, we are ensuring positive impacts on the environment while continuing to deliver high-quality, delightful products to our consumers.

Usually, environmentally friendly products and packaging often come at a premium price, catering primarily to a niche market of environmentally conscious consumers.

However, we firmly believe that the future belongs to sustainable products accessible to a larger audience. Our products are priced affordably, and we are committed to offering our innovative, eco-friendly products at a green discount rather than a premium price. We intend to make sustainable choices more appealing and affordable, driving a positive change in consumer behaviour and fostering a greener, more responsible market.

2. Natural portfolio

We have developed products that are crafted primarily with natural ingredients to differentiate our products from those already available in the market and improve our market position. We have developed at least one natural product in each of our categories.

Household Insecticides belong to a highly regulated product category that needs adequate regulatory approvals before launch. However, many spurious mosquito repellent incense sticks (agarbattis) are available in the market today.

They do not declare all ingredients and contain harmful chemicals. They are not approved by the Government of India's safety norms. When inhaled regularly, they can cause respiratory problems, especially in children and elders. Our Goodknight Naturals Neem Agarbatti is composed of 100% natural neem and turmeric. It repels mosquitoes effectively and is safe for use as it meets all necessary governmental approvals.

Our other examples include our natural Household Insecticide products, Goodknight coils, liquid vapouriser, and personal mosquito repellent. Our Hair Colour brand, Godrej Nupur, is a natural henna-based hair dye. Our brands in Africa (TCB, Megagrowth, and African Pride) and Indonesia (Stella and Mitu) have variants that contain natural ingredients such as aloe vera and almond.

Goodknight Naturals Neem Agarbatti is made of 100% natural neem and turmeric

Supply chain sustainability

According to our Good & Green goals, which we defined in 2015, we have put in place our sustainability commitment expectations for our suppliers. This is detailed in the GCPL Sustainable Procurement Policy. All our key suppliers are expected to align with it and we are committed to enabling them to get there. Existing and new suppliers are expected to conform to the expectations listed under the Policy.

We are committed to helping our suppliers make their operations more sustainable with a focus on four parameters:

Ethically driven

- Business integrity and ethics
- Human rights
- Accountability and responsibility
- Legal and regulatory compliance

Social focused

- Responsible conduct with stakeholders
- Employee health and safety
- Local community development

Green inspired

- Green products and processes
- Reduce, reuse, and recycle
- Adopting green initiatives and practices

Quality Centred

- Quality management systems
- Facility and machinery
- GMP and quality controls
- Material management

As part of our supplier scoring process, we have collated qualitative and quantitative data and developed a composite score based on the responses. To drive continuous adherence, we have scheduled self-declarations from suppliers, as well as external audits by a consultant. We have identified category-wise targets, shared industry best practices, and suggested corrective actions and improvement plans.

The progress on supplier assessment is periodically shared with the Board ESG Committee. With this accountability, we ensure suppliers are aligned to our Sustainable Procurement Policy and its code, and there are no conflicts with ESG requirements.

Supplier screening for fiscal year 2022-23

538

Total number of Tier-1 suppliers

125

Total number of significant suppliers in Tier-1

125

Total number of significant suppliers (Tier-1 and non-Tier-1)

As part of supplier assessments in India, we evaluated 119 suppliers in the fiscal year 2022-23 (accounting for approximately 71% of our procurement spends) on being quality-centred, ethically driven, green inspired, and socially focused.

Of 114 vendors with historical scores, we saw an overall average 7.8% improvement in scores and 63 vendors exhibited a positive improvement. None of the vendors exhibited any non-compliance or substantial actual and potential negative impacts. Hence, no suppliers were put on corrective plan or were terminated.

To drive continuous improvement, we have shared industry best practices and suggested actions. We are also going to start capacity building of suppliers with whom we engage to help them further their sustainability journey. Additionally, the sustainability assessment conducted using a self-declared questionnaire has become part of our new vendor initiation protocol.

71%

Total spend on significant suppliers in Tier-1

0

Total number of significant suppliers in non-Tier-1

119

Total number of suppliers assessed covering 95% of significant suppliers

People and planet alongside profit


डिण्डौरी

People and planet alongside profit

Environmental Capital

Natural Capital

Human Capital

Social and relationship capital

Key enablers

- Developing a high-performing and diverse workforce
- Making greener products
- Investing in the health and well-being of communities

Risks identified

- Changing consumer preferences
- Regulatory
- Climate change

Being a 'good' company is very important to us. Ten years ago, we made a promise to build a more employable and greener world, and put people and planet alongside profit. Today, we have placed this promise at the core of our strategy.

5.72
Human capital return on investment

25%
Women in senior leadership

71%
Suppliers assessed for ESG

6x
Water positive

17%
Reduction in plastic intensity

1,598
Malaria-free villages

ESG
Focused product portfolio

The biggest challenges of our time

Climate change and inequality are the biggest challenges facing humanity. Together, these challenges are making the world more volatile, affecting businesses, supply chains, and communities. The Intergovernmental Panel on Climate Change (IPCC) reaffirms that we need to cut our global emissions by more than half by 2030 to ensure a WB2DS scenario of global warming by 2050. Due to historical and rising inequality, the impact of climate change is disproportionately higher in emerging markets such as the ones where we operate.

According to the latest IPCC report AR6, global GHG emissions at the current rate will result in 1.5 degrees of global warming over pre-industrial levels by 2035. This is 15 years ahead of the 2050 threshold.

The world over, the participation of women in labour markets tends to be lower than that of men. In India, participation of women in labour is less than 25%. Public health concerns have an impact on the health of a nation. Wage loss due to preventable diseases such as malaria and dengue continues to plague many of the geographies we operate in.

We believe we have a critical role to play in changing this scenario. Society, environment, and business cannot operate in silos. Being a responsible business, we are accountable for much more to stakeholders, besides our financial performance. Sustainability is not new to us. We have always maintained a sizeable part of our promoter holdings in Godrej Trusts that invests in education, environment, and healthcare.

In this increasingly uncertain world, we began our sustainability journey with the good and green vision. Ten years ago, we made a promise to build a more employable and greener world, and put people and planet alongside profit.

Today, we have placed this promise at the core of our strategy.

This strategic pillar is underpinned by three key levers that will enable us to deliver on our promise of placing people and planet alongside profit.

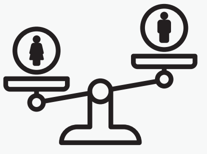
According to the World Business Council for Sustainable Development (WBCSD) Vision 2050 report, *'Income inequality has risen sharply since 1980 – both between and within countries. The richest 1% of the global population has captured 27% of economic gains, while the poorest 50% has captured only 12%. The richest 1% now own 44% of global wealth. The poorest 50% own a mere 2%. Meanwhile, women remain nearly 100 years away from equality with men, discrimination remains rife in many corners of society and more than 40 million people are estimated to be trapped in modern slavery'*.

CLIMATE CHANGE

According to the latest IPCC report AR6, global GHG emissions at the current rate will result in 1.5 degrees of global warming over pre-industrial levels by 2035. This is 15 years ahead of the 2050 threshold.

Read the IPCC report AR6

INEQUALITY



The world over, the participation of women in labour markets tends to be lower than that of men. In India, participation of women in labour is less than 25%. Public health concerns have an impact on the health of a nation. Wage loss due to preventable diseases such as malaria and dengue continues to plague many of the geographies we operate in.

Developing a high-performing and diverse workforce

Our people are the bedrock of our company. We are investing in our human capital and are committed to building an inspiring workplace. We aim to have zero fatalities across our operations, have women represent 30% of our senior leadership positions*, and continue maximising our human capital return on investment (HCROI).

1. We have reported zero fatalities across all our operations
2. Women represent 47% of the total workforce
3. Women represent 25% of senior leadership position
4. Our HCROI is 5.7222

** Senior leadership comprises of L3 and L4 positions*

Making greener products

We are continuously reducing the environmental impact of our products and operations and assessing the sustainability of our products from a lifecycle perspective. We use these insights in our product development process to ensure that the products created are good for both the people and the planet. We aim to be Scope 1 and 2 net zero by 2035.

1. Reduce, Recycle, Replace approach to sustainable packaging: 34% of our plastic is recyclable, with a 17% reduction in the packaging intensity from the fiscal year 2019-20
2. Completed life-cycle assessments (LCAs) of products constituting over 50% of our revenue
3. Innovating for greener products by building an ESG-first product portfolio within our core categories to fulfil environmental imperatives and cater to the changing consumer preferences through our reconstitution and naturals range

Investing in the health and well-being of communities

In our quest to strengthen our social and relationship capital, we are focusing on three key areas of health and well-being. We aim to create a more inclusive and equitable world by fostering sustainable growth, build strong relationships with our stakeholders, and contribute positively to the communities we operate in.

1. Partnerships that protect people from vector-borne diseases: Our flagship Elimination of Mosquito-Borne Endemic Diseases (EMBED) programme, supported by the Governments of Madhya Pradesh, Uttar Pradesh, and Chhattisgarh, has reduced malaria incidence by 54% since 2015.
2. Waste and water stewardship: Our waste programmes cover 6,34,000 people with source segregation activities, process 1,786 tonnes of waste annually, and recycle 535 tonnes of plastics per annum.
3. Championing human rights: We have developed and rolled out a human rights due diligence tool based on the UN Guiding Principles. We have assessed over 95% of our owned operations.

Developing a high-performing and diverse workforce

Our people are the bedrock of our company. We are investing in our human capital and are committed to building an inspiring place to work.

1. We have reported zero fatalities across all our operations
2. Women represent 47% of the total workforce
3. Women represent 25% of senior leadership positions
4. Our HCROI is 5.722

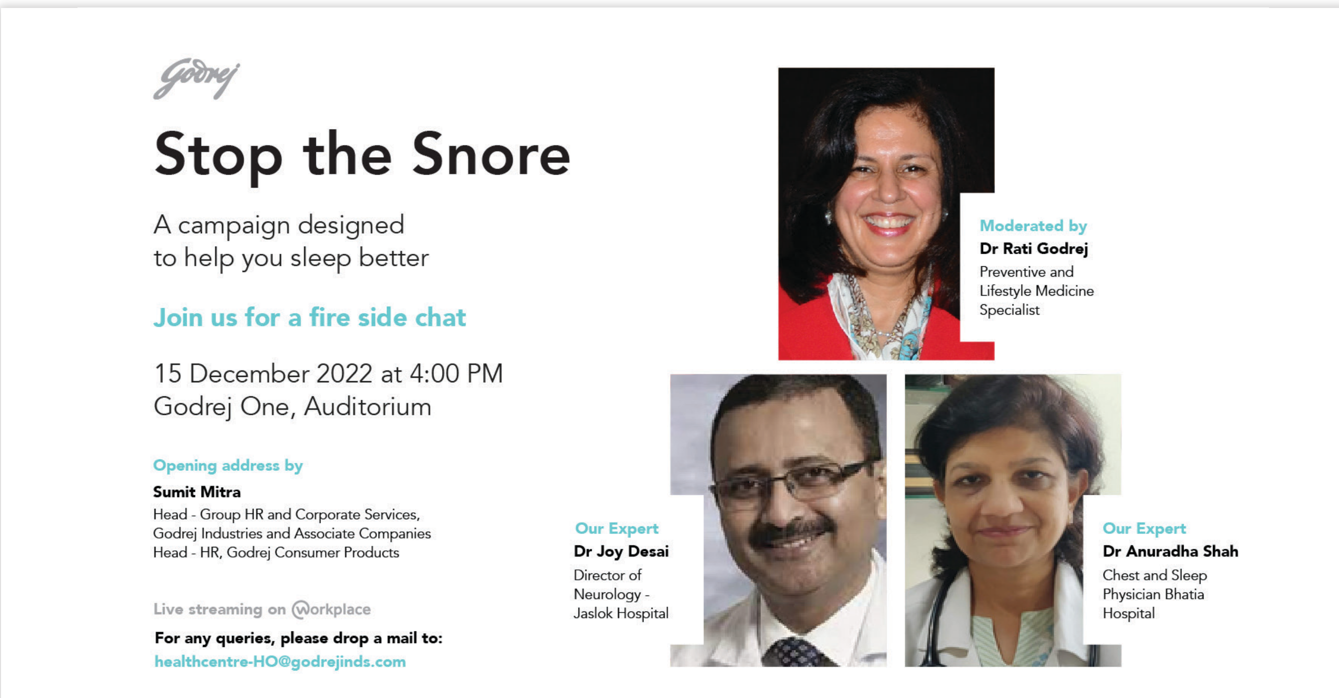
Critical enablers: Health, safety, and wellness

Health and mental wellness support

Ensuring the health and well-being of our teams has continued to be our key priority. One of the areas we are focusing on is leveraging digitisation to make healthcare more accessible. The Godrej Health and Wellness app has been launched as a one-stop application for all preventive healthcare needs across locations in India. Some of the services as part of this offering include a Doctor On-call service, medicine delivery, as well as laboratory and diagnostic facilities. An emergency ambulance on call service has also been enabled. The coverage extends to over 2,500 pin codes and has recorded over 1,000 downloads, with an average rating of 4.3/5. We have conducted extensive awareness building sessions for this, especially at our factories, to engage our blue collar employees.

Health in emerging economies is of pronounced concern globally. The consequences are more severe for women

'Stop the Snore' campaign organised to spread awareness around obstructive sleep apnea



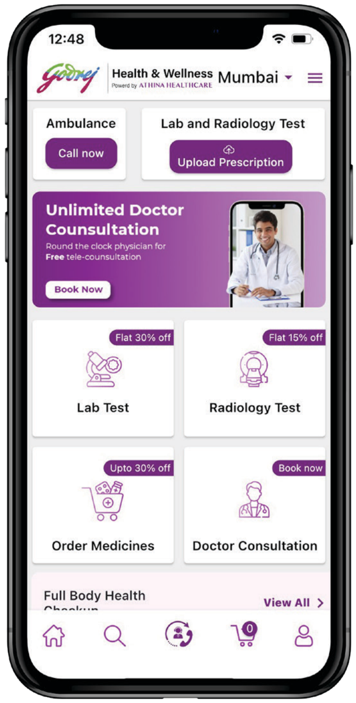
because of complex socioeconomic structures that lead to the lack of preventive diagnosis and appropriate care. In line with our intent to create lasting impact, we wanted to nurture active conversations around areas of women's health that are underserved and initiate tangible steps to directly impact women team members and women dependents.

We launched EmpowerHer that conducts awareness drives and health camps for issues such as biases against women, menstruation, PCOS, menopause, gender transitioning, and mental well-being. It also has tie-ups with healthcare professionals.

We also organised multiple health sessions across our offices to create holistic health awareness. A major campaign around obstructive sleep apnea called 'Stop the Snore' was conducted across all locations.

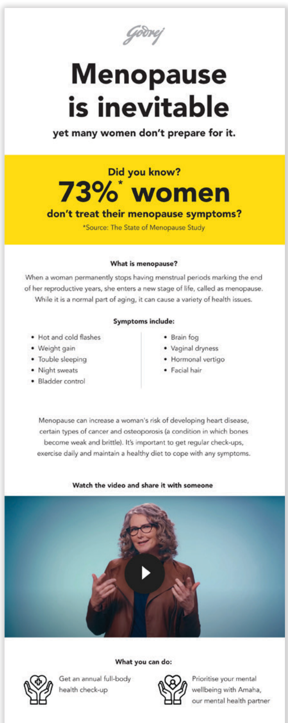
Furthermore, we have an onsite medical centre, hospital, children's day care facility, and women's resting and breast-feeding facility at our headquarters in Mumbai.

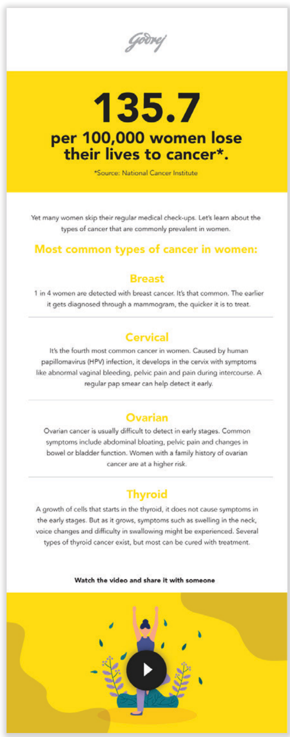
Godrej Health and Wellness, our one-stop app for all preventative healthcare needs

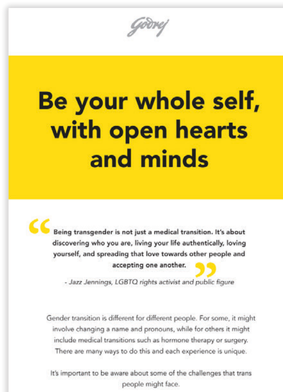


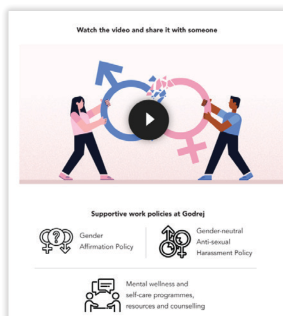
Health camps for our women employees

Women and Wellness, an internal awareness campaign around International Women's Day 2023



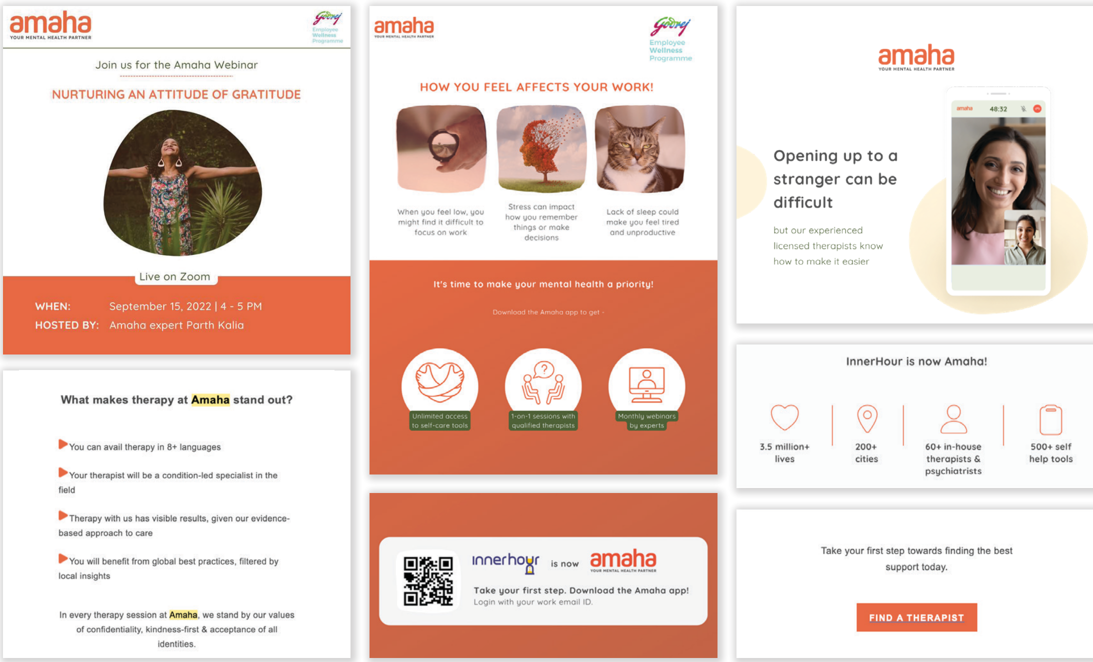






We have partnered with Amaha, a mental health platform, to create an Employee Assistance Programme that offers confidential mental wellness services. Through this service, our team members can avail personalised plans with multiple resources such as self-help, short daily courses, articles, activities, and access to trained therapists.

We have extended this to dependents of Godrejites, including parents, partners, siblings, and children. We are also encouraging open conversations around the importance of mental health by organising webinars with senior therapists and leaders on self-care strategies, strengthening relationships, social media, and mental health, among other themes.



Wellness initiatives in collaboration with Amaha, our mental wellness partner

Hybrid ways of working

As the COVID-19 pandemic situation across our locations improved, we restarted our hybrid working approach for team members in roles where work could be delivered remotely and did not require continued physical presence in office.

This meant working in office for 3 days a week, with added flexibility on a need-to basis. We stay committed to making Godrej a more agile and inclusive workplace, and at the same time, improving productivity in a more focused manner.

Occupational health and safety

We continue to focus on inculcating a culture of safety and health and creating an incident-free organisation. In line with this vision, we invest in world-class safety infrastructure and implement best-in-class safety systems. Occupational Health and Safety (OHS) Policy serves as a guiding framework to ensure a safe and healthy workplace.

This encompasses aspects such as competent OHS organisation, safety culture and awareness, hazard identification and risk assessment, risk mitigation and controls, continual improvement, loss prevention, accident investigation, emergency management, health and hygiene, and safety performance measurement tools.

We have implemented an innovative assessment and scoring matrix to evaluate the performance of our OHS management system—to gauge the comprehensiveness and effective implementation of the four pillars and ensure its seamless integration into our operations.

To support our ongoing improvement efforts, we have established a well-defined and measurable internal and external audit system. This process has allowed us to identify best practices and uncover enhancement opportunities that in turn contribute to the continuous improvement of our health and safety initiatives.

Our safety and health improvement plan has four pillars:

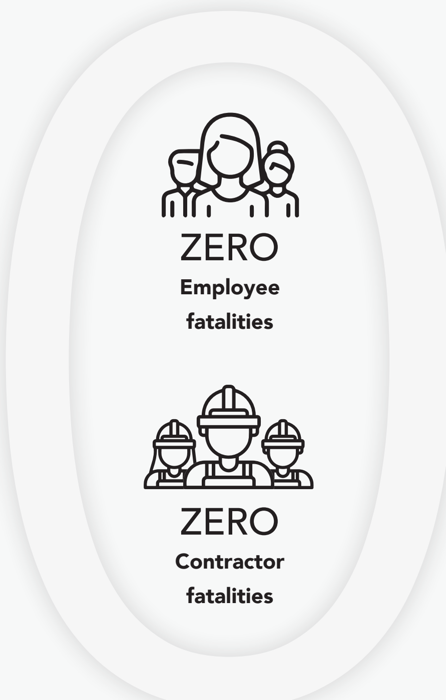
1. People and culture

2. Safety infrastructure

3. Automation, technology, and artificial intelligence

4. OHS management system

(based on various health and safety standards, including ISO 45001)



We reported zero employee and contractor fatalities in the last 3 years across our geographies

In last few years, we have made significant changes in our incident reporting protocol, including moving from Indian standard of reportable accident to LTI reporting. Along with leadership focus, we have also increased awareness at all levels around incident classification and reporting. Reporting all incidents is a cardinal rule for us. All these have helped us enhance our reporting.

As a company, we have been investing heavily to upgrade our safety infrastructure. Consequently, we are at a zero-fatality record since the last 2 years. We have also not had any major fire or any other significant property damage.

In fiscal year 2022-23, we were also able to ensure a 20% reduction in LTI numbers in GAUM. Most of our sites in India and SAARC and Indonesia also sustained zero LTI in the last 2 years.

However, we have seen an increase in LTI numbers at one site each in India and Latin America. We have taken all the corrective and preventive actions across all our manufacturing sites to prevent any reoccurrence.

Lost-time injury frequency rate (Global consolidated data)	**Unit**	**FY 19-20**	**FY 20-21**	**FY 21-22**	**FY 22-23**
Employees and contractors	LTIFR (n/million hours worked)	0.103	0.185	0.716	0.987
	LTIR (n/200,000 hours worked)				

We are committed to creating a culture of safety across all our operations

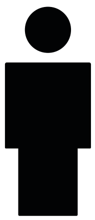
Critical enablers: Diversity, equity, and inclusion

We believe that a diverse and inclusive workforce is core to drive and maintain our competitive edge. It allows us to tap into a broader range of perspectives, skills, and experiences, which, in turn, helps us to better understand and cater to the needs of our consumers. As a global conglomerate, with a vision to delight over 2 billion consumers, becoming inclusive is not just in our DNA and the right thing to do, but it also makes an excellent business sense.

We take pride in being an equal opportunity employer. We recognise merit and encourage diversity. We respect human rights of every individual. We do not discriminate on the basis of gender, sexual orientation, gender identity, religion, political opinion, nationality, race, colour, social origin and status, indigenous status, disability, age, or any other personal characteristic or status. We do not tolerate disrespectful or inappropriate behaviours, harassment, intimidation or unfair treatment, or retaliation of any kind.

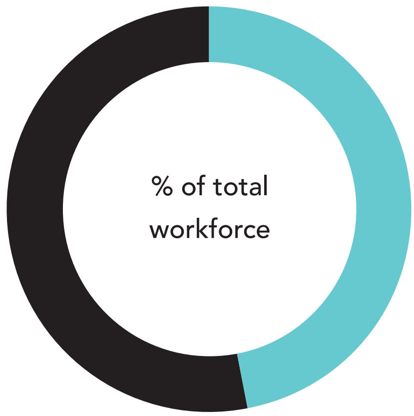
Women and leadership

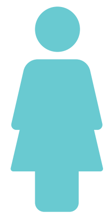
Women represent 47% of our total workforce. Because of our efforts to foster a holistic, supportive workplace, the share of women in all management positions is 32% and that in top management positions is 25%. We are committed to fostering a diverse GCPL and aim to have 30% women representation at senior leadership.



53%

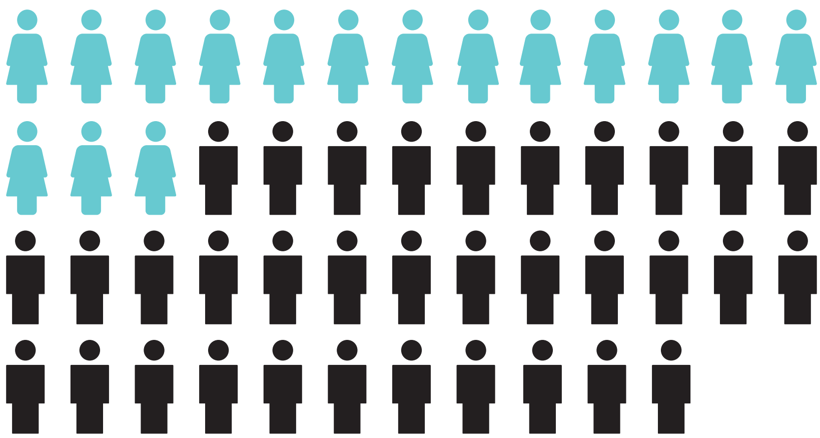
men in total global workforce





47%

women in total global workforce

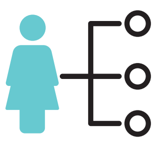


32%

women in all management positions

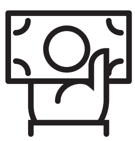
35%

women in junior management positions



25%

women in senior management positions



26%

women in revenue-generating management positions

41%

women in STEM-related positions

Building the next generation of women leadership in Sales

A challenge faced by organisations like ours has been the lack of women representation in functions like field sales. In our India business, we have actively tried to bridge this gap by focusing on hiring more women in field sales roles, but we have found it increasingly difficult to build and nurture this talent pool over a sustained period. To hire, train, and induct more women into Sales, we have launched Aarambh, a sales training programme built exclusively for women. The goal of this programme is to onboard a selected cohort of women talent and train them in functional skills through on-the-job learning and leadership guidance. We hosted an open source hiring to tap into new MBA graduates and lateral hires from across industries.

Our cohort of trainees engage with the Godrej leadership as part of Aarambh, our sales training programme built exclusively for women

Menstrual wellness for women in field sales roles

We believe in fostering a culture of trust, respect, and acceptance. Through our conversations regarding different needs of men and women, we identified the need for women to be able to take time off from travel or work during menstruation. This need was more pronounced for women in field roles, where the exertion of outdoor work, coupled with limited or no access to clean and hygienic washrooms, causes extreme discomfort.

To support our women team members, we are:

- Encouraging women to make use of our unlimited sick leave, whenever required
- Encouraging women to avail work from home options in field sales roles
- Improving the existing infrastructure such as the availability of clean washrooms at our major distributor points

Our Sales Leadership Team also hosted sensitisation workshops on menstruation-linked challenges faced by women in field sales roles.

An inclusive ecosystem of policies and awareness building

Apart from our maternity benefits and day care 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.

To help build a culture of inclusion among senior leaders and managers, we organised 'Winning with Empathy', a conversational and reflection-based workshop on unconscious biases. Through the workshop, we focused on bringing unconscious biases among team managers to the surface, building the emotional intelligence of our people managers, and creating an inclusion framework for managers.

Gender pay analysis

We recognise the significance of fostering an equitable and inclusive work environment, which includes addressing the issue of gender pay disparity.

We are committed to ensuring fair and equal compensation for all our team members, regardless of their gender.

We conduct regular gender pay gap analysis for all our employees at all levels of our company. These assessments are designed to identify any pay discrepancies that may exist between male and female employees, which cannot be explained by merit-based criteria applied consistently over the years.

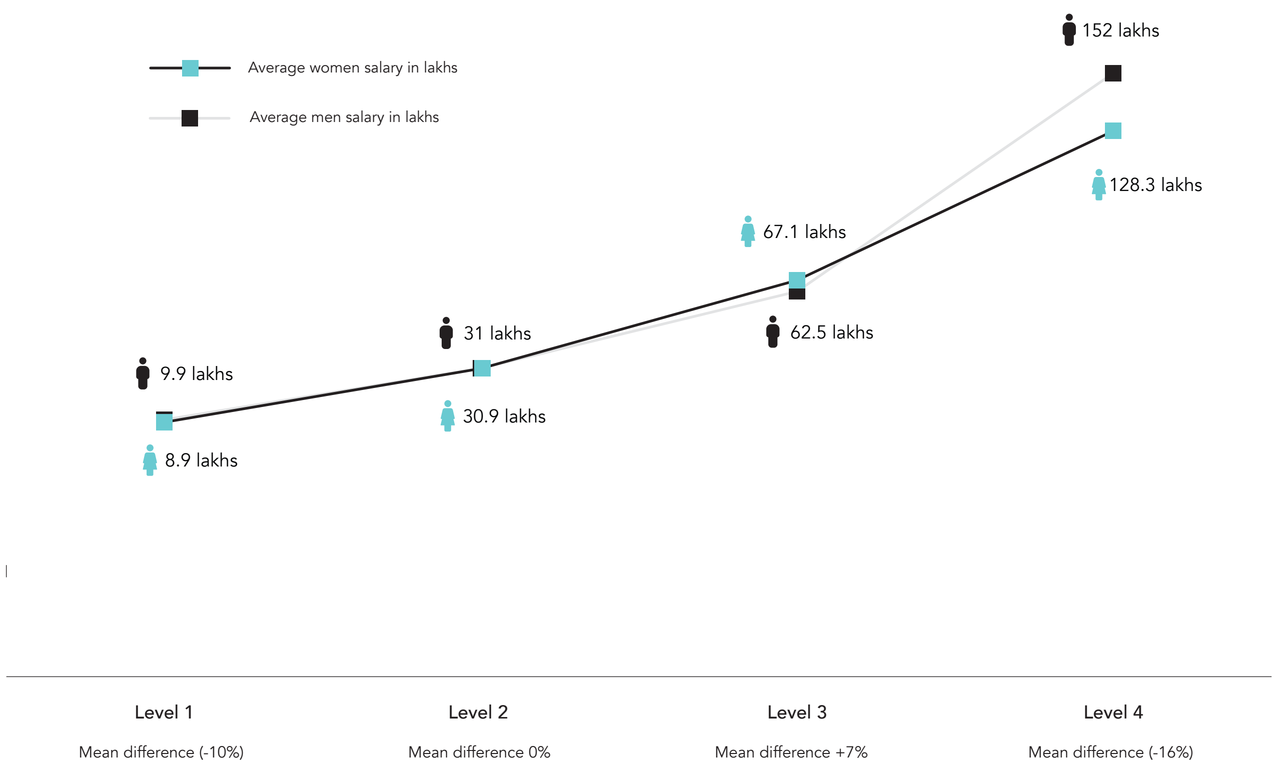
We are taking proactive steps to address any identified pay disparities. Our approach includes:

- Continuously reviewing our compensation policies and practices to ensure fairness and transparency
- Implementing targeted measures, such as training programmes and career development initiatives, to support the growth and advancement of our female employees
- Fostering a culture of diversity and inclusion through effective communication, education, and employee engagement initiatives

By addressing the gender pay gap, we are not only promoting fairness and equality within our workforce but also creating a more inclusive environment that will drive innovation and contribute to our long-term success.

We remain dedicated to enhancing our efforts to close the gender pay gap and foster a workplace where all employees have equal opportunities to grow and succeed.

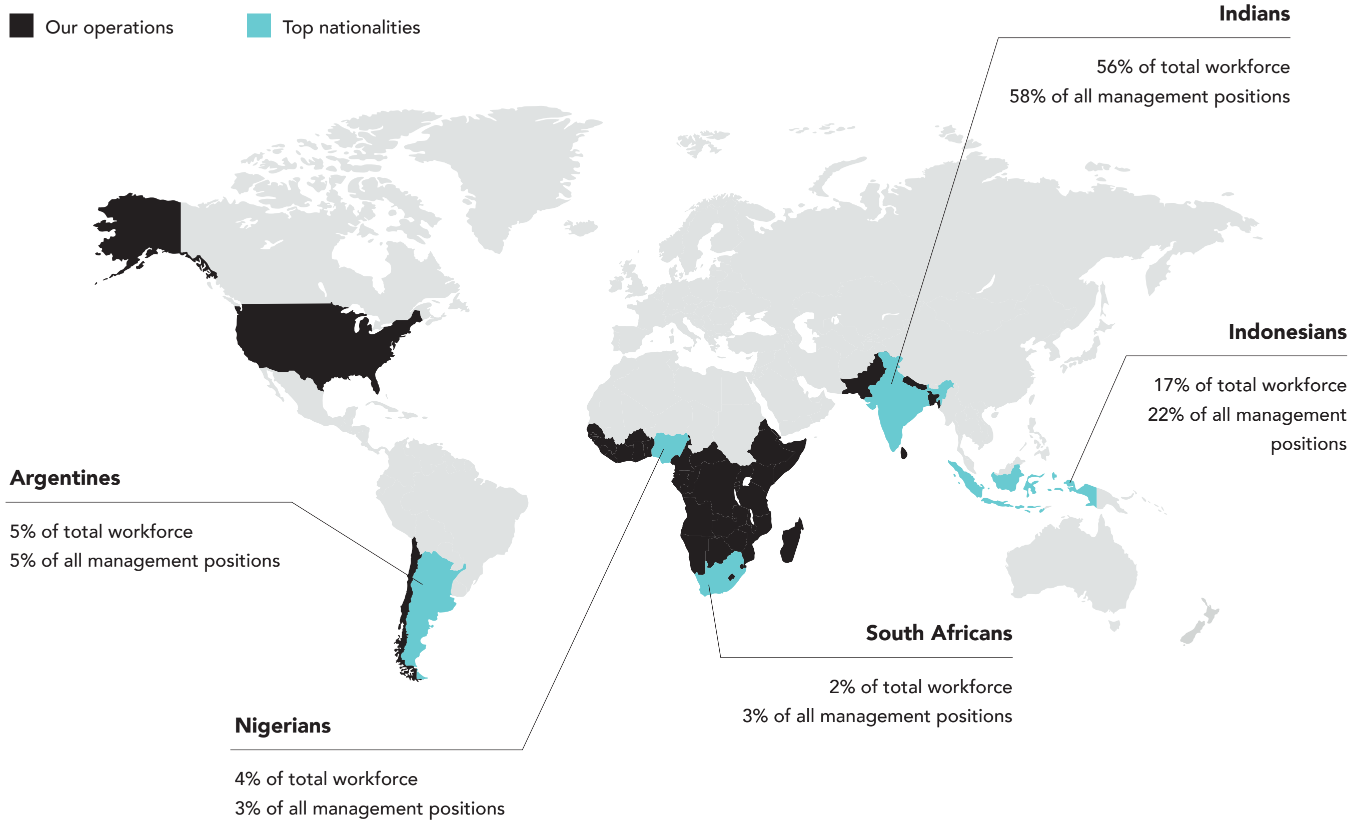
India gender pay parity

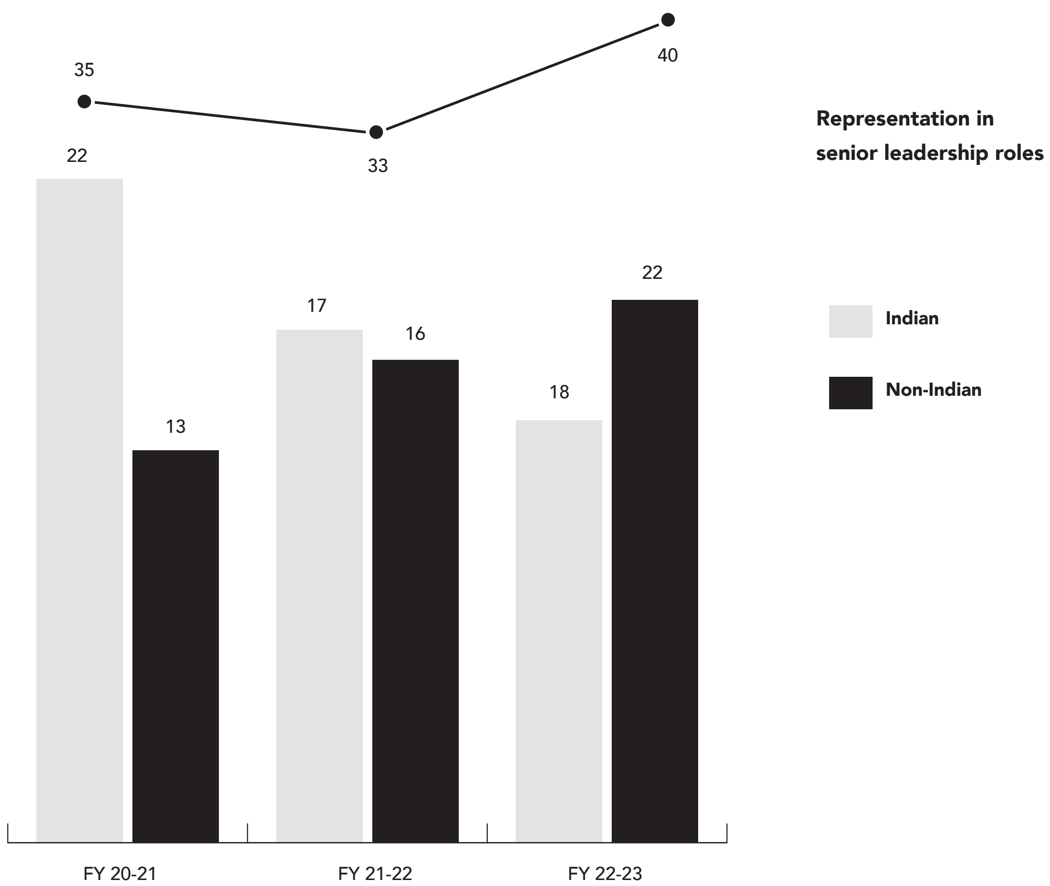


Building ethnic representation

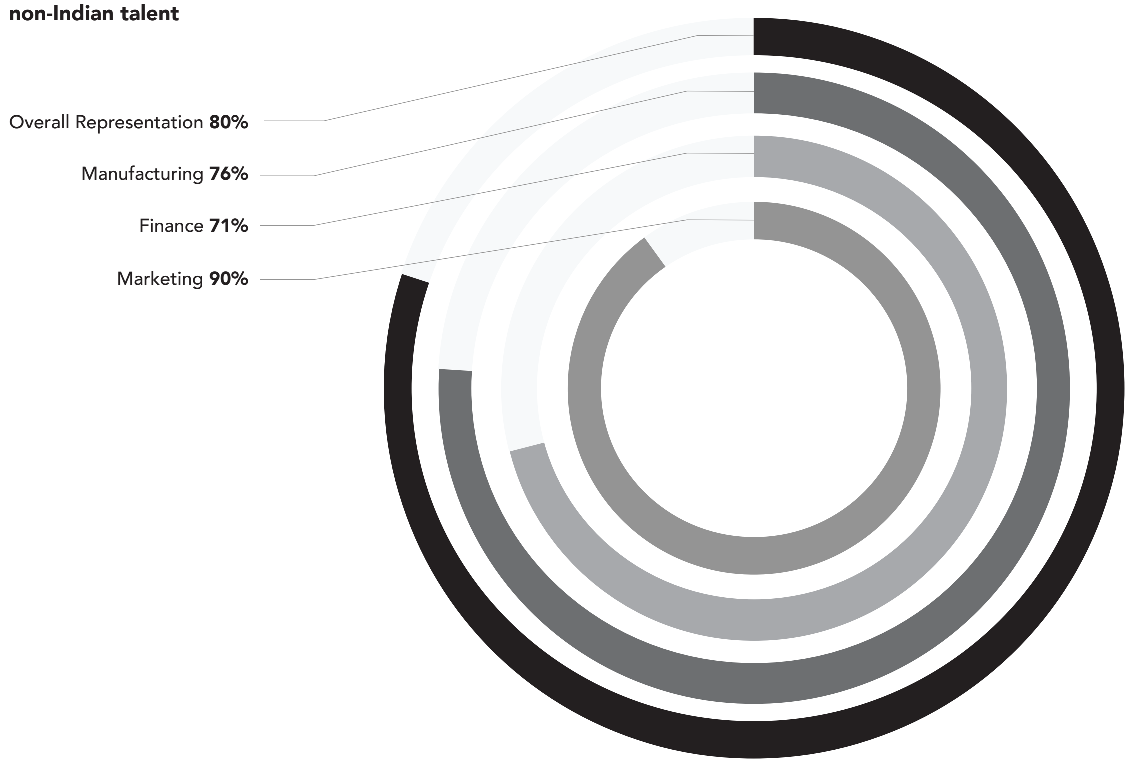
Sub-Saharan Africa is a key geographic cluster for us. We are deeply committed to building a very purposeful and successful company in Africa. Given the nature of the business that we are operating in, building a representative, diverse talent pool is critical. Therefore, we are actively encouraging local, ethnic hiring across roles. Non-Indian representation in senior leadership roles has increased from 33% in the fiscal year 2021-22 to 40% in the fiscal year 2022-23.

Top 5 workforce nationalities





Representation of non-Indian talent



Becoming more diverse and inclusive

LGBT+ inclusion

Our well-defined Equal Opportunity Policy and a Gender-neutral Anti-sexual Harassment Policy aim to 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 allow 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 keeping 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.

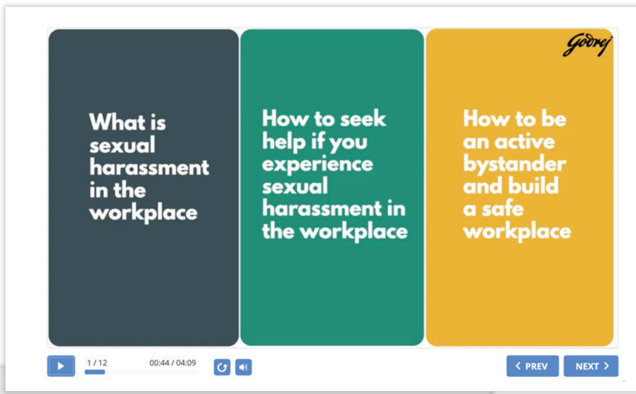
We are reviewing amenities and infrastructure facilities for LGBT+ team members. As the first step, we have established two gender-neutral washrooms at our headquarters, Godrej One, in Mumbai. The Godrej Group was also one of the two Indian companies to win 'gold' in India's first LGBT+ work quality index by the British LGBT+ advocacy group Stonewall, India's LGBT+ rights Keshav Suri Foundation, and LGBT+ inclusion consultancy Pride Circle. On 13 December 2018, we launched a 'Manifesto for Trans Inclusion in the Indian Workplace'. Through this programme, we highlighted the position and circumstances of trans people in the Indian society and the steps corporate India can take to improve them.

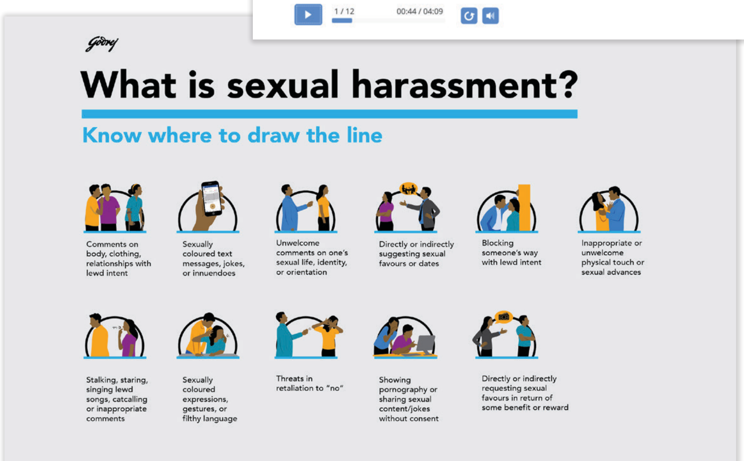
Prevention of sexual harassment

At Godrej, we are deeply committed towards enabling a safe and inclusive workspace for all our team members, customers, clients, partners, visitors, and other members of our communities and ecosystem, who interact with us. This year, we reviewed and strengthened our Anti-sexual Harassment Policy and processes across our geographies with the help of local HR teams and legal experts. Our policy is gender-neutral and not limited to women.

People of all genders, gender identities, and sexual orientations can file complaints. We have introduced an online platform for redressal to ensure stronger governance. We continue to build awareness through specially designed, compulsory trainings for our Redressal Committee members and all Godrejites at regular intervals.

Our refurbished anti-sexual harassment training module focuses on building awareness around sexual harassment at the workplace





Complaints on sexual harassment	Complaints filed	Pending resolution at the end of the year
FY 21-22	4	0
FY 22-23	5	2

Critical enablers: Talent development

We invest in the continuous training and development of our employees, ensuring they possess the skills and knowledge required to excel in their roles.
We aim to nurture value-based, high-performing leaders to guide our growth ambitions by enhancing the effectiveness of leadership and building a future-ready leadership pipeline.

Living the 'Godrej Way'

The Godrej Way, which we call our purpose and values, is the cultural cornerstone that guides our choices and actions. We continue to explore ways to build a more purposeful Godrej for all our stakeholders.

Our employee value proposition takes much pride in fostering an inspiring workplace with an agile and high-performance culture to attract, develop, and retain the best global talent.

Our beliefs on leadership, careers, and capability development

Talent and Leadership Development

1. Build from within
2. Bet on solid performance and demonstrated potential
3. Representation matters
4. Leaders enable leaders
5. Feedback is the breakfast of champions
6. Build to last

Careers and Capability Development

1. Careers are crafted in partnership and trust, by you and the organisation
2. Tough Love: Bet on potential over experience; back with capability development
3. Capability development must be purposeful
4. Appropriate learning cycles are important
5. Careers are a sum of varied learning experiences

Leadership development across levels

We host customised journeys for key cohorts at different leadership levels, which incorporate multidisciplinary elements for immersive experiences: reflective conversations with mentors and coaches, perspective sharing through structured forums, facilitator-led masterclasses, self-paced learning, and differentiated experiences through capstone projects to apply learning on-the-job.

These programmes are designed with inputs from internal and external stakeholders, best practices from other organisations doing contemporary work in this space, as well as the common developmental themes emerging at Godrej. There are two tracks—a cohort track where the entire batch comes together—and an individual track customised to a participant's specific learning needs.

insignia

Management trainees

Insignia is a 12-18 month learning journey for management trainees who join us from business schools. While they undergo structured business inductions and cross-functional learning stints, this learning programme, which runs in parallel, initiates the early development of critical capabilities and strengthens engagement.

Godrej PROPEL

Mid-level managers

Propel is a 12-month leadership development journey for mid-level managers. Currently introduced in India for 21 participants, it will now be implemented across all geographies. The aim of this programme is to help participants sharpen their ability to deliver value across all Godrej Capability Factors (our leadership capability framework) through a journey of holistic development—masterclasses, mentoring by the leadership team, and immersive learning through exposure to strategic projects.

Godrej ACCEL

Senior leadership

Accel is a 12-month development opportunity for senior leaders at Godrej Industries. This programme helps them understand more deeply the capabilities required for the next leadership level and learn to action the change through capstone projects. This programme involves a mix of masterclasses and one-on-one coaching with external coaches, mentoring by Godrej leaders, and actioning change through capstone projects. It is also an opportunity to build strong networks across the Group.

Investing in our people through customised L&D programmes

On average, our employees spend 77 hours on training and upskilling. We spend an average of ₹4,33,000 for training every employee on skill upgradation, health and safety, prevention of sexual harassment, and other human rights issues.

Workers **93%**

Non-management level (L1) **100%**

Management level (L3 and L2) **100%**

Executive level (L4) **100%**

Executive level (L4) **100%**

Management level (L3 and L2) **100%**

Non-management level (L1) **100%**

Workers **89%**

HCROI

We recognise the value that our employees bring in and are committed to maximising their potential to drive our growth and success. To gain insights into the effectiveness of our human capital investments, we measure our HCROI, a key metric that helps us understand the profitability of our organisation in relation to total employee costs.

A higher HCROI indicates that we are effectively leveraging our human capital to generate greater value from our workforce.

By regularly monitoring and analysing our HCROI, we are better equipped to identify trends, evaluate the effectiveness of our human capital strategies, and make data-driven decisions to enhance the value derived from our workforce. This approach allows us to optimise our investments in talent development, recruitment, and retention, thereby ensuring we continue to build a skilled, engaged, and diverse workforce that drives us forward.

	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Total revenue	54,744,508,957	62,543,352,310	69,515,608,458	76,671,727,945
Total operating expenses	41,660,800,000	47,097,701,698	53,165,052,855	59,094,502,111
Total employee- related expenses (salaries + benefits)	10,091,600,000	4,170,900,000	3,475,176,893	3,721,832,838
HCROI (a – (b–c))/c	2.296	4.703	5.704	5.722

Engaging meaningfully

Our senior leadership team engages through different platforms, including town halls and one-on-one conversations. To understand the pulse of our company in real-time for taking immediate action, we made a shift and continued to move from static point in-time conversations and surveys to a culture of continuous listening aim.

We continue to leverage Amber, a chat bot, to interact with team members across geographies. Currently, 1,800 people are being reached out through Amber. Through this platform, we capture people's experiences at a defined frequency based on their tenure in the company. The feedback has helped us take both faster individual actions and make organisation-level changes based on emerging themes.

Trend of employee well-being

We are above the industry benchmarks. While we use engagement data for insights and action planning, our intent is to maintain engagement scores year-on-year.

	Unit	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Employee engagement	% of employees with top level of engagement, satisfaction, well-being, or employee net promoter score (eNPS)	77	86	86	85

Employee turnover rate

	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Total employee turnover rate	17.1	11.5	23	27.4
Voluntary employee turnover rate	9.1	4.9	15	15.8

Workplace by Facebook is our in-house social media and engagement platform that helps us stay connected with our teams globally. This year, we had 56% active users and 12.6% engaged users.

The Godrej Leadership Forum is our annual leadership conclave that brings together senior leaders from across Godrej businesses for a day of learning, sharing, and reflections.

Themed around 'Asking the right questions?', our leaders came together to not only reflect on the year that was but also collectively reinforce our ambitions for the future, including our commitment towards becoming more sustainable and inclusive.

Learning and sharing at the Godrej Leadership Forum

The GCPL Leadership Meet themed on 'Lead and Inspire' brought together the senior leadership team from across geographies to reflect on the year and key priorities to build on going forward.

A large part of the day was spent in a workshop on identifying and crafting the legacy that each leader wants to create in the role they are.

GCPL Leadership Meet brings together senior leadership from across the globe

Freedom of association

We recognise the importance of our employees having the opportunity to voice their concerns, opinions, and suggestions. By fostering a strong dialogue between employees and management, we can create a more engaged, empowered, and productive workforce.

In line with this commitment, over 90% of our eligible employees are members of recognised employee associations or collective bargaining groups.

We are dedicated to maintaining an open and inclusive work environment, where all employees have a platform to express their views and actively participate in shaping company policies and practices.

Through our ongoing engagement with employee representatives, we strive to address various workplace concerns, such as working conditions, health and safety, and growth development opportunities. This collaborative approach enables us to continually enhance our workplace policies and practices, ensuring they remain relevant, equitable, and supportive of our employees' needs and aspirations.

We are committed to build a workplace where all our employees feel valued, heard, and empowered to contribute their best. We maintain strong relationships with employee associations to address the diverse needs of our workforce and create a thriving workplace culture that drives long-term value for our stakeholders.

Innovative approach to recruitment

We continue to build an engaging, inclusive employer brand on business school campuses. In line with reflections from the previous year, we recrafted Godrej LOUD (Live Out Ur Dream), our engagement platform, as an immersive experience around various touchpoints. We had 99 students from 8 business schools in India who joined us for a curated experience comprising leadership discussions and business immersions. Of them, we selected 34 students, and 50% of them are women. Through our conversations, we encouraged these young people to reflect on their personal purpose and values and the kind of change they can drive in our world. The conversations were driven by the belief that purposeful, determined young people can grow into future leaders at Godrej.

Engaging with business school students at Godrej LOUD

Hiring for potential: Programme NEO

To hire and onboard talent from diverse academic and work experience backgrounds, we launched Programme NEO. Through NEO, we invited applications from experienced professionals who had studied at top universities and wished to reimagine their career journey. Assessed on potential and value-fitment, we hired and onboarded 10 candidates who joined functions such as Sales and Marketing, Supply Chain, IT, and HR. The batch has received various upskilling and training inputs, such as FMCG masterclasses, senior leadership connects, value chain immersions across Sales and Supply Chain, and classroom sessions, to build competency on key behavioural aspects essential to the role.

	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Total number of new employee hires	360	261	462	481
Percentage of open positions filled by internal candidates (internal hires)	12.1	7.8	5.4	11.9
Average hiring cost (₹)	1,33,000	1,11,000	1,66,965	56,772

Recognising and celebrating high performance

Regular performance evaluations and feedback are essential for employee growth, development, and success. To ensure our employees receive the support required to excel in their roles, we have implemented a robust performance review system.

All eligible employees undergo annual performance reviews, which are designed to provide constructive feedback, set clear objectives for the coming year, and identify opportunities for personal and professional development.

These performance reviews enable our employees and their managers to engage in meaningful conversations about past accomplishments, areas for improvement, and future aspirations.

For mid-management and above levels, we complement the performance review process with a 360-degree feedback system. This holistic approach gathers feedback from an employee's peers, subordinates, managers, and sometimes even clients, providing a well-rounded perspective on an individual's performance, leadership capabilities, and interpersonal skills.

Performance and career development reviews of employees

Management level	Management appraisals by objectives (%)	360-degree feedback (%)	Team-based performance appraisal (%)	Agile conversations (>bi-annual reviews/ conversations) (%)
Executive level (L4)	100	100	100	100
Management level (L3)	100	100	100	100
Management level (L2)	100	0	100	100
Non-management level (L1)	100	0	100	100

The Godrej Way Awards

To recognise people for behaviours in line with our values—Trust, Be Bold, Show Respect, Own It, Be Humble, and Create Delight—we organise the Godrej Way Awards every quarter in India.

Superstar Awards

The most prestigious awards at GCPL in India, the Superstar Awards, recognise the excellence of our team members across all business functions.

The Godrej Awards 2023

The Godrej Awards, organised across the Godrej Group, is dedicated to recognising outstanding performers. We felicitated our winning team members at a special event in our Mumbai headquarters.

Being among the best companies to work for

We have been among the best companies to work for. We were one of Great Place to Work® Institute's (India) Best Workplaces in Manufacturing (2022) for creating a high-trust, high-performance culture. We were also recognised as one of the Best Organisations for Women 2023 by the Economic Times for our efforts towards creating a diverse and inclusive GCPL.

Making greener products

We are continuously reducing the environmental impact of our products and operations and assessing the sustainability of our products from a lifecycle perspective. We use these insights in our product development process to create products that are good for both the people and the planet.

Recognising talent and performance
at the Godrej Awards 2023

We were one of
Great Place to Work®
Institute's (India)
Best Workplaces in
Manufacturing (2022)

Our commitment to SBTi

We have submitted GHG emission reduction targets to SBTi for validation. We have evaluated the reductions required in our emissions (Scope 1+2+3) and have committed to reducing these emissions in line with the global target determined by the SBTi standards committee.

SBTi's standards are the world's first science-based certification of companies' emissions reduction targets in line with the Paris Agreement's goal of keeping planetary warming to 1.5 degrees Celsius. The targets provide a clearly defined pathway for companies to reduce GHG emissions and help prevent the worst impacts of climate change.

We aim to continue reducing emissions by continuously upgrading to energy efficient technologies and processes and increasing the use of clean energy by shifting from fossil fuels to renewable fuels, such as biomass, captive solar, rooftop solar, open access purchase, cogeneration, and green storage. We are also exploring low-energy water recovery systems and nature-based climate solutions for carbon capture.

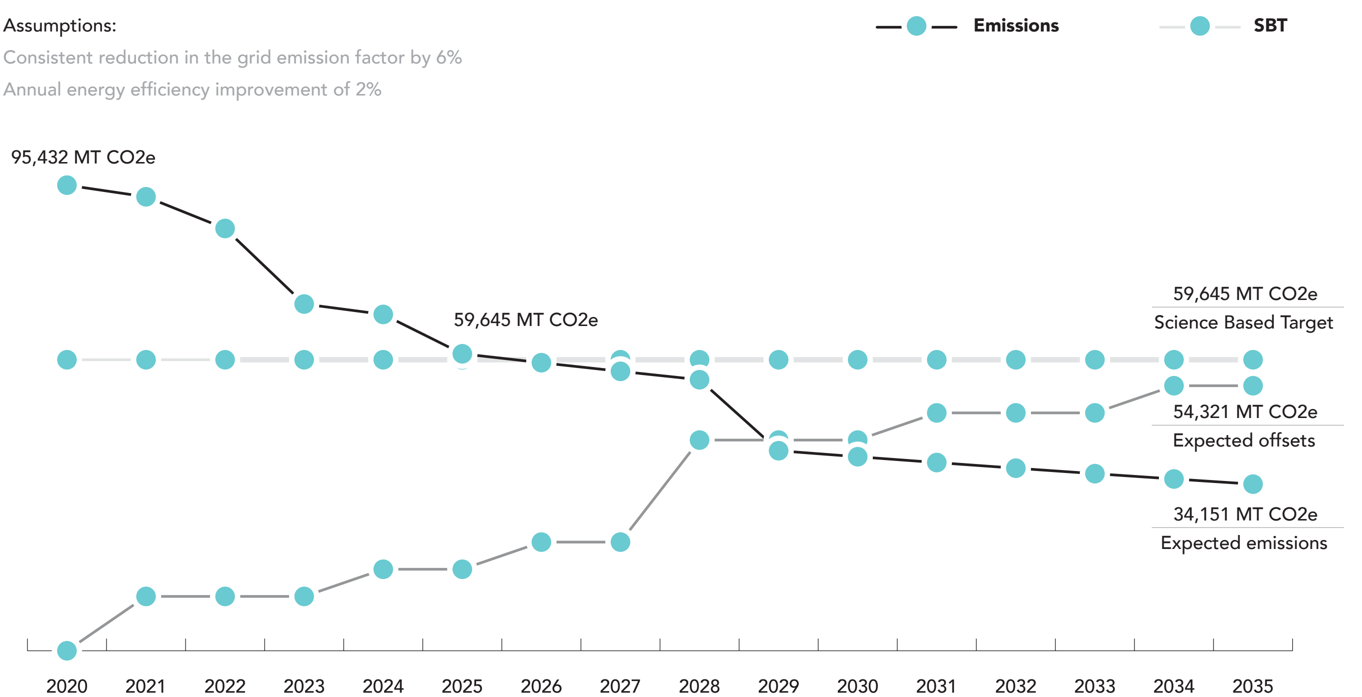
Net zero by 2035

We have set an internal science-based commitment to be Scope 1 and 2 net zero by 2035. We have already implemented initiatives such as community carbon mitigation programmes to be on track to net zero.

Assumptions:

Consistent reduction in the grid emission factor by 6%

Annual energy efficiency improvement of 2%

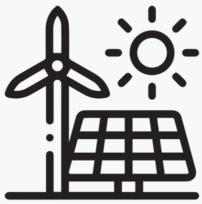


Our projected emissions roadmap

We have a three-pronged approach towards reducing our emissions and are moving towards net zero carbon or carbon neutrality:

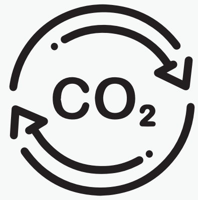
Improving energy efficiency

We reduce emissions by improving the resource efficiency of all our processes, thereby minimising the use of energy, water, and raw materials despite increasing productivity. We also streamline the capacity of our equipment to ensure optimal utilisation and transition to the use of briquette-fired boilers rather than furnace oil-based boilers at our facilities. We believe in open collaboration with our supply chain partners and share our best practices and experiences with them through our Sustainable Supply Chain programme. This programme also includes periodic audits of their sustainability performance.



Increasing use of renewable energy

We increase the use of renewable energy by using briquette-fired boilers and microturbines for steam, investing in solar PV installation, and applying for green tariffs where available. To further improve circularity in this area, we enrich and sell biomass ash generated by the briquette boilers to local farmers for use as a fertiliser.



Offsets

We reduce emissions through community-based waste management projects to divert organic waste from landfills or to incinerate and use them for biomass production. We invest in afforestation in degraded land parcels for carbon sink creation and carbon sequestration in our existing watershed projects. This not only conserves water and stores carbon but also reinvigorates natural ecosystems, preserves biodiversity, and improves livelihoods for local farmers.

We are also signatories to the EP100 global framework developed by the Climate Group, where we have committed to halving the energy intensity of our operations by 2030, as against the baseline set in 2012. Currently, we have reduced our emissions by close to 40% and intend to reach the 50% target well before 2030.

Reduce, Recycle, Replace approach to sustainable packaging

Over 34% of our plastic is recyclable. We have reduced our plastic packaging intensity by 17% since the fiscal year 2019-20.

In addition to our good and green targets, at a company level, we have identified sustainable packaging targets.

Read more about our commitment and progress against targets in Radical simplification > Sustainable Packaging Commitment

Highlights in sustainable packaging for the fiscal year 2022-23

Carton packaging for our Goodknight Liquid Vapouriser refills contributed to 3,500 MT of our plastic packaging. It falls under category III plastic under the EPR regulations. We converted these metalised cartons to non-metalised cartons. This resulted in three-fold benefit—one, we reduced our plastic packaging consumption by 3,500 MT. Two, we reduced our EPR obligation by 3,500 MT, and three, we achieved significant cost savings over this project.

Innovating for good and green products

This involves building an ESG-first product portfolio within our core categories to fulfil environmental imperatives and cater to the changing consumer preferences through our reconstitution and naturals ranges.

We aim to carry out LCAs for our major products that cover 80% of our revenue by the fiscal year 2025-26. Further, we will implement the findings of the assessment to manufacture greener products and implement a sustainable framework for all new product developments.

Highlights from the fiscal year 2022-23

- We completed LCAs for 6 products that constitute over 50% of our revenue
- For Goodknight Coils, we completed trials using PCR plastic for Coil poly bags
- For Goodknight Xpress Liquid Vapouriser, we explored PCR PET sources and tested trails.

We aim to complete LCAs of more than 80% of our products by revenue by 2025. LCAs help us assess the step in the value chain at which we can minimise our environmental impact on all fronts—energy, water, plastic, and waste. We are also identifying and testing alternate packaging materials and increasing the use of PCR plastic to move away from virgin plastic. Apart from just regulatory compliance with the EPR plastic waste management guidelines, we are working on innovations in formulation, design, and delivery models to lower our plastic footprint.

Read more about our green innovation and green products in Radical simplification > Sustainability built into our products from day 1

Human rights in the workplace

GCPL is committed to ensuring human rights as part of our vision to help build a more equitable, inclusive, and greener world. Our respect for and commitment to human rights is central to our values. We believe that our primary human rights responsibilities are towards our employees, the communities where we operate, suppliers and business partners, and customers and consumers.

Our commitment to human rights is reflected in our Human Rights Policy, Sustainable Supply Chain Policy, Anti-sexual Harassment Policy, and Code of Conduct for Employees, Senior Managers, and Directors. These policies are available on our website.

GCPL has integrated human rights across its businesses by creating a multi-pronged approach starting from Board oversight to implementation by operations teams, monitoring by audit teams, and ably supported by HR at all levels.

- GCPL has a dedicated Board-level committee for ESG where human rights is the key topic of discussion. The committee meets bi-annually to review the risks associated with ESG, mitigation strategies, and emerging areas of focus.
- The Internal Audit team is responsible for compliance to all local laws and our Human Rights Policy. They periodically review operations across all geographies and help ensure the highest levels of adherence.
- Undercutting all this is the culture of Godrej, and the HR team plays a stewardship role in enabling a culture of respect, dignity, and empathy. Our culture is encapsulated in our values and is part of how Godrejites are assessed and evaluated on an annual basis.
- Our Sustainable Supply Chain policy focuses on responsible conduct with all stakeholders, employee health and safety, local community development, business integrity and ethics, and human rights. The PSO team works with suppliers to ensure adherence to the policy. While a third party is involved in the audits, the PSO team regularly engages with the suppliers to encourage and share best practices.

In the fiscal year 2022-23, GCPL undertook the following activities to ensure that human rights commitments are met:

- All new recruits certified that they understand and accept the GCPL Code of Conduct, which includes our Human Rights Commitment.
- We conducted a self-assessment across our plants and locations in India and Indonesia, covering 93% of our blue collar workforce.
- In India, we have conducted third-party audits comprising 128 suppliers so far (accounting for approximately 70% of our procurement spends). None of the suppliers were non-compliant.

In accordance with our ongoing commitment to upholding human rights in our operations, we have identified and addressed gaps through self-assessments and have taken proactive measures to strengthen labour contracts for our contract workers in India. In addition to adhering to local labour laws, we have introduced stricter terms and conditions, focusing on:

0

Zero tolerance
for discrimination

Zero tolerance
for forced labour, with an emphasis on not withholding workers' ID papers, no recruitment fees, and ensuring no workers are indebted or coerced to work in any manner.

To further our human rights mitigation and remediation efforts, we have established a cross-functional working committee consisting of representatives from various functions and clusters. This committee is responsible for driving the implementation of human rights mitigation plans across our operations.

As of April 2023, 29% of our manufacturing sites have successfully incorporated these human rights mitigation plans. Our aim is to continue expanding these efforts, ensuring that all our facilities adhere to the highest standards of human rights and fair labour practices, thereby demonstrating our unwavering dedication to creating a positive, inclusive, and empowering work environment for all our employees and partners.

Going forward, we aim to work on some of our salient human rights commitments with the support of our stakeholders. In the fiscal year 2023-24, we commit to:

- Articulate our ambition to work on select salient aspects such as ensuring our own processes and supply chain are free from forced labour
- Create an action plan for all sites to achieve the stated ambition
- Use the fiscal year 2022-23 self-assessment data as baseline and report progress

Protecting people from vector-borne diseases

Project EMBED was started in 2015 in Madhya Pradesh in partnership with the Ministry of Health and Family Welfare's National Centre for Vector-borne Diseases Control (erstwhile NCVBDC), focusing on malaria elimination, in line with the Government of India's mission to eliminate malaria by 2030. Over the past 6 years, we extended our initiative to Uttar Pradesh and Chhattisgarh. We collaborated with the state governments of Madhya Pradesh, Uttar Pradesh, and Chhattisgarh and our NGO partner to run intensive behaviour change programmes in regions with a high annual parasite index, where the case burden is the highest.

We worked in each location for 3 years, spreading awareness among households and people at the bottom of the pyramid and vulnerable and marginalised groups. In the fiscal year 2022-23, the malaria elimination project ran across 9 districts: Balaghat, Sheopur, and Shivpuri in Madhya Pradesh; Badaun, Bareilly, Mirzapur, and Sonbhadra in Uttar Pradesh; and Bastar and Kondagaon in Chhattisgarh. We received formal acknowledgement from the state governments of Madhya Pradesh and Uttar Pradesh in recognition of our efforts to help Madhya Pradesh move from a Category 3 to a Category 1 state in malaria elimination. Similarly, we supported Uttar Pradesh to move from Category 2 to Category 1.

In the fiscal year 2020-21, we initiated interventions on dengue and chikungunya prevention in urban areas of the aforementioned three states. Our urban dengue and chikungunya project, spread across nine cities, focuses on increasing the awareness of urban poor communities regarding the spread of mosquito-borne diseases and educating them regarding how to keep their families and communities safe. The project currently runs in Bhopal, Gwalior, Indore, and Jabalpur in Madhya Pradesh; Lucknow, Kanpur, Agra, and Meerut in Uttar Pradesh; and Raipur in Chhattisgarh. It aims to reduce dengue and chikungunya cases and associated mortality.

The interventions under this project cover the following:

- Home visits to provide education and awareness on the diseases and prevention
- Community campaigns for mass awareness
- Digital outreach with SMS, WhatsApp, interactive voice response, and community radio
- Mobilisation and training of community volunteers who act as health champions in intervention communities
- Training public healthcare providers on neglected tropical diseases such as dengue and chikungunya
- Engagement with private healthcare practitioners
- Engagement with local public health authorities, schools and colleges, resident welfare associations, and professional associations

Our third project under EMBED focuses on providing technical support to the Government of India and Government of Uttar Pradesh to help develop an integrated vector management protocol and support its roll out in endemic states.

This project aims to:

- Develop integrated vector management (IVM) protocols for short-term and long-term interventions
- Provide information, education, and communicate behaviour change activities for at-risk communities by using an IVM approach for vector-borne disease control
- Strengthen existing health systems and providers through capacity building on case identification, treatment, and referral and providing technical support
- Foster sustainable partnerships across multisectoral stakeholders to employ a collaborative approach
- Build the capacity of the state and district for outbreak investigation and management

A third-party impact assessment of the rural malaria intervention was conducted in the fiscal year 2021-22. The survey ran across 4 districts of Madhya Pradesh, namely Shivpuri, Sheopur, Alirajpur, and Jhabua—1.5 years after the completion of the project and exit from December 2021 to February 2022. The study revealed that community awareness about malaria symptoms remains high at 98% and that for malaria testing when people have fever is at 70% among the respondents. This has led to frequent testing, timely treatment, and faster recovery. Of the households that participated in the study, 92% are actively taking measures to keep their home and surroundings clean to ensure no mosquito-breeding spaces exist in the community. The SROI value for the overall programme is ₹12.57, that is, for every Rupee invested, the programme provides a value of ₹12.57.

Protecting communities and spreading awareness around vector-borne diseases through Project EMBED

Outreach

- In the fiscal year 2022-23, our rural malaria programmes reached out to 194,918 households in 1,129 villages in 9 districts across Madhya Pradesh, Uttar Pradesh, and Chhattisgarh.

- Our urban dengue programme reached out to 280,500 households in over 2,000 urban settlements in 9 cities in Uttar Pradesh, Madhya Pradesh, and Chhattisgarh.

- Via our technical support to GoI and GoUP on the integrated vector management project, approximately 20 million people were covered.

- In total, 3,452 ASHA workers were trained in the prevention and control methods for vector-borne diseases

- In total, 372 participants attended training on entomological surveillance, clinical management of malaria, and outbreak investigation.

- A total of 20 outbreak surveillance visits were carried out with NCVBDC and GoUP to manage dengue and Zika outbreaks.

Impact

- In our rural malaria project, we have met the target of zero malaria cases in 4 out of 9 districts (Mirzapur and Sonbhadra in Uttar Pradesh and Sheopur and Shivpuri in Madhya Pradesh). Further, we have seen a 44% reduction in SPR, and the treatment completion rate is up by 18%.

- Fever testing has increased by 332%, and a 36% reduction in dengue cases has been reported in geographies where we carried out the intervention. This has, to a large extent, been due to our successful integration with communities and cross linkages between different municipal departments. Finally, we partnered with the NCVBDC to organise a 'Technical Symposium on Dengue' in New Delhi on 22 and 23 March 2023 under the Chairmanship of Union Secretary, Ministry of Health and Family Welfare. The main objective of this symposium was to develop a strategic plan and roadmap for dengue control in India along with inputs from endemic states. A draft plan has been created and will be finalised and implemented by August 2023. This framework will become the foundation for GoI and all endemic states to manage and control dengue, chikungunya, and Zika type diseases.

- Through the successful implementation of all three projects, we have reached out to over 28.2 million people at the end of the fiscal year 2022-23, and by the fiscal year 2025-26, we aim to protect 30 million people against vector-borne diseases.

Transforming solid waste and plastic management

As a global FMCG player and responsible corporate citizen, GCPL is committed to reducing waste across all its plants, processes, products, and supply chain. To this end, we have been sending zero waste to landfills from our manufacturing units for the last 4 financial years. Beyond addressing the waste from our manufacturing processes, GCPL recognises its responsibility to work with communities to manage waste. We do this not just by collecting back 100% of the plastic waste generated by us every year as per Indian EPR laws; we go beyond and work with civic agencies, social enterprises, and citizens' groups to ensure that we work as partners to increase the reuse of material and recycle as much as possible.

To this end, we have invested in helping communities around our offices and plant locations to identify and mitigate their waste-related issues through various interventions by using circular economy principles.

Since the fiscal year 2020-21, we have partnered with the Puducherry Municipal Corporation to implement a community waste management project, thus reaching out to over 200,000 people. We are digitally tracking the waste management process and creating awareness on door-to-door collection and source segregation. We have diverted over 541 MT of waste from landfills through clean-up drives and established a sanitation park that now processes 4TPD of waste.

We have provided access to medical camps to 385 waste workers. Further, the implementation team has proposed a detailed project plan to the Government of Puducherry. It also includes the action plan for sustainable waste management solutions for the state. This DPR has become the basis for the new tenders being released by the government.

In September 2022, we initiated an end-to-end waste management project in the newly formed Malanpur Nagar Parishad, where one of GCPL's oldest and biggest factories is based. The 3-year project will operate in all 15 wards of the Nagar Parishad, with the aim of sending zero waste to landfill and breaking even on the operational cost of solid waste management by the third year. In the fiscal year 2022-23, the project has diverted 383 MT of waste from landfills.

GCPL has initiated an integrated decentralised solid waste management system in Palashbari Municipal Board in Kamrup district of Assam in October 2022. The Kamrup district currently houses several GCPL manufacturing units. To reach optimal capacity and break even from an operational cost perspective, the project will cover all 10 municipality wards as well as the surrounding commercial zones that are open to partnering. In the fiscal year 2022-23, the project has diverted 125 MT of waste from landfills.

Baddi in Solan district of Himachal Pradesh houses two GCPL factories. Kasauli is one of the well-known tourist destinations in Solan district. A municipal waste management project was initiated to tackle the growing garbage issue in the region that mars the natural beauty of the geography. In the fiscal year 2022-23, we undertook a detailed baseline assessment in the Kasauli cantonment area and five surrounding Panchayats (local population from the 2011 census is approximately 8,000 + 35,000 tourists annually). In addition to the baseline, we conducted several cleaning drives around garbage blackspots, established waste-themed art installations to create interest in citizens and tourists, and worked with school children to build awareness about the issue. Through various cleaning drives in this project, we have diverted 325 kg of waste. The full-scale implementation will begin in the fiscal year 2023-24.

The state of Goa is one of the largest tourist hubs in the country and therefore needs to continually focus on waste management to ensure no negative impact on its natural beauty. In the fiscal year 2022-23, GCPL in partnership with the Goa State Pollution Control Board and Goa Waste Management Corporation initiated a 3-year waste management project with Bicholim and Sattari Municipal Councils. The project is being implemented by the Mineral Foundation of Goa in partnership with Sampurna Earth. This project will cater to approximately 2.9 lakh people in the region. In the fiscal year 2022-23, the project has diverted 678 MT of waste from landfill.

Through the successful implementation, we intend to transform waste management systems of 7 municipalities and divert over 5,000 MT of waste from landfills by 2025-26.

We are actively working in our communities to manage solid waste and recycle as much as possible

Integrated watershed management

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. Consequently, farmers are under acute pressure. We are partnering with NABARD and a local NGO to rejuvenate the land, recharge groundwater levels, facilitate necessary irrigation, increase cropping cycles, improve the quality and quantity of produce, enhance livelihoods, and ensure sustainable agriculture practices.

Output

We have completed the treatment of 1,778 hectares of land, covering 66% of the total area under the project. To date, we have provided over 8.5 lakh saplings for direct and seed dibbling. The project has developed 39 pandals and installed 25 drip irrigation systems at farmer lands, with a 30% contribution from the beneficiary farmer. We have trained over 100 farmers on alternate agricultural practices, and the income impact of this training will be reported in the fiscal year 2023-24.

By the fiscal year 2023-24, we aim to treat 3,234 hectares of land, conserve 3.5 million kL of water per year, sink 30,000 tCO2 per annum, as well as build the capacity of the whole community on water management and sustainable agriculture.

Investing in watershed management to help restore ecological balance

Statutory Reports

Board's Report

Dear Members,

Your Directors, with great pleasure, present the Annual and Integrated Report for the year ended March 31, 2023.

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, which gives more details on the functioning of the company.

₹ (Crore)

Financials: Abridged Profit and Loss Statement	Consolidated		Standalone	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Total revenue from operations	**13,315.97**	12,276.50	**7667.17**	6,951.56
Other income	**168.41**	89.71	**139.48**	69.18
Total income	**13,484.38**	12,366.21	**7806.65**	7,020.74
Total expenses, including depreciation and finance costs	**11,297.54**	10,201.48	**5909.46**	5,316.50
Profit/loss before exceptional items, share of profit of equity accounted investees, and tax	**2,186.84**	2,164.73	**1897.19**	1,704.24
Exceptional items	**(54.11)**	(9.75)	**(27.59)**	58.21
Share of profit of equity accounted investees (net of income tax)	**-**	0.28	**-**	-
Profit/loss before tax	**2,132.73**	2,155.26	**1869.60**	1,762.45
Tax expense	**430.27**	371.87	**355.90**	283.30
Profit/loss after tax	**1,702.86**	1,783.39	**1513.70**	1,479.15
Other comprehensive income	**553.05**	376.56	**1.03**	0.82
Total comprehensive income attributable to owners of the company	**2,255.51**	2,159.95	**1514.73**	1,479.97

2. Dividend

A. Dividend Declared

The board did not declare any Interim Dividends during the fiscal year 2022-23 and also has not recommended any final dividend for the fiscal year.

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 1,000 listed companies (by market capitalisation) to formulate the same. The company's Dividend Distribution Policy may also be accessed through the following link[1].

3. 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

During the fiscal year, there was no change in the Board composition.

The Board at its meeting held on May 19, 2022, approved the re-appointment of Ms. Nisaba Godrej as Whole-Time Director designated as "Executive Chairperson" for the period from October 1, 2022 to September 30, 2027. The same was approved by the shareholders at the AGM held on August 3, 2022.

The term of office of Ms. Ndidi Nwuneli and Ms. Pippa Armerding ended on March 31, 2022 and January 30, 2023 respectively. On the basis of recommendation of Nomination and Remuneration Committee, the Board had considered and approved their respective reappointments for a second term of five year, subject to approval of the shareholders. The approval of the shareholders was received by means of postal ballot.

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

After the close of the fiscal year, the Board at its meeting held on June 5, 2023, approved the appointment of Ms. Shalini Puchalapalli as an Independent Director with effect from Nov 14, 2023, in place of Mr. Narendra Ambwani who will retire from that date after completing his second term. The appointment of Ms. Shalini Puchalapalli is subject to the approval of the shareholders at the ensuring annual general meeting. The profile of Ms. Shalini Puchalapalli is annexed in the notice of the annual general meeting forming part of this report.

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 of the following Directors, viz., Mr. Sumeet Narang, Chairman of the Committee, and, Mr. Narendra Ambwani, Dr. Omkar Goswami, Ms. Ireena Vittal, Ms. Ndidi Nwuneli, Ms. Pippa Armerding, and Mr. Pirojsha Godrej, 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. The Independent Directors also confirmed the compliance with the code of conduct for directors and senior management.

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

E. Enrolment of Directors in Independent Directors Data Bank

As per the notification of the Ministry of Corporate Affairs dated October 22, 2019, all the Independent Directors of your company have registered their names for inclusion in the 'Independent Director's Data Bank' maintained by IICA.

F. Familiarisation Programmes

During the year, the Independent Directors were familiarised with the Annual Operating Plan, Global Categories Structures & Initiatives, Cluster wise performance for the fiscal year 2022-23. Additionally, at all the Board meetings, detailed presentations covering business performance and financial updates were made. The programmes were conducted by the members of the company management. The details of the same are available on the website of the company and can be accessed through the following link[2].

G. Board Diversity Policy & Independence Statement

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.

The Board Independence Statement is available on the company website and can be accessed through the following link[3].

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'**. With respect to the information under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, members may request the same by sending an email to the company at investor.relations@godrejcp.com from their registered email address, quoting their name and folio number.

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 to enhance the effectiveness of the Board, its Committees, and Individual Directors. This is in line with the requirements of the Companies Act, 2013 and the Listing Regulations.

The Corporate Human Resources 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.

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[2] https://godrejcp.com/public/uploads/compliance_other_updates/FamiliarisationProgrammeforIDs2022-23.pdf

[3] https://godrejcp.com/public/pdfs/codes_policies/people/Board_Independence_Statement_May2023.pdf

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 structure, strategic orientation as well as Board functioning, 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 discussions, 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 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.

4. Transfer to Investor Education and Protection Fund

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, ₹ 1,30,79,598 unpaid/unclaimed dividends were transferred during the fiscal year 2022-23 to IEPF. No shares were transferred during the current year.

The company has appointed a Nodal Officer and a Deputy 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[4].

The company has uploaded the details of unpaid and unclaimed amounts lying with the company as on March 31, 2022, on the company website, which can be accessed through the following link[5]. The details of unpaid and unclaimed amounts lying with the company as on March 31, 2023, will be available on the same link within 60 days of the AGM.

5. 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). The RPT Policy is available on the company website and can be accessed through the following link[6].

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, 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.

6. Acquisition

After the end of the fiscal year 2022-23, the Company entered into an agreement on April 27, 2023 for the acquisition of the business of Raymonds Consumer Care Limited (RCCL) through slump sale basis at a consideration of ₹ 2825 crore. RCCL is an Indian FMCG player operating primarily in deodorants and sexual wellness categories with two key brands - Park Avenue and Kamasutra. This acquisition allows the Company to complement its business portfolio and growth strategy with under-penetrated categories that offer a long runway of growth. The said acquisition was completed on May 08, 2023.

7. Subsidiaries, Associates, and Joint Venture

During the year, DGH Uganda ceased to be the subsidiary of your company with effect from November 20, 2022.

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[4] https://godrejcp.com/investors/details-of-shares-to-iepf#Details-of-Nodal-Officer

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

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

The dissolution of Indovest Capital initiated in the previous fiscal year is under process.

A. Report on the Performance of Subsidiaries and Associates

The details of the cluster-wise performance are given below:

Indonesia

The fiscal year 2022-23 started showing strong signs of recovery in the second half of the year. The large Saniter base waned due to reduced demand as COVID-19 impact receded across the world. The overall business top line declined by 3%, but ex- Saniter the business grew at 7% in terms of ₹. We continued to strengthen the fundamentals for the future, by doubling down on strong distribution expansion in our General Trade business. HIT had muted growth as the category slowdown continued, however, promising growth in Electrics segment as we continue to upgrade consumers from coil to electrics. Air fresheners had a strong growth driven by our strong media investments. We delivered strong growth in Baby Wipes segment and have clawed back share. We continued to strengthen our in-store execution in modern trade leveraging our strengths in data and analytics.

We also continued focusing on cost savings to fuel our growth investments, field macro environment, and strengthen profitability. We will continue to focus sharply on category development with breakthrough innovation, strong brand building, and GTM strengthening.

Africa, the Middle East, and the USA

The fiscal year 2022-23 witnessed continued strong growth for our Africa, Middle East, and US business clusters. The overall business top line grew by 12% with the South cluster growing strongly at 11% and US market delivered 7% growth in ₹ terms despite various macro challenges. We faced significant cost headwinds across markets—input cost increases, adverse forex movement, and the continued tendency of consumers to shift away from value-added products resulting in an adverse portfolio mix. However, our robust cost-optimisation programmes and timely price increases helped minimise the impact on margins,. Overall, despite a challenging year, we focused on strengthening the fundamentals for the future. We witnessed continued momentum on braid premiumisation in South Africa. We also significantly accelerated our GTM efforts in Nigeria, particularly last-mile distribution through the van model. Going forward, our focus would be to strengthen last-mile distribution across markets (including the salon channel) and continue improving margins by driving operational excellence, strengthening our portfolio, investing in the consumer, and accelerating Wet Hair/FMCG growth. We will maintain laser-sharp focus on strong governance controls and maintain an unrelenting focus on employee/consumer safety.

Latin America

Our Latin America cluster closed a middling year in a challenging environment. Net sales (in ₹) declined by 3%, while EBITDA declined by 57%, in comparison with the past year's sales and EBITDA, respectively. This was driven by a sharp contrast in performance between Argentina and Chile.

Argentina business closed another year of profitable growth. The team delivered a top-line growth of 90% in local currency (10% in ₹), driven by go-to-market improvements, COMEX expansion, and innovation. EBITDA grew by 16% in local currency, achieving an EBITDA margin of 9% in local currency.

Our Chile saw a significant decline led by consumers moving back to salon habit of hair colours. Net sales declined by 23% in local currency (28% in ₹). EBITDA declined by 96% in local currency, driven by higher fixed costs and loss of scale benefits.

Looking ahead, we aim to bring Chile back to growth levels by focussing on profitable growth and working capital management.

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[7].

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, a part of consolidated financial statements (CFSs) 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.

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

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

Your 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, awareness regarding sexual harassment among employees was created through emails to employees. There were 5 complaints reported during the calendar year 2022, and accordingly, the committee has filed the complaint report with the concerned authorities in accordance with Section 22 of the aforementioned Act.

9. Talent Management and Succession Planning

Your company has the talent management process in place with the 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.

10. Annual Return

In compliance with the provisions Section 134(3)(a) of the Companies Act, 2013, the Annual Return as per Section 93(3) of the Companies Act, 2013, is available on the company website, which can be accessed through the following link[8].

11. 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.

12. 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

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

[8] https://www.godrejcp.com/investors/annual-reports

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 policy. The policy is available on the internal employee portal, and the company website and can be accessed through the following link[9]. The Audit Committee reviews reports made under this policy and implements corrective actions, wherever necessary.

13. 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

The corporate social responsibility (CSR) Policy is available on the company website under the following link[10]. The CSR Report, along with details of CSR projects, are provided in **Annexure 'E'** of 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 vesting period, exercise period and the other terms of vesting, if any, are also decided by the Nomination and Remuneration Committee. Upon vesting, the eligible employee can exercise the grants and acquire equivalent shares of the face value of ₹ 1 per share.

The difference between the market price at the time of grants 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 Share Based Employee Benefits (SEBI) 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 a 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.

14. Listing

The shares of your company are listed on 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.

15. Business Responsibility & Sustainability Report

Pursuant to Regulation 34 of the Listing Regulations, the Business Responsibility and Sustainability Report highlighting the initiatives taken by the company in the areas of environment, social, economics, and governance is

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

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

available on the website of the company and can be accessed through the following link[11].

16. Auditors and Auditors' Report

A. Statutory Auditors

During the year, M/s. B S R and Co., LLP, Chartered Accountants (Firm Regn. No. 101248W/W-100022) have been re-appointed as the statutory auditor for a second term of five years to hold the office from the conclusion of the 22nd AGM held on August 03, 2022, until the conclusion of the 27th AGM in the year 2027 at a remuneration as may be approved by the Board.

B. Cost Auditors

The company is maintaining requisite cost records for its applicable products. 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 2022-23. They are required to submit the report to the Central Government within 180 days of the end of the accounting year.

C. Secretarial Auditors

The Board had appointed M/s. A. N. Ramani and Co., Company Secretaries, to conduct a secretarial audit for the fiscal year 2022-23. The Secretarial Audit Report for the fiscal year that ended on March 31, 2023, is attached herewith as **Annexure 'G'**. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

The Company has also undertaken an audit for the fiscal Year 2022-23 for all the applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report for fiscal year 2022-23 has been submitted to the Stock Exchanges and is available on the website of the Company in the following link [12].

17. Corporate Governance

Pursuant to the Listing Regulations, the Report on Corporate Governance is included in the Annual and Integrated Report. The Practising 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'**.

18. 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 the internal financial control and its adequacy are also a part of the Annual and Integrated Report.

19. Confirmations

a. Your company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

b. Other than the acquisition of business of Raymond Consumer Care Ltd, which is mentioned in Note 59 of the standalone financial statements, there have been no material changes and commitments affecting the financial position of the company that have occurred between March 31, 2023, and the date of this Board's Report.

c. There have been no instances of fraud 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.

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

[11] https://www.godrejcp.com/investors/annual-reports

[12] https://godrejcp.com/public/uploads/compliance_other_updates/AnnualSecComplianceReport2023.pdf

e. During the fiscal year 2022-23, 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 the future.

20. 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 5, 2023

ANNEXURE 'A'

BOARD DIVERSITY POLICY

The case for boardroom diversity has never been stronger. In today's rapidly evolving business environment, we recognise the power of leveraging diverse perspectives, skills, and experiences to stay competitive. At Godrej Consumer Products, we seek board members with diverse backgrounds and viewpoints, who can provide a wide array of insights and ideas. The advantages of a diverse board extend beyond a social factor to encompass better financial performance, decision-making, innovation, and adaptability to changing market conditions.

Objective

The Board Diversity policy aims to create an environment that values and fosters inclusiveness, embraces a broad spectrum of talent, and champions a culture of meritocracy. The policy strives to ensure that its Board reflects diversity in its broadest sense including but not limited to, business experience, geography, age, gender, nationality, ethnicity, and race. By doing so, we aim to contribute to the company's competitive advantage, stakeholder engagement, and overall business performance.

Scope and Applicability

This policy only applies to the Board of Directors of Godrej Consumer Products. It is crafted in line with Godrej Consumer Products' Code of Conduct and GCPL Human Right policy, which is committed to inclusion and diversity.

Policy Statement

We recognise and embrace the benefits of having a diverse Board and see increasing diversity at Board level as an essential element in maintaining a competitive advantage. Being a global company, we acknowledge to have diversity of thought and nationality to be able to best serve the consumers in regions where we operate. We aspire to maintain a balance with reference to:

- Membership of the Board includes a diverse mixture of skills, professional & industry backgrounds, geographical experience & expertise, gender, tenure, nationality, ethnicity, race, and diversity of thought.
- Board will include and make good use of the differences in the competency of skills, capabilities, knowledge, industry experience, background, race, gender, nationality and other qualities of the individual members as a whole.
- Board will have diversity in thought and nationality to best represent the consumers served in emerging markets globally.
- Board will have a range of views, thoughts, insights, perspectives, and opinions to improve its decision-making and benefit the company's stakeholders.

Diversity Objectives

Our commitment and target is to have at least one woman director on the Board as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. However, our aspiration is to ensure that no more than 50% of any one gender is represented on the Board. We recognise that Board composition may result in temporary periods when we are not able to achieve this balance.

Monitoring & Reporting

The Nomination and Renumeration Committee is responsible for ensuring that the Board has the right balance of skills, experience, and knowledge and, in accordance with its terms of reference, shall:

- Periodically review Board composition, succession planning, talent development and the broader aspects of diversity.

- Identify/evaluate candidates for appointment to the Board on merit against the Board Diversity policy objective and have diverse skills, experience, background, and expertise of current members of the Board.

- Report in the Corporate Governance section of the Annual Report on the implementation of the Board Diversity Policy and other regulatory and statutory requirements.

Review

The Nomination and Renumeration Committee will review the policy periodically keeping in view the statutory requirement and need of the organisation and recommend the same to the Board for their approval.

ANNEXURE 'B'

GCPL TOTAL REWARDS POLICY

At GCPL (Godrej Consumer Products Limited), the Total Rewards Framework is designed to encompass a comprehensive approach to employee compensation and well-being. It incorporates various elements to create a comprehensive rewards package that considers both financial and non-financial aspects. The framework encompasses fixed and variable compensation, including salary and incentives, as well as long-term incentives to promote employee engagement and long-term commitment. In addition to monetary rewards, benefits and perquisites are provided to enhance employee satisfaction and well-being. Furthermore, the framework also emphasizes non-compensation elements such as career development opportunities, work-life balance initiatives, and recognition programs, ensuring a well-rounded approach to employee rewards. By adopting this Total Rewards Framework, GCPL aims to provide a comprehensive package that supports employee growth, motivation, and overall satisfaction.

Highlights

The rewards framework implemented at GCPL provides employees with the flexibility to personalize various elements based on their specific needs. This framework is seamlessly integrated with GCPL's performance and talent management processes, ensuring that rewards are closely aligned with individual performance and contributions. A key focus of the framework is to deliver sharply differentiated rewards for our high-performing talent, recognizing their exceptional achievements and potential. Additionally, when determining total compensation, GCPL considers three significant factors: Position, Performance, and Potential. Specifically, for employees with high potential, GCPL aims to provide total compensation that exceeds the 75th percentile of the market, reflecting our commitment to attract and retain top talent. Through this approach, GCPL aims to create a culture of excellence and ensure that our employees are rewarded appropriately for their contributions and growth.

Total Cash Compensation

The total cash compensation includes all forms of direct monetary compensation that an employee receives, such as base salary, bonuses, incentives, and allowances, excluding non-cash benefits or perks. It has following two components:

(a) **Fixed Compensation:** comprising both "Fixed Compensation" and "Flexible Compensation." The Fixed Compensation encompasses basic salary, House Rent Allowance (HRA), and retirement benefits, including the provident fund and gratuity. On the other hand, the Flexible Compensation is a predetermined portion of the overall compensation that employees can allocate to different components based on their grade eligibility. At the beginning of each fiscal year, employees have the flexibility to distribute this amount among various options according to their individual needs and preferences.

(b) **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 for overachieving business results. It has a 'Collective' component, linked to the achievement of specified business results, 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.

It also includes **Employee Stock Grant Scheme.** This scheme is applicable to GLF (Godrej Leadership Forum) members, under this scheme stock options are granted annually at face value to vest over multi-years. The value of the stock grant is proposed by the management and approved by the Nomination and Remuneration Committee. This component comprises of 15 to 20% of the CTC of our leadership team.

Long-Term Incentive plans (2022):

LTI (Long Term Incentives) at Godrej strive to drive a culture of ownership and focus on long term result, it also has element of retention.

This plan is applicable to the top leadership of GCPL. In 2022, we introduced a long-term incentive plan that is linked to sustained business success over a four-year plan period based on metrics of market capitalisation and profit after taxes. The payout under this plan is calculated at the end of the four-year period based on the business performance achieved during that time. To ensure the continuity of business success, half of the payout is deferred and paid out in the fifth year. This approach incentivises the top leadership to focus on the long-term growth and profitability of the company, driving sustainable value for all our stakeholders.

CEO Compensation

Our compensation philosophy is strategically designed to align a sizeable portion of our CEO's compensation with the attainment of business performance objectives and the best interests of our shareholders. This approach cultivates a culture of responsibility and fosters long-term value creation for all stakeholders. Our compensation philosophy seeks to achieve a harmonious equilibrium by rewarding the CEO for their exceptional leadership and accomplishments while also ensuring that their interests are closely aligned with our enduring business goals. It has following three components:

(a) Fixed Compensation: Fixed compensation encompasses base pay, allowances, perks, and benefits. It includes a fixed salary, guaranteed payouts, and annual increments linked to the business performance. This component ensures that our CEO receives a competitive and stable remuneration package that reflects their skills, experience, and performance.

(b) Variable Compensation: Variable pay is directly tied to a combination of the company's overall business performance and the CEO's individual performance. The performance measures are calculated based on three predefined financial and relative financial metrics – Underlying Volume Growth, Reduction in Inventory & Account Receivables, and EBITDA & Working Media Growth. These financial and Operating metrics are set internally by the Management Committee and the Board of Directors.

This includes **Stock Option Grants** to incorporate external market performance measures, we grant our CEO stock options at face value. These options vest equally over a three-year period aligning the CEO's interests with the long-term success of the company. The stock options represent approximately 50% of their total compensation which demonstrates a substantial commitment to the company's success and strengthens the alignment between the CEO's performance and shareholder value.

(c) Long Term Incentives (2021):

A significant portion of the CEO compensation is tied to a long-term outlook and performance of the business which entails performance linked stock grant vesting and a component of cash payout on the achievement of a CAGR on market capitalization over a six-year timeframe. The threshold for the plan is an achievement of target revenue CAGR growth, PAT CAGR growth and relative performance to BSE FMCG index.

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 2022-23; the percentage increase/ decrease in the remuneration of each Director, Chief Financial Officer, and Company Secretary during the fiscal year 2022-23; and the comparison of remuneration of each KMP against the performance of the company are as follows:

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

Sr. No.	Name of the KMP	Designation	Percent Increase/ (Decrease) In Remuneration in the Fiscal Year 2022-23	Ratio of Median Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2022-23
1	Nisaba Godrej	Executive Chairperson	38.84	146.26
2	Sudhir Sitapati	Managing Director & CEO	Please see note below	311.63
3	Sameer Shah	Chief Financial Officer	Please see note below	Not Applicable
4	Rahul Botadara	Company Secretary & Compliance Officer	Please see note below	Not Applicable

Note: Mr. Sudhir Sitapati has been appointed as the Managing Director & CEO w.e.f. October 18, 2021, Mr. Sameer Shah has been appointed as Chief Financial Officer and Mr. Rahul Botadara has been appointed as Company Secretary & Compliance Officer w.e.f. September 1, 2021. Since they have been appointed to their new roles in the mid of the fiscal year 2021-22, the remuneration is not comparable and hence percentage change in remuneration is not provided in the table.

Sr. No.	Name of Director	Percent Increase/(Decrease) in Remuneration in the Fiscal Year 2022-23	Ratio of Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2022-23
1	Jamshyd Godrej	(4.35)	4.75
2	Nadir Godrej	-	5.40
3	Tanya Dubash	8.70	5.40
4	Pirojsha Godrej	-	5.40
5	Narendra Ambwani	-	8.86
6	Pippa Armerding	2.50	8.64
7	Omkar Goswami	-	8.64
8	Ndidi Nwuneli	-	8.64
9	Ireena Vittal	-	8.64
10	Sumeet Narang*	-	-

*Mr. Sumeet Narang 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 2022-23: ₹ 4.63 lakhs

(ii) The percentage decrease in the median remuneration of employees in the fiscal year 2022-23: 12.31%

(iii) The number of permanent employees on the payrolls of the company as on March 31, 2023: 2510

(iv) The average percentile increases 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% of the company's net profits as permitted by the Companies Act, 2013. The Non-Executive Directors are also eligible for a sitting fee 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% 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 various committee meetings and Independent Directors' meetings. 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 percent change in remuneration represents a change in the pay-out based on actual attendance at meetings of the Board or Committee thereof for each of the Non-Executive Directors, compared with that in the previous year.

The average change in the salary of employees other than the Managerial Personnel is a decrease of 14%. This is largely due to lesser performance linked variable remuneration payout to all employees in FY 2022-23 as compared to previous year. In case of salaries of Key Managerial persons, the figures are not strictly comparable as there were changes in KMP in the mid of FY 2021-22 and the remuneration reflected for FY 2022-23 is for the full year.

(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 expense on energy savings initiatives is ₹ 83 lacs. A few major energy/water conservation initiatives are as follows:

- Use of DM water in place of Distilled water for Developer batch making in crème manufacturing at New Guwahati, New

Conso and Lokhra II units. Annual Energy Saving 11765 kwh Annual HSD saving – 96 KL

- Replacing Pakona with Ezee 40 gm multitrack machine at Lokhra II, Annual Energy Saving 145981 kwh
- RC-1 , RC-2 and RC-3 motor capacity reduced from 3HP to 1.5 HP at Meghalaya Coil. Annual Energy Savings – 70054 KWH
- Replacement of Pulver 25 hp motor with 15 hp motor at Kalapahar Coil. Annual Energy Savings – 13356 KWH
- Slider for material transfer from 1st floor to ground Floor at New Conso. Annual Energy Savings – 33600 KWH
- Crème Colorant process optimization at New Conso. Annual Energy Savings – 11321 KWH Annual Water Savings – 225 KL
- One rod heater(3.0KW) reduced in twist filling hopper at Kalapahar AER. Annual Energy Savings – 7488 KWH
- Upgraded Latest version of economizer installation in boiler to reduce diesel consumption at Lokhra Ii. Annual Energy Savings – 23063 KWH
- Outfeed conveyor of Flow wrap & Pakona interlock with Machine in AER Pocket at Sikkim. Annual Energy Savings – 5670 KWH

Awards

- GCPL India Meghalaya Coil unit selected as winner for the prestigious 'The Machinist Super Shop floor Awards 2022" in the category "Excellence in Environment, Health and Safety -SME". The Machinist Super Shop floor Awards are organized by Worldwide Media (WWM), a fully owned subsidiary of The Times of India Group (BCCL).
- Our GCPL Factories have bagged Gold for New Conso, and Silver for Meghalaya Coil, New Guwahati, AER and Sikkim in 4th ICC National Occupational Health & Safety Award 2022 by Indian Chamber of Commerce
- Meghalaya Coil has received 4th Level Award: PRASHANSA PATRA and AER unit has received "Certificate of Appreciation" in NSCI Safety Award 2022 at Panjim, Goa.
- In 36th National Convention on Quality Concepts (NCQC-2022), 15 awards have been received by our 7 teams including 2 par excellence award in Lean QC and 5 par excellence award in QCC.

II. North Cluster

Energy Conservation

The total capital investment on energy savings initiatives is ₹132.76 lakh, and savings in energy consumption is 12.08 lakh KWH per annum, which is equivalent to ₹ 72 lakh per annum. Some of energy conservation initiatives are as follows:

- Power saving due to elimination of 4 banding machine by merging output of 2 wrapping machine.
- Power saving by interlocking of roller conveyors and metal detectors.
- Energy saving by replacing UB cutter pneumatic cylinder with servo motor.
- Modification done in wrapping heater assembly.
- Power saving due to FG & mezzanine floor no. of light reduction.
- Power saving through speed synchronization by interlocking of MPC & eliminate idle running of TRM.
- Cooling tower motor rating reduction by replacement of fan.

- VFD installed in hot well motor pump.
- Replaced normal vacuum pump with VSD vacuum pump.
- Installation of VFD on chiller.
- Streetlights replaced with solar lights.
- Motion control sensor to be fixed in the office cabins.
- Replaced the old servo 3HP motor with 1HP servo motor of wrapping machine.
- Replacement of all old motor with energy efficient motors.
- 625KVA DG replaced with 325KVA DG set. Interchange with another unit.
- Admin office CFL lights convert to LED.
- Intermediate conveyor replaced with SS stand; base of stand made by acrylic sheet & installed LED light for monitoring quality defects. Per day 12.1 KWH & annual 363 KWH.
- Utilization of solar power system-65-70% to be load in solar system.
- Electricity power to be saved through utilization of 1500 KG bulk Mfg facilities in Liu 850KG for lime variant.
- Motion sensor-based lighting to on/-(lights-45watt, light qty-50) 20% lighting electricity to be saved.
- Electricity saving with the help of FBD system in Liu of tray dryer.
- Solar light tubes.
- Maintain the unit PF in electricity bill.
- CD reduction 50KVA.
- Energy saving by remove the idle run of flow wrap conveyor.
- Replacement of air-cooled brine chiller for individual line 2 & 3.
- Replacement of ordinary vacuum pump with VSD vacuum pump.
- Replacement of ordinary motor with energy efficient motor.
- Installation of solar tube lights to eliminate electrical light.
- Energy saving on BDH blower by timer implementation.
- Energy saving by fixing timer for hot water pump.
- Energy saving by removing 2 RC fans at wet stage each drier.

Water Conservation

The total capital investment on water conservation initiatives is ₹ 8.2 lakh, and savings in water consumption is 750 KL per annum. The water conservation initiatives are as follows:

- RO waste water start to use for gardening purpose.
- Reuse of RO rejected water.
- Replacement of wate cooled air compressor with VSD air cooled compressor in Katha & Kathua.

Awards Won

- Platinum & Super Star Award in CII National Technology Competition under Manufacturing Category.
- 4 Gold Awards in CII Poka-yoke National Kaizen Competition.
- 5 Sliver Award Winner in Poka-yoke & Renovation Category at 41st CII National Kaizen Competition.
- 02 Star Challenger Award Winner in Restorative Kaizen at CII Challengers trophy 2022-23
- 2 Par Excellence, 9 Excellence & 2 Distinguish awards in NCQC.

III. South Cluster

Energy Conservation

The total CAPEX utilized for energy conservation measures in fiscal year was ₹144 lakhs and the Energy conservation initiatives are as follows:

- Reduction in energy consumption by the installation of energy efficiency motors, VFDs, BLDC fans, Electric Screwdriver, Roof top Solar panels have all resulted in Discom Power savings of 2,71,240 Kwh/ year covering all units.

- To reduce Carbon Footprint, use of Bio waste fuels, instead of Furnace oil, in our Hot air generators in our Pondicherry Coil Factory, to the extent of 3,835 MT.

- New Roof top Solar panel is installed in Coil 9 and Coil 6 unit with the capacity of 115 and 315 kWp. Roof top Solar panel installed in CONSO unit of capacity 99.6kWp has Generated the power of 1.31 lakhs of units which has saved 138 trees and carbon reduction by 105 MT.

Water conservation:

The total CAPEX utilized for Water conservation in fiscal year is ₹20 lakhs and the water conservation initiatives are as follows:

- Use of STP treated water for toilet flushing and gardening purposes.

- Water management using level sensors in water storage tanks.

- Rainwater harvesting system of 1lakh liter capacity in CONSO unit.

- Installation of sensor-based water taps in all the washrooms and Canteen areas.

Awards

- CII-EHS: MMN unit has got the Silver award and CONSO unit has got the Bronze Award in CII EHS Excellence Award 2022.

- National Safety Councils Safety Awards: CONSO unit has got the "Certificate of Appreciation" towards NSCI Safety Award 2022.

- CII – Best practices of Work at Height Award has got by Coil 6 unit.

- QCFI – EHS: MMN unit has got the Gold Award.

- CONSO and MMN Unit has won Excellence award and Par Excellence award respectively in 8th National 5S Conclave at Goa.

- MMN Unit won Platinum award in QCFI Chennai Chapter 5S Competition.

Audits

- Integrated Management Systems (IMS): South Units have successfully completed 3rd IMS surveillance audits without any NCs (ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018).

- Marai Malai Nagar (MMN) Unit has successfully completed QCFI-JUSE 5S Re-Certification audit and obtain the certificate at National Convention at Aurangabad.

Events

- Safety theme based monthly celebrations organized in all units for the past 8 years.

- Safety infrastructures provided in the units are Fire detection system, Fire Hydrant Ring main line, Fire snipper system, Machine Guarding, Visitor safety animated Video, Roof lifeline, Skylight sheet mesh protection and Electrical safety etc.

- "World Environment Day" was celebrated based on the theme "Living sustainably in Harmony with nature", and tree saplings were planted in all units.

- The 34th National Road Safety was celebrated across the South Cluster based on the theme of "Sadak Suraksha – Jeevan Raksha".

- The 52nd National Safety Week was celebrated across the South Cluster based on the theme of "Our Aim Zero Harm".

- 21 Mock Drills are conducted across the South Cluster units to validate Emergency preparedness.

- Women's Day across the South Cluster where various competitions were conducted for contract workers and prizes were distributed to the Winners.

- We donated 15 Nos ECG Machines to government hospitals which posed a challenge in treating cardiac ailments as request from Health secretary of Puducherry on 25th November 2022.

- We donated a 60KVA DG Set to Madagadipet Commune Panchayat on 23rd September 2022 for the uninterrupted Power supply for the Drinking water pumps which cater to 28 nos Overhead Drinking water Tanks in Madagadipet Village.

- On account of "WORLD HEALTH DAY", we organized exercise event across all the south cluster units, wherein BC and WC employees were participated and did the exercise.

- In order to create the awareness on health diet, we organized "EAT NATURALLY EVENT" across all the units. Contract workers displayed the various healthy natural diet.

- International yoga day was organized in all the units to impart the goodness of yoga and maintain good health.

- 75th Independence day celebration done in a grand manner across all the units. Various competitions conducted to all category of employees and prizes distributed to the winners.

- As a part of health awareness creation, we conducted Eye screening program in Conso unit, wherein 127 employees participated and benefited in the camp.

- For COVID-19 Control, we organized Covid Booster Camp across all the units.

- We donated 2 computers and 1 printer to Govt primary school-Nallur as a part of CSR initiatives in developing Children's education.

- As a part of sustaining employee's health, We organized cardio exercise across all the south cluster units during "WORLD HEART DAY" event.

- Prepared Common Health awareness calendar across all the units and awareness program given as per the calendar.

- Children's day celebration done in all the units at nearby Schools.

- As a part of 5s, we did community cleaning at nearby villages.

- Christmas day celebration done for the first time in all the units of south cluster and CONSO unit selected as the runner up across all GCPL Units.

- As a part of GGVW, we organized Make Science fun event in the nearby schools wherein 395 school students benefited.

- Dengue awareness session given in Govt School.

- As a part of building safe work environment, we conducted POSH awareness session in all the units of South Cluster. 80 officers, 92 Blue collar and 1050 Contract Labors covered in this program.

- We renovated 5 Panchayats Public Toilet to improve the sanitation and Hygiene, lead to 500 Villagers benefit.

- We donated Science Life Labs to 30 Government Schools in Karaikkal and Pondicherry to enhance the Students Knowledge.

IV. Central West Cluster

The total capex utilized for energy conservation/ Renewable energy measures is ₹ 1140 lac. The energy conservation measures undertaken are as follows:

Under the Renewable & GHG head, following initiatives were implemented:

- Installed 1700 Kwp shed solar panels which reduced load on electricity board and reduced GHG emissions which has resulted in saving of 25 lac unit per annum.

- Maximized usage of Briquette by 4% with respect to fiscal year to reduce gas consumption and fossil fuel usage.

  Under Specific Energy Consumption head, the following initiatives were implemented:

- Commissioned energy efficient vacuum pump in place of water ring pump which resulted in saving of power consumption by 2 lac units / annum.

- Evaporative type condenser installation in water chilling unit resulted in saving of 1.2 lac units per annum.

- Installed higher surface area heat exchanger in FADP 3 resulting in improved productivity and 3% reduction in steam consumption (Saving of ₹ 25 LPA).

- Energy Saving in FSP 2 by improvement in Heat Balance by Heat Exchanger design change resulting in 4% reduction in specific fuel consumption (Saving of ₹ 12 LPA).

- Energy Saving in FADP 2 by improvement in Heat Balance by design change – 2.5% reduction in specific Fuel Consumption.

- Feed and energy improvement in MVC resulted in saving of ₹ 20 lac/annum.

- Reduction in steam & power consumption in new CSP plant resulted in saving of ₹ 138 lacs / annum.

- Installed energy efficient LED lights in offices in place of CFL resulted in reduction of power consumption by 6000 units /annum.

- Installed High flow rate impeller with Motor in process pumps resulted in reduction of power consumption by 1 lac unit/annum.

Under specific Water Consumption Reduction head: following initiatives were taken

- Installed rain water harvesting in new soap plant which has resulted in harvesting of approx. 15 lac litres of water / annum.

  In addition, Malanpur team improved productivity of soap noodle & feed rates of chemical plants which contributed in reduction of specific energy consumption.

- Increase in noodle output from 456 MT/day to 565 MT/day (including new CSP) resulting into energy efficient plant operations.

- Increase in FADP feed rates from 482 to 496 MT/day.

- Increase in FSP feed rates from 492 to 502 MT/day.

Under IOT/Industry 4.0 following projects were completed:

- Installed 128 numbers of AI based CCTV camera's in boundary of factory to monitor activity which can detect human trespassing and send alerts.

- Installed an integrated high speed soap line 5 & CSP plant which has SCADA system for monitoring of various process parameters which helps in taking timely decision to improve the productivity & reduce down time of plant.

- Installed Radar based Level transmitter along with SCADA for prevention of overflow of oil in storage tanks.

- Online monitoring of soap noodle bag counting in SM2 SCADA for all 3 Bag filling system.

- Installed online OPE measurement in line 2 helped in taking timely decisions to improve efficiency and reduce downtime.

Awards won by the Malanpur unit

- GCPL Malanpur received 10 Par Excellence awards, 1 Excellence award and 4 Quiz Awards in the 36th National Convention on Quality Concepts 2022, held at Aurangabad, Maharashtra from 27th to 30th December 2022.
- GCPL Malanpur bagged a total of 17 awards in case study presentation on various topics in the Indian National Suggestions Schemes' Association (INSAAN) held at New Delhi in various categories like Poem/Poster/Slogan Competition.
- GCPL Malanpur received 1 Quality Circle award, 10 LQC awards and 2 5S awards in the Gwalior Chapter of Quality Circle (GCCQC) 2022 held at Gwalior on 3rd September 2022.
- GCPL Malanpur received 6 par excellence awards in the 8th National conclave on 5S held at Agnel Institute of Technology & Design, Goa held on 25th June 2022.
- GCPL Malanpur received certificate of appreciation from NSCI (National Safety Council of India).

B. Technology Absorption

The Research and Development function of your organisation played a key role in ensuring the successful launches of the following products during the fiscal year 2022-23:

1. Jumbo Fast Card
2. HIT one push aerosol in Indonesia
3. Roll on
4. AER Power Pocket Range
5. Godrej Professional new shades
6. MG Hair styling Gel
7. Godrej Professional Keracare
8. Stella Mist Diffuser
9. HIT Goodknight LV
10. NYU Crème variants

The current year, like previous years, also saw a sharp focus on consumer-centric and relevant design led innovation. The company put 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. Home Care, which includes household insecticides, air fresheners, and fabric care etc.
2. Personal Care, which includes soaps & toiletries and hygiene range etc.
3. Hair care and hair colours
4. Wet hair and dry hair.

II. Benefits Derived as a Result of the Above 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 fiscal year. The company has launched range of health & hygiene products under different brands and has shown strong agility in development & technology commercialisation. R&D is continuously protecting its Innovations through Design and Product patents. The company has filed several patents both in India and abroad. 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.

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 business. Our R&D team shall constantly endeavor to deliver superior innovative products thereby delighting, both domestic and international customers by:

1. Ensuring successful commercial launches within Hair Care, Household Insecticides, Room Freshner 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 Household Insecticides, Hair Care, AER, Fabric Care and Health & Hygiene.
4. Maintaining a strong focus on R&D training needs and people development.
5. Partnering collaborations with external stake holders and leading Institutions.
6. Sustainability in the core of Packaging and product.

C. Expenditure on R&D

₹ Crore

	Fiscal Year 2022-23	Fiscal Year 2021-22
Capital	0.97	0.08
Recurring	21.20	20.57
Total	22.17	20.66
Total R&D expenditure as a percentage of total sales turnover	0.29%	0.30%

D. Foreign Exchange Earnings and Outgo

₹ Crore

		Fiscal Year 2022-23	Fiscal Year 2021-22
I.	Foreign exchange used	618.92	737.10
II.	Foreign exchange earned	292.18	264.49

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 world. The GCPL CSR policy focuses on addressing the critical social, environmental, and economic needs of the marginalised and less privileged sections of society. 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 impact. 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[13].

An overview of the projects or programmes undertaken during the fiscal year 2022-23 is given below. We have aligned our programmes to national priorities and missions, and they are categorised as follows.

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

A. Community Development

Godrej believes in people, planet, profit – meaning our focus is to improve and support people and communities, work towards sustainable environment and be a responsible company. As a part of our people focus, we work very closely with the communities around our operations. We understand that the need of every community may be different based on a lot of factors; the focus is to drive interventions that are need based and through the participation of the people. Through our various community projects focused on access to WASH, education, health, justice and entitlements, we have been able to unlock INR 1 cr of direct cash benefit and INR 50+ cr worth of insurance coverage by unlocking govt. schemes and benefits.

WASH

Responding to the situation of depleting sanitation condition in schools, we constructed 4 toilets in a primary school in Meghalaya, and repaired one public toilet in Pondicherry, thus providing better and hygiene and sanitation to 250 students and over 1,000 people respectively.

Access to water is a major challenge in many locations. For communities to access drinking water – we constructed a borewell in Kathua, an under-ground water tank in Bari Brahma, renovated existing drinking water facility in Meghalaya, provided a gen-set and trolly to draw ground water in Karaikal which will provide water to 6,000 people. Further, in Malanpur we installed Roof Rainwater Harvesting Systems in all community buildings in 4 villages, aiming at saving 1,565 KL of water per year going forward.

Enabling quality education

Promoting STEM education, STEM labs were set up in 30 schools across Pondicherry and Karaikal, catering to over 3,800 students from low-income backgrounds. A computer lab and a classroom were set up in Kathua while classrooms were renovated in a primary school in Bari Brahma. In addition, 150 destitute children were supported in Mumbai by supporting their access to a safe and enabling living environment and quality education.

Access to better health

We support health infrastructure around our operations to ensure quality and timely access to health services for the people. We donated 5 OT tables and 1 anaesthesia station in Guwahati Medical College &Hospital. The hospital caters to over 500 patients daily.

In Mumbai, we provide food kits to 200 TB patients and their families on a monthly basis, in partnership with Brihanmumbai Municipal Corporation under the TB Mukt Bharat Abhiyan.

Access to entitlements

National and state government have introduced various welfare schemes to support the most vulnerable population and often, the target beneficiaries are unaware of the schemes or the process to access it. We at GCPL are working with our non-profit partners to provide awareness about and access to these schemes to communities around our factories. In Jammu, Baddi, and Malanpur, we helped unlock over INR 1 cr of direct cash benefit and INR 50+ cr worth of insurance coverage by unlocking govt. schemes and benefits (Jammu, Baddi, Malanpur) for close to 8,000 people and their families.

Access to justice for women

While we have a robust justice system in India; however, accessing those especially by the most vulnerable and illiterate population can be a strenuous task – which may lead to further trauma for people already suffering from social challenges. To enable access to justice, a social justice centre was set up in the District Court in Bhind, especially for women – which has resulted in 15% increase in women accessing the same.

Disaster support

The flood situation in Assam in June – July 2022 was very bad with over 55 lakh people across 32 out of 35 districts in the state affected. The worst affected districts were Barpeta, Cachar, Dima Hasao, Kamrup, and Karimganj. The death toll figures crossed 100 people with extensive damage to property, farm animals, and agricultural land. Though partnerships with the district administration of Kamrup, and civil society implementation, we supported over 5,800 families affected by Assam floods were supported through flood relief food packets, support to revive livelihoods in the form of seeds and animal feed.

B. Employability and Livelihoods

At Godrej, we collaborate with non-profit organisations and social enterprises to design and run several skilling 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 2023, we have trained over 4,47,000 young people in skills that will enhance their earning potential. Our projects are:

- Salon-i—our beauty and hair care training
- Beauty-preneur (BP), Home-preneur (HP) and Barber-preneur platform for nano and micro entrepreneurs in beauty industry

In Salon-I, we trained 2,900 young girls this year. Of this over 60% of the trainees were either placed in jobs or opted for self-employment by setting up a small beauty parluor at home. The trainees who are placed have received an average starting salary of INR 4,500 per month. 80% of these trainees are first time job seekers and also first generation of females participating in workforce. In addition, we ran a pilot on providing conversational English learning platform to 500 trainees. Over 40% of them have shown improvement in learning and basic English conversational levels. This was introduced to boost their confidence in interacting with clients and improving their scope of placement at high end beauty-parlours.

As an extension of Salon-i, we support women micro entrepreneurs in the beauty and wellness sector in various parts of the country to grow their businesses. The Beautypreneur project aims to handhold nano entrepreneurs to help them stabilise and expand their enterprises. Since the fiscal year 2016-17, we have supported over 8,660 women entrepreneurs and in FY23 we welcomed 3,369 new entrepreneurs to the cohort. In addition, we have expanded our work with barbers and have trained and supported over 240 young men to on advanced hair styling skills and enterprise development.

In FY23, we also introduced short workshops wherein our trainers would teach specific topics and services to the participants. This was introduced to provide women interested in skilling and upskilling themselves on certain areas in beauty and wellness – who may not be able to commit to a long-term training programme. Through these workshops, we reached over 7,163 women plus alumnis.

C. Elimination of Vector-Borne Endemic Diseases

Project EMBED (Elimination of Vector-Borne Endemic Diseases) started in 2015 in Madhya Pradesh in partnership with the Ministry of Health & Family Welfare's National Centre for Vector Borne Diseases Control (erstwhile NVBDCP) focusing on malaria elimination in line with the Government of India's mission. Over the past 8 years, we extended our initiative to Madhya Pradesh, Uttar Pradesh and Chhattisgarh, and in FY 21, we extended our focus on dengue and chikungunya prevention in urban areas. We collaborate with NGOs and state governments to run intensive behaviour change programmes in regions with a high annual parasite index, where the case burden is the highest. We work in each location for 3 years, spreading awareness among households and people at the bottom of the pyramid and vulnerable and marginalised groups.

Our urban dengue and chikungunya project in five cities focuses on increasing the awareness of urban poor communities regarding the spread of mosquito-borne diseases and educating them regarding how to keep their families and communities safe. The project runs in Bhopal and Gwalior in Madhya Pradesh and Lucknow and Kanpur in Uttar Pradesh. It aims to reduce dengue and chikungunya cases and associated mortality. Our third project under EMBED focused on providing technical support to the Government of India and Government of Uttar Pradesh to help develop an integrated vector management protocol and support the roll out of the same in endemic states. In FY23, we organised 1 national dengue conclave with NVBDCP in Delhi and 1 state dengue conclave in Lucknow, Uttar Pradesh.

In FY23, in addition to above we piloted a Civic action model of equipping community citizens – women and youth to take leadership in their communities for prevention of dengue. We ran awareness sessions for these select volunteers and equipped them with information on detection of larvae and working collaboratively with municipal corporation for prevention of dengue. We ran the pilot in Mumbai (Maharashtra), Ahmedabad (Gujarat), Delhi, Lucknow, and Kanpur (Uttar Pradesh).

- In our rural malaria project, we have met the target of zero malaria cases in 4 out of 9 districts (Mirzapur & Sonbhadra in UP and Sheopur and Shivpuri in MP). Further, we have seen a 44% reduction in SPR and treatment completion rate is up by 18%.
- Increase in fever testing up by 332% and there has been 36% reduction in Dengue cases in intervention geographies. This has to a large part been due to our successful integration with communities and cross linkages between different municipal departments.
- Finally, we partnered with the National Centre for Vector Borne Diseases Control (NCVBDC) to organise a 'Technical Symposium on Dengue' in New Delhi on 22 & 23 March 2023, under the Chairmanship of Union Secretary, Ministry of Health & Family Welfare. The main objective of this Symposium was to develop a strategic plan and roadmap for Dengue control in India along with inputs from endemic states. A draft plan has been created and will be finalised and implemented by August 2023. This framework will become the foundation for GoI and all endemic states to manage and control Dengue, Chikungunya and Zika type diseases.

Through the successful implementation of all three projects, by the fiscal year 2025-26, we aim to protect 30 million people against vector-borne diseases.

D. Waste Management

As a global FMCG player and responsible corporate citizen, GCPL is committed to reducing waste across all its plants, processes, products, and supply chain. To this end we have been sending zero waste to landfills from our manufacturing units for the last 4 fiscal years. Beyond addressing the waste from our manufacturing processes, GCPL recognises its responsibility to work with communities to manage waste. We do this not just by collecting back 100% of the plastic waste we generate every year as per Indian EPR laws, but we go beyond and work with civic agencies, social enterprises, and citizens' groups to ensure that we work in partnership to increase reuse of material and recycle as much as possible.

To this end we are invested in helping communities around our offices and plant locations identify and mitigate their waste related issues through a variety of interventions by using circular economy principles.

Since the fiscal year 2020-21, we have partnered with the Puducherry Municipal Corporation to implement a community waste management project reaching out to over 200,000 people. We are digitally tracking the waste management process and raising awareness on door-to-door collection and source segregation. We have diverted over 541 MT of waste from landfills through clean-up drives and have set up a sanitation park which now processes 4TPD of waste. We provided 385 waste workers access to medical camps. Further, the implementation team has proposed a detailed project plan to the Govt. of Puducherry with an action plan for sustainable waste management solutions for the state. This DPR has become the basis for the new tenders being released by the government.

In September 2022, we initiated an end to end waste management project in the newly formed Malanpur Nagar Parishad, where one of GCPL's oldest and biggest factories is based. The 3 year project will operate in all 15 wards of the Nagar Parishad with the aim of sending zero waste to landfill and breaking even on the operational cost of solid waste management by year 3. In FY23, the project has diverted 383 MT of waste from landfills.

GCPL has initiated an integrated decentralised solid waste management system in Palashbari Municipal Board in Kamrup district of Assam in October 2022. Kamrup district currently houses several GCPL manufacturing units. The project will cover all 10 wards of the municipality as well as surrounding commercial zones that are open to partnering, in order to reach optimal capacity and break even from an operational cost perspective. In FY23, the project has diverted 125 MT of waste from landfills.

Baddi in Solan district of Himachal Pradesh houses two GCPL factories. Kasauli is one of the well known tourist destinations in Solan district and initiated a municipal waste management project to tackle the growing garbage issue in the region which mars the natural beauty of the geography. In FY23, we undertook a detailed baseline assessment in Kasauli cantonment area and 5 surrounding Panchayats (local population from 2011 census is~8,000 + 35,000 tourists annually). Apart from the baseline, we also conducted several cleaning drives around garbage blackspots, set up waste themed art installations to create interest in citizens and tourists, and worked with school children to build awareness about the issue. Through this project, we have been able to divert 325 kg of waste via cleaning drives. The full scale implementation will begin in FY24.

The state of Goa is one of the largest tourist hubs in the country and therefore needs to continually focus on waste management to ensure its natural beauty does not get negatively impacted. In FY23, GCPL in partnership with Goa State Pollution Control Board and Goa Waste Management Corporation, initiated a three year waste management project with Bicholim and Sattari Municipal Councils. The project is being implemented by Mineral Foundation of Goa (MFG) in partnership with Sampurna Earth. This project will cater to ~2.9 lakh people in the region. In FY23, the project has diverted 678 MT of waste from landfill.

ANNEXURE -II FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. **Brief outline on CSR Policy of the Company.**

GCPL is committed to the Godrej Group's 'Good & Green' vision of creating a more inclusive and greener India. The GCPL CSR policy focuses on addressing the critical social, environmental, and economic needs of the marginalised and less privileged sections of society. 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[14].

2. **Composition of CSR Committee:**

Sr. No.	DIN	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	00591503	Nisaba Godrej	Executive Chairperson	2	2
2	00066195	Nadir Godrej	Non-Executive Director	2	2
3	00026028	Tanya Dubash	Non-Executive Director	2	1
4	00236658	Narendra Ambwani	Independent Director	2	2
5	09197063	Sudhir Sitapati	Managing Director & CEO	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

https://www.godrejcp.com/sustainability/codes-and-policies

https://www.godrejcp.com/sustainability

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

No impact assessments were conducted as no projects qualified as per MCA guidelines.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Over and above 2% mandatory spend for the FY, INR 2.45 Crore is spent in lieu of CSR spends of FY14-15. A capital asset (briquette based boiler) was acquired by the company in FY 2014-15 wherein an investment of ₹9.32 Crore was treated as CSR expense as per the then prevailing rules, it was informed that such part of that asset cannot be alienated. The total spend that was required to be spent in FY15 was ₹ 12.41 Crore, however, the Company actually spent ₹ 16.08 Crore, largely due to the excess amount spent towards the investment in the Briquette boiler. The GCPL Board recommended that the asset would not be classified as CSR asset and the perceived underspend of ₹5.81 Crore (excluding overheads) in FY 2014-15 would be spent in FY23 and FY24, in addition to the statutory CSR obligation for the respective years.

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	FY2022-23	NIL	-

6. Average net profit of the company as per section 135(5).

₹ 1599.70 Crore

7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 31.99 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

NA

(c) Amount required to be set off for the financial year, if any

NA

(d) Total CSR obligation for the financial year (7a+7b+7c).

₹ 31.99 Crore

8. (a) CSR amount spent or unspent for the financial year:

(₹ **Crore**)

Total Amount Spent for the Financial Year	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
31.69	0.30	21 April 2023	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ Crore)

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location Of the project		Project duration	Amount allocated for the project	Amount spent in the current FY	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implem -entation (Direct) (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	Districts						Name	CSR Registration no
1	Salon-i	Schedule VII (ii) livelihood enhancement projects	No	GJ, MH, RJ, UP	Palanpur, Ahmedabad, Banaskantha, Baroda, Verawal, Surat Jaipur, Ajmer, Pushkar, Jodhpur, Udaipur, Kota, Bikaner, Sikar Agra, Banaras	24	3.51	3.44	0.07	No	Saath Charitable Trust	CSR00000021
2	Salon-i	Schedule VII (ii) livelihood enhancement projects	No	UP, KA, TN	Lucknow, Barabanki, Sitapur, Raibereily Mandya, Mysore, Chamrajnagar, Mangalore, Uttarkanda, Shimogga Madurai, Selam, Coimbatore, Trichy	24	1.49	1.49	-	No	Vrutti	CSR00000538
3	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	MH	Mumbai, Pune, Nagpur	24	1.37	1.37	-	No	Save the Children India (Vipla Foundation)	CSR00000158
4	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	Delhi	Delhi central	14	0.32	0.32	-	No	Dhriiti	CSR00001800
5	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	GJ	Dholka, Mehsana, Kadi, Kalol	14	0.64	0.64	-	No	Friends of the Women World Banking	CSR00000871

(₹ Crore)

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location Of the project		Project duration	Amount allocated for the project	Amount spent in the current FY	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implem -entation (Direct) (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	Districts						Name	CSR Registration no
6	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	Assam	Guwahati	24	0.88	0.88	-	No	Access Development	CSR00002703
7	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	MH	Satara, Chiplun, Kamothe, Pune, Kolhapur	14	0.46	0.46	-	No	Manndeshi Foundation	CSR0001923
8	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	Delhi	Delhi central	14	0.13	0.13	-	No	Delhi Council for Child Welfare	CSR00005527
9	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	CH, MP, UP, WB, RJ, GJ, HP	Bhatapura, Chindwara, Dadri, Mathura, Sankraii, Jaitaran, Nagaur, Chirawa, Gandhinagar, Nalaghar	14	0.91	0.91	-	No	Ambuja Cement Foundation	CSR00006913
10	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	UP	Loni	14	0.18	0.18	-	No	Hope Foundation	CSR00000472
11	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	MH	Mumbai	14	0.24	0.24	-	No	Eklavya Foundation	CSR00013122
12	Salon-i	Schedule VII (ii) livelihood enhancement projects	Yes	MH	Mumbai	14	0.24	0.24	-	Yes	NA	NA
13	Salon-i	Schedule VII (ii) livelihood enhancement projects	No	Maharashtra	Mumbai	4	0.09	0.09	-	Yes	NA	NA

(₹ Crore)

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location Of the project		Project duration	Amount allocated for the project	Amount spent in the current FY	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implem -entation (Direct) (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	Districts						Name	CSR Registration no
14	Salon-i	Schedule VII (ii) livelihood enhancement projects	No	Maharashtra	Mumbai	6	0.10	0.10	-	Yes	NA	NA
15	Salon-i	Schedule VII (ii) livelihood enhancement projects	No	Maharashtra	Mumbai	12	0.59	0.59	-	Yes	NA	NA
16	EMBED rural	Schedule VII (i) promoting preventive healthcare	No	UP, MP, CH	Shivpuri, Sheopur, Balaghat Bareily, Badaun, Mirzapur, Sonbhadra Bastar, Kondagaon	14	5.07	5.07	-	No	Family Health India	CSR00001169
17	EMBED urban	Schedule VII (i) promoting preventive healthcare	No	UP, MP, CH	Shivpuri, Sheopur, Balaghat Bareily, Badaun, Mirzapur, Sonbhadra Bastar, Kondagaon	14	4.60	4.60	-	No	Family Health India	CSR00001169
18	EMBED -IVM	Schedule VII (i) promoting preventive healthcare	No	Delhi, UP	Delhi central, Lucknow	14	2.72	2.51	0.21	No	Centre for Health Research & Innovation	CSR00004757
19	EMBED - Civic action	Schedule VII (i) promoting preventive healthcare	No	MH	Mumbai	14	0.34	0.34	-	No	Civis	CSR00020458
20	EMBED - Civic action	Schedule VII (i) promoting preventive healthcare	No	GJ, Delhi	Ahmedabad, Delhi	14	0.21	0.21	-	No	Mahila Housing Trust	CSR00001364

(₹ Crore)

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location Of the project		Project duration	Amount allocated for the project	Amount spent in the current FY	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implem -entation (Direct) (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	Districts						Name	CSR Registration no
21	Waste management	Schedule VII (iv) environment sustainability	Yes	MP	Bhind	36	0.54	0.54	-	No	Feedback Foundation	CSR00004049
22	Waste management	Schedule VII (iv) environment sustainability	Yes	Assam	Kamrup	36	0.50	0.50	-	No	Feedback Foundation	CSR00004049
23	Waste management	Schedule VII (iv) environment sustainability	Yes	Goa	North Goa	36	0.65	0.65	-	No	Mineral Foundation of Goa	CSR00033496
24	Waste management	Schedule VII (iv) environment sustainability	Yes	HP	Solan	36	0.43	0.43	-	No	Waste Warriors Society	CSR00002589
25	Waste management	Schedule VII (iv) environment sustainability	Yes	Pondi	Pondi	14	0.14	0.14	-	Yes	Recity	NA
26	Waste management	Schedule VII (iv) environment sustainability	No	MH	Mumbai	14	0.23	0.23	-	Yes	Dasra	NA
27	Community projects	Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities	Yes	Assam	Guwahati	14	0.40	0.40	-	No	Habitat for Humanity India Trust	CSR00000402
28	Community projects	Schedule VII (ii) Promoting Education	No	MH	Mumbai	14	0.48	0.48	-	No	Intitute of Chemical Technology	CSR00006632
29	Community projects	Schedule VII (vii) Promoting nationally recognised sports	No	MH	Mumbai	14	0.35	0.35	-	No	Olympic Gold Quest	CSR00001100
30	Community projects	Schedule VII (ii) Promoting Education	No	MH	Mumbai	14	1.00	1.00	-	No	Asha Sadan	CSR00002137

(₹ Crore)

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local Area (Yes/ No)**	**Location Of the project**		**Project duration**	**Amount allocated for the project**	**Amount spent in the current FY**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6)**	**Mode of Implem -entation (Direct) (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**Districts**						**Name**	**CSR Registration no**
31	Community projects	Schedule VII (i) promoting preventive healthcare	Yes	MH	Mumbai	14	0.15	0.13	0.02	No	Niramaya Health Foundation	CSR00000186
32	Community projects	Schedule VII (i) promoting preventive healthcare	No	MH	Mumbai	14	0.20	0.20	-	No	Live Love Laugh Foundation	CSR00012198
33	Community projects	Schedule VII (ii) Promoting Education	Yes	MH	Mumbai	14	1.40	1.40	-	No	Teach To Lead	CSR00002271
34	Community projects	Schedule VII (ii) Promoting Education	No	MH	Mumbai	14	0.59	0.59	-	Yes	NA	NA
	TOTAL						**31.15**	**30.84**	**0.30**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NA

(d) Amount spent in Administrative Overheads

₹ 0.85 Crore

(e) Amount spent on Impact Assessment, if applicable.

NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 31.69 Crore

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 31.99 Crore
(ii)	Total amount spent for the Financial Year	₹ 31.69 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ **Crore)**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of Transfer	
1	FY21-22	6.24	5.89	-	0.35	-	0.35
2	FY20-21	0.51	0.51	-	-	-	-
3	FY19-20	-	-	-	-	-	-
	TOTAL	6.75	6.40	-	-	-	0.35

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ **Crore**)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project – Completed / Ongoing
1	Watershed	2017	40 months	1.80	0.31	1.40	Ongoing
2	Briquetting	2018	40 months	0.92	0.92	0.92	Ongoing
3	Covid recovery	2022	14 months	0.76	0.18	0.76	Completed
4	Covid recovery	2022	14 months	0.22	0.11	0.22	Completed
5	Covid recovery	2022	14 months	0.13	0.07	0.13	Completed
6	Covid recovery	2022	36 months	0.41	0.11	0.35	Ongoing

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project**	**Amount spent on the project in the reporting Financial Year**	**Cumulative amount spent at the end of reporting Financial Year**	**Status of the project – Completed / Ongoing**
7	Covid recovery	2022	14 months	0.44	0.02	0.44	Completed
8	Beauty-preneur	2022	36 months	0.41	0.16	0.41	Ongoing
9	Beauty-preneur	2022	36 months	0.26	0.21	0.26	Ongoing
10	Beauty-preneur	2022	24 months	0.23	0.07	0.23	Completed
11	Beauty-preneur	2022	14 months	0.14	0.04	0.14	Ongoing
12	Beauty-preneur	2022	24 months	0.25	0.10	0.25	Ongoing
13	Beauty-preneur	2022	24 months	0.21	0.001	0.21	Completed
14	Beauty-preneur	2022	14 months	0.18	0.09	0.18	Completed
15	EMBED	2022	24 months	3.43	0.54	3.43	Ongoing
16	EMBED	2022	24 months	1.63	0.56	1.63	Ongoing
17	EMBED	2022	24 months	2.35	0.70	2.35	Ongoing
18	EMBED	2022	24 months	0.22	0.06	0.22	Completed
19	Waste management	2022	36 months	4.05	1.87	3.77	Ongoing
20	Community	2022	24 months	0.17	0.08	0.17	Completed
21	Beauty-preneur	2021	36 months	0.75	0.19	0.75	Completed
					6.40		

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(₹ Crore)

Sr. No.	**Date of creation or acquisition of the capital asset(s)**	**Amount of CSR spent for creation or acquisition of capital asset**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	**Provide details of the capital asset(s) created or acquired (including complete address and location of the capital)**
			NIL	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

GCPL spent 99% of its spend target in FY23 and only 1% remained unutilised under ongoing projects. INR 30.44 lakhs (0.9% of spend target) was transferred by three IPs in Apr 2023. The amount remaining unutilised was due to delays in project implementation by project partners.

Sd/-
Sudhir Sitapati
Managing Director & Chief Executive Officer

Sd/-
Nadir Godrej
Chairman of 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, 2022		6,16,102
9	Number of fresh options granted during the year		5,29,432
10	Number of options lapsed during the year		41,060
11	Number of options vested during the year		1,16,416
12	Number of options exercised during the year		1,14,239
13	Number of shares arising as a result of exercise of options		1,14,239
14	Money realised by exercise of options		1,14,239
15	Number of options outstanding and exercisable at the end of the year		9,90,235
16	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
17	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: ₹ 824.69
18	Employee-wise details of options granted to —		
	i)	Senior Managerial Personnel	
	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	As per Note 1 below
	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	Nil
19	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (IND AS) 33 'EPS'		₹ 14.80 per share (standalone) ₹ 16.65 per share (consolidated)
20	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	6.36 per cent
	ii)	Expected life	2.58 years
	iii)	Expected volatility	35.72 per cent
	iv)	Expected dividends	NIL
	v)	The price of the underlying share in the market at the time of option grant	₹ 900.15

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

	Granted in fiscal year 2020-21 and outstanding as at March 31, 2023	Granted in fiscal year 2021-22 and outstanding as at March 31, 2023	Granted in fiscal year 2022-23 and outstanding as at March 31, 2023	Total outstanding options as at March 31, 2023
Venkateswara Yadlapalli, Head – R&D	600	851	42674*	44125
Omar Momin, Head - M&A	1000	1419	42674*	45093
Vijaykumar Kannan, Head – Business Transformation and Digital	-	-	42394*	42394
Robert Menzies, Head - Category & Innovation	1250	1773	44679*	47702
Sameer Shah, Chief Financial Officer	600	851	44679*	46130
Sudhir Sitapati, Managing Director & CEO	-	4,39,462*	92,329*	5,31,791
Rajesh Sethuraman, Business Head - Indonesia	-	-	80,970*	80,970

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

ANNEXURE 'G'

Form No MR – 3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023 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, 2023 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 Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(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)

* Initially, in the Structural Digital Database (SDD), the company did not enter the names of designated persons with whom the information was shared within the organisation, however, afterwards they started entering the same. During the year under review, BSE Limited had carried out inspection of the Structured Digital Database maintained by the Company and the Company has responded to the observations / queries raised by BSE Limited.

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. The Company has taken appropriate action against whistle blower complaints received.

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

1. Issued shares upon exercise of options under Employee Stock Grant Scheme, 2011

2. Passed Ordinary resolution for re-appointment of Ms. Nisaba Godrej as Whole time Director designated as “Executive Chairperson” for a period of five years from October 1, 2022 to September 30, 2027.

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

Bhavana Shewakramani
Partner
FCS - 8636, COP – 9577
UDIN - F008636E000285871

Place: Thane
Date : 10th May, 2023

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

‘Annexure A’

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. We have conducted our audit on the basis of details / documents provided by company through email and/ or other digital mode. We had visited the client for few clarifications.

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

Bhavana Shewakramani
Partner
FCS - 8636, COP – 9577

Place: Thane
Date : 10th May, 2023

ANNEXURE 'H'

Certificate from Practicing Company Secretary on Compliance with Corporate Governance

To,
The Members,
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 2023, 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, 2023.

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

Bhavana Shewakramani
Partner
FCS -8636, COP –9577
UDIN:- F008636E000285891

Place: Thane
Date : 10th May, 2023

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 over 125 year young Godrej Group, which has established a reputation for honesty, integrity, and sound governance. Its philosophy on corporate governance envisages attaining the highest levels of transparency, accountability, and equity in all facets of its operations and interactions – whether it is with shareholders, employees, lenders, or the government. The Company is committed to achieve and maintain the highest standards of corporate governance. It believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period.

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 and effectiveness

Effective corporate governance is vital to us. The effectiveness of our Board of Directors, in particular, plays a critical role in the overall functioning and growth of our company. Our processes ensures that our Board is aligned with the interests of our shareholders and is consistently striving to enhance its performance.

GCPL currently has a 12-member Board, with 6 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. She has the following responsibilities:

- Provide leadership to the Independent Directors, chair the Independent Directors meeting;
- Liaise on their behalf and ensure the Board's effectiveness to maintain high-quality governance of the organization;
- Taking a lead role, along with Chairperson in the Board evaluation process;

- Any other role as may be assigned by the Board

(i) Meeting and Attendance Requirements

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.

Regular participation in the Board Meetings is crucial for the smooth functioning of the Board. It ensures that all the Board members are on the same page and are actively contributing to the decision-making process.

Our average Board meeting attendance for FY 2022-23 stands at 96.03% of all meetings of the board of directors. The regulations require that every Board Meeting must have atleast one-third of the Board members present i.e. 33% of the Board strength including atleast one Independent Director. This requirement serves to guarantee that every Board member is sufficiently involved in the Board's activities and decisions.

Before the commencement of the Audit Committee meeting, the Independent Directors are given an opportunity to have separate discussions with Internal Auditor and Statutory Auditors, without the presence of the management team. 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. Every quarter, the Independent Directors also have a meeting among themselves, after which they provide their insights to the Chairperson.

(ii) Board Performance Assessment

Performance assessment is key to maintaining and enhancing the effectiveness of our Board. As part of our commitment to this, we conduct a formal Board Effectiveness Review in line with the requirements of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The process is designed and executed by our Corporate HR team in close collaboration with the Chairperson and the Nomination and Remuneration Committee of the Board. As a part of the assessment, each Board member completed a confidential online questionnaire, providing essential feedback on the Board's operations and potential areas for the improvement. They also completed a self-assessment of their effectiveness, ensuring a comprehensive and balanced evaluation of our Board's performance.

Familiarisation programmes for the Independent Directors covered topics such as the Annual Operating Plan for the fiscal year 2022-23, Global Categories Structures & Initiatives and Cluster wise performance and financial updates. The details of the same are available on the website of the Company and can be accessed through the following link[1]

(iii) Board Election Process

The process by which Board members are elected plays a crucial role in ensuring their accountability. The office of atleast two thirds of the directors (other than Independent Directors and Executive Chairperson) is liable for retirement by rotation, of which every year atleast one third of the director retires and offer themselves for reappointment. This process allows shareholders to vote off such Board members if they have concerns about their performance, thereby enhancing the Board's overall accountability and alignment with shareholders' interests. The average tenure of the Board members as on March 31, 2023 is 10 years.

(iv) External Mandates

The number of external directorships that Board members hold can have significant implications for their commitment and performance. Recognising this, the total number of mandates held by a director has been regulated and capped by the Ministry of Corporate Affairs and SEBI.

As of FY 2022-23, the 5 Promoter group directors hold 4 or fewer other mandates in listed entities, all the 6 Independent Directors hold 3 or fewer other mandates in listed entities. The Managing Director & CEO does not have any other mandate in listed entity, demonstrating a strong commitment to our organisation.

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

[1] https://godrejcp.com/public/uploads/compliance_other_updates/FamiliarisationProgrammeforIDs2022-23.pdf

- **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.

Name of Directors	Age (Years)	Appointment Year	Gender	Committee Membership as on March 31, 2023	Strategy and Business	Industry Expertise	Market Expertise	Tech and Future Perspective	People and Talent Understanding	Governance, Finance, and Risk	Diversity of Perspective
Ms. Nisaba Godrej	45	May 2011	F	CSR, ESG RMC	√	√	√		√	√	
Mr. Jamshyd Godrej	74	Mar 2001	M	-	√		√			√	√
Mr. Nadir B. Godrej	72	Nov 2000	M	CSR,ESG RMC	√		√	√		√	√
Ms. Tanya Dubash	55	May 2011	F	CSR,ESG SRC	√		√			√	√
Mr. Pirojsha Godrej	43	Apr 2017	M	AC, SRC	√		√			√	√
Mr. Sudhir Sitapati	47	Oct 2021	M	CSR, ESG, RMC	√	√	√		√	√	
Mr. Narendra Ambwani	74	May 2011	M	AC, NRC, CSR, ESG, SRC	√	√	√		√	√	
Mr. Sumeet Narang	47	Apr 2019	M	AC, NRC	√		√	√		√	√
Mr. Omkar Goswami	67	Jun 2008	M	AC, RMC			√	√		√	√
Ms. Ireena Vittal	55	Apr 2013	F	AC, NRC	√	√	√		√	√	
Ms. Ndidi Nwuneli	48	Apr 2017	F	AC, ESG	√		√		√	√	√
Ms. Pippa Armerding	55	Jan 2018	F	AC, NRC	√		√		√	√	√

CSR-Corporate Social Responsibility Committee; NRC-Nomination & Remuneration Committee; RMC-Risk Management Committee; SRC- Stakeholders Relationship Committee; AC- Audit Committee; ESG-ESG Committee

D. Board Composition & other relevant details

(i) Composition of the Board

The Board composition is as follows:

Category		Number of Directors as on March 31, 2023
i)	**Non-Independent Directors**	
	Executive Chairperson	1
	Managing Director	1
	Non-Executive Promoter Directors	4
	Subtotal	6
ii)	**Independent Directors**	6
Total Strength (i + ii)		**12**

(ii) Other relevant details of the Directors as on March 31, 2023

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: Committee Member (Excluding Committee Chairperson) **	Committee Positions including GCPL: Committee Chairperson **	Shares Held
Nisaba Godrej	May 02, 2011	Sister of Tanya Dubash and Pirojsha Godrej	Promoter/ Executive Chairperson	6 (5)	0	0	3,70,087#
Jamshyd Godrej	March 01, 2001	None	Promoter/ Non-Executive	5 (4)	0	0	0#
Nadir Godrej	November 29, 2000	None	Promoter/ Non-Executive	8 (5)	2	1	63#
Tanya Dubash	May 02, 2011	Sister of Nisaba Godrej and Pirojsha Godrej	Promoter/ Non-Executive	7 (5)	2	0	66#
Pirojsha Godrej	April 01, 2017	Brother of Tanya Dubash and Nisaba Godrej	Promoter/ Non-Executive	7 (4)	4	1	3,70,129#
Sudhir Sitapati	October 18, 2021	None	Managing Director & CEO	2 (1)	0	0	60364
Narendra Ambwani	May 02, 2011	None	Non-Executive/ Independent	4 (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	2 (2)	1	1	Nil
Omkar Goswami	June 18, 2008	None	Non-Executive/ Independent	2 (2)	1	0	Nil
Ndidi Nwuneli	April 01, 2017	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Ireena Vittal	April 30, 2013	None	Non-Executive/ Independent	3 (3)	4	1	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. Figures in brackets denote directorships in listed companies.

**Does not include chairmanship/membership in Board Committees other than the Audit Committee and Stakeholders' Relationship Committee and chairmanship/membership in board committees in companies other than public limited companies registered in India.

(iii) Details of directorship in other listed companies including category of their directorship as on March 31, 2023

Names of Directors		Directorship in Other Listed Companies	Category of Directorship
Nisaba Godrej	1.	Godrej Agrovet Limited	Director
	2.	VIP Industries Limited	Independent Director
	3.	Mahindra and Mahindra Limited	Independent Director
	4.	Bharti Airtel Limited	Independent Director
Jamshyd Godrej	1.	Godrej Industries Limited	Director
	2.	Godrej Agrovet Limited	Director
	3.	Godrej Properties Limited	Director
Nadir Godrej	1.	Godrej Industries Limited	Chairman & Managing Director
	2.	Astec Lifesciences Limited	Chairman
	3.	Godrej Agrovet Limited	Chairman
	4.	Godrej Properties Limited	Director
Tanya Dubash	1.	Godrej Industries Limited	Executive Director & Chief Brand Officer
	2.	Godrej Agrovet Limited	Director
	3.	Britannia Industries Ltd	Independent Director
	4.	Escorts Kubota Limited	Independent Director
Sudhir Sitapati		NIL	-
Pirojsha Godrej	1.	Godrej Agrovet Limited	Director
	2.	Godrej Properties Limited	Executive Chairperson
	3.	Godrej Industries Limited	Director
Narendra Ambwani	1.	Parag Milk Foods Limited	Independent Director
	2.	Agro Tech Foods Limited	Independent Director
	3.	RPG Life Sciences Limited	Independent Director
Pippa Tubman Armerding		NIL	-
Sumeet Narang	1.	Sapphire Foods India Limited	Director
Ndidi Nwuneli		NIL	-
Omkar Goswami	1.	Adani Enterprises Limited	Independent Director
Ireena Vittal	1.	Housing Development Finance Corporation Limited	Independent Director
	2.	Wipro Limited	Independent Director

E. 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 Company also has a Risk Management Committee in accordance with Regulation 21 of the Listing Regulations & CSR Committee in compliance with Section 135 of the Companies Act 2013.

During the year the Sustainability Committee was renamed as ESG Committee. The ESG Committee which will focus on environment, social and governance areas and have oversight on sustainability risks, opportunities and progress against goals.

Composition of the Committees as on March 31, 2023

Name of Directors	Position in the Committee						
	Category	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	CSR Committee	ESG Committee
Nisaba Godrej	Promoter and Executive Chairperson	None	None	None	Member	Member	Chairperson
Jamshyd Godrej	Promoter and Non-Executive	None	None	None	None	None	None
Nadir Godrej	Promoter and Non-Executive	None	None	None	Member	Chairman	Member
Tanya Dubash	Promoter and Non-Executive	None	None	Member	None	Member	Member
Pirojsha Godrej	Promoter and Non-Executive	Member	None	Chairman	None	None	None
Sudhir Sitapati	Managing Director and CEO	None	None	None	Member	Member	Member
Narendra Ambwani	Independent	Member	Chairman	Member	None	Member	Member
Pippa Armerding	Independent	Member	Member	None	None	None	None
Sumeet Narang	Independent	Chairman	Member	None	None	None	None
Omkar Goswami	Independent	Member	None	None	Chairman	None	None
Ndidi Nwuneli	Independent	Member	None	None	None	None	Member
Ireena Vittal	Independent	Member	Member	None	None	None	None
Total Strength of the Committee		7	4	3	5	5	6
Number of Independent Directors in the Committee		6	4	1	1	1	2
Number of Non-Independent Directors in the Committee		1	-	2	3	4	4
Members of Senior Management in the Committee		-	-	-	1	-	-

Mr. Rahul Botadara, Company Secretary & Compliance Officer, is the Secretary of all the Board Committees. He is also responsible for redressing investor grievances.

F. 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

- To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- Performing any other functions and activities related to this terms of reference as requested by the Board of Directors or any of its Committees or the Company management.

- Performing any other functions as 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.

(vi) ESG Committee

- Spearhead GCPL's overall Sustainability ambition, strategy and long-term thinking

- Review progress against Sustainability goals across the company

- Review key Sustainability risks for GCPL, set standards for monitoring, and sign off mitigation measures

- Frame key long-term Sustainability opportunities for GCPL and align Board of Directors as required

- Formulate and recommend to the Board of Directors, key Sustainability policies, as required

- Performing any other functions and activities related to these terms of reference as requested by the Board of Directors.

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

Name of Meetings	Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders' Relationship Committee	Risk Management Committee	ESG Committee	Independent Director's	AGM
Number of Meetings held	4	4	3	2	1	2	2	3	1
Attendance of Directors									
Jamshyd Godrej	2	NA	NA	NA	NA	NA	NA	NA	Yes
Nadir Godrej	4	NA	NA	2	NA	2	2	NA	Yes
Tanya Dubash	4	NA	NA	1	1	NA	1	NA	Yes
Nisaba Godrej	4	NA	NA	2	NA	2	2	NA	Yes
Pirojsha Godrej	4	4	NA	NA	1	NA	NA	NA	Yes
Narendra Ambwani	4	4	3	2	1	NA	2	3	Yes
Sudhir Sitapati	4	NA	NA	2	NA	1	2	NA	Yes
Pippa Armerding	4	4	3	NA	NA	NA	NA	3	Yes
Sumeet Narang	4	4	3	NA	NA	NA	NA	3	Yes
Omkar Goswami	4	4	NA	NA	NA	2	NA	3	No
Ndidi Nwuneli	4	4	NA	NA	NA	NA	2	3	Yes
Ireena Vittal	4	4	3	NA	NA	NA	NA	3	Yes

Notes:

- 'NA' indicates not a member of the committee.
- 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 present for the Board/ Committee meeting.
- Board meetings were held on May 19, 2022, Aug 03, 2022, Nov 08, 2022 and Jan 31, 2023.
- Audit Committee meetings were held on May 19, 2022, Aug 03, 2022, Nov 08, 2022 and Jan 31, 2023.
- Nomination and Remuneration Committee meetings were held on May 19, 2022, Nov 08, 2022 and Jan 31, 2023.
- Corporate Social Responsibility Committee meetings were held on May 19, 2022 and Nov 08, 2022.
- Stakeholders' Relationship Committee meeting was held on Nov 08, 2022.
- Risk Management Committee meetings were held on July 25, 2022 and Jan 09, 2023.
- ESG Committee meetings were held on May 19, 2022 and Nov 08, 2022.
- Independent Directors meetings were held on May 19, 2022, Nov 08, 2022 and Jan 31, 2023.
- Annual General Meeting was held on August 03, 2022.

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

No Independent Director has resigned during this financial year.

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 Mr. Nadir Godrej will retire at the ensuing Annual General Meeting of the Company and, being eligible, will be considered for reappointment as per the provision of Companies Act, 2013, Listing Regulation and Articles of Association of the Company.

Their brief resume is annexed to the notice of the Annual General Meeting.

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							
Nisaba Godrej	-	-	4.27	1.58	0.19	0.73	6.77
Sudhir Sitapati	-	-	5.84	3.00	0.26	5.33	14.43
Subtotal	**-**	**-**	**10.11**	**4.58**	**0.45**	**6.06**	**21.20**
Non-Executive Directors							
Jamshyd Godrej	0.02	0.20	-	-	-	-	0.22
Nadir Godrej	0.05	0.20	-	-	-	-	0.25
Tanya Dubash	0.05	0.20	-	-	-	-	0.25
Pirojsha Godrej	0.05	0.20	-	-	-	-	0.25
Narendra Ambwani	0.06	0.35	-	-	-	-	0.41
Pippa Armerding	0.06	0.35	-	-	-	-	0.41
Omkar Goswami	0.05	0.35	-	-	-	-	0.40
Ndidi Nwuneli	0.05	0.35	-	-	-	-	0.40
Sumeet Narang	0.00	0.00	-	-	-	-	0.00
Ireena Vittal	0.05	0.35	-	-	-	-	0.40
Subtotal	**0.45**	**2.55**	**0.00**	**0.00**	**0.00**	**0.00**	**3.00**
Total	**0.45**	**2.55**	**10.11**	**4.58**	**0.45**	**6.06**	**24.20**

Notes:

- In the case of Ms. Nisaba Godrej, salary includes basic salary and various elements of flexible compensation and reimbursement of medical expenses. The monetary value of perquisites includes accommodation and electricity expenses, perquisites for employer's provident fund contribution and interest.

- In case of Mr. Sudhir Sitapati, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites includes perquisites for car, perquisites for employer's provident fund contribution and interest.
- Ms. Nisaba Godrej and Mr. Sudhir Sitapati are eligible for Performance Linked Variable Remuneration (PLVR). PLVR is directly tied to a combination of the company's overall business performance and the whole-time director's individual performance. The performance measures are calculated based on three predefined financial and relative financial metrics – underlying volume growth, reduction in inventory & account receivables, and EBITDA & working media growth. These financial and operating metrics are set internally by the Management Committee and the Board of Directors. The PLVR reflected in the table above is the amount paid in FY 2022-23 for FY 2021-22. PLVR payable for FY 2022-23 will be paid in FY 2023-24, and hence will be reflected in next year's Annual Report.
- Members may also refer to the total rewards policy given in the Board's Report.
- 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.
- Dr. Omkar Goswami, Mr. Narendra Ambwani and Ms. Ireena Vittal has been originally appointed under the 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 and thereafter they have been reappointed for the second term of 5 years as permitted by the Companies Act. During the year, Ms. Ndidi Nwuneli and Ms. Pippa Armerding have been reappointed for their second term of 5 years.

3. DETAILS OF STAKEHOLDER COMPLAINTS

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
Nil	64	64	Nil	Nil

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
August 4, 2020	04.00 p.m.	Video Conferencing	NIL
August 4, 2021	04:00 p.m.	Video conferencing	NIL
August 3, 2022	05:45 p.m.	Video conferencing	NIL

B. Postal Ballot

Two postal ballots were conducted during the FY 2022-2023, details of the same are as given below. Both the resolution were past by the requisite majority. Details of the scrutinizers report and voting pattern is available on the Company website under link[2]

Date of Passing of Resolution	Details of Special Resolutions Passed	Procedure for Postal Ballot
June 20, 2022	Reappointment of Ms. Ndidi Nwuneli (DIN No. 07738574) as an Independent director for a period of 5 years effective from April 1, 2022	In view of the exemptions granted by Ministry of Corporate Affairs, the postal ballot notice was sent only through electronic mode to those Members whose e-mail addresses were registered with the Company/Depositories and the postal ballot was conducted by way of remote e-voting. The postal ballot was conducted by Mr. Kalidas Vanjpe, Practising Company Secretary. The remote e-voting facility was provided by Link Intime India Pvt. Ltd, the registrar and transfer agent of the Company. The e-Voting facility was available from May 20, 2022, 9.00 a.m. (IST) to June 18, 2022, 5.00 p.m. (IST)
January 24, 2023	Reappointment of Ms. Pippa Armerding (DIN No. 08054033) as an Independent director for a period of 5 years effective from January 30, 2023	The postal ballot notice was sent by electronic mode to those shareholders whose email address was registered with the Company/ Depositories. In case of shareholders whose email address was not registered with the Company, the postal ballot notice and forms were sent in physical mode. The postal ballot was conducted by Mr. Kalidas Vanjpe, Practising Company Secretary. Remote e-voting facility was provided by Central Depository Services Limited. The voting including e-voting facility was available from December 23, 2022, 9.00 a.m. (IST) to January 21, 2023, 5.00 p.m. (IST).

5. MEANS OF COMMUNICATION

GCPL sends quarterly newsletters to 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 Business Line as well as in the Marathi newspaper Lokmat. Members of the management team holds conference calls/ meetings with financial analysts once in a quarter, and their transcripts are posted on the website. With effect from April1, 2022, the transcripts and link for audio recordings are filed with the Stock Exchange. The same is also available on the investor's page of the company's 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 following link[3] The Company files its quarterly results on the electronic filing system of the Bombay Stock

[2] [3] https://godrejcp.com/investors/stock-exchange-filings

Exchange (BSE) Limited and National Stock Exchange of India Limited (NSE). The same are also available on the websites of the BSE Limited and The National Stock Exchange of India Limited, namely https://www.bseindia.com/ and www.nseindia.com, respectively.

Reminder to Investors

Shareholders who are holding shares in a physical form have to comply with SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has already sent requisite KYC forms to shareholders via ordinary posts to update their details as required by RTA. If the shareholders don't submit those documents then the folio will get freezed from October 1, 2023. The shareholder shall not be eligible to lodge grievance or avail service request /dividend payment against the folio till such time the documents are submitted. The circular can be accessed through link given below[4] The KYC forms can be downloaded through the link below[5].

6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date and Time:	Monday, August 7, 2023, 5:45 p.m. (IST)
Venue:	Video Conferencing/ Other audio visual means

B. Financial Calendar

Financial Year:	April 1, 2022 to March 31, 2023

C. The Board did not declare any Interim Dividends during fiscal year 2022-23, and also has not recommended any final dividend for the Fiscal year.

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
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.

[4] https://www.sebi.gov.in/legal/circulars/nov-2021/common-and-simplified-norms-for-processing-investor-s-service-request-by-rtas-and-norms-for-furnishing-pan-kyc-details-and-nomination_53787.html

[5] https://web.linkintime.co.in/KYC-downloads.html

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, 2023, are as follows:

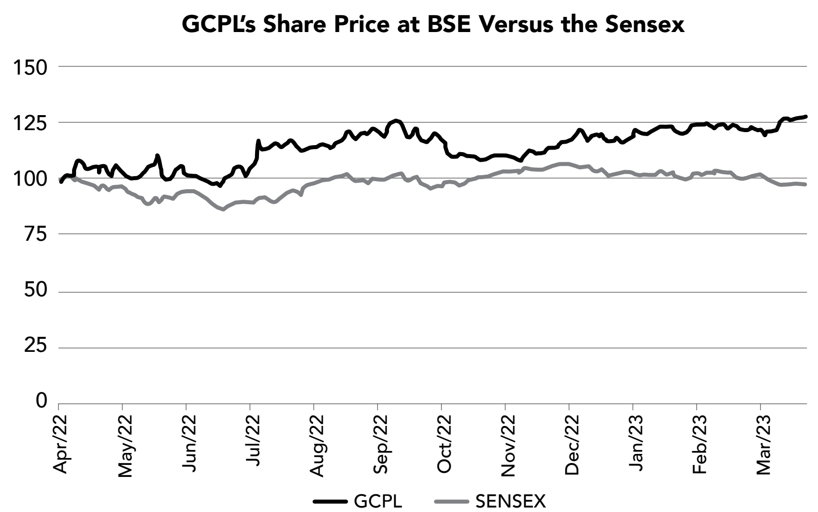
	BSE		NSE	
Month	**High Price**	**Low Price**	**High Price**	**Low Price**
Apr-22	832.75	739.30	832.75	739.10
May-22	838.00	745.00	838.20	747.40
Jun-22	808.10	708.60	808.45	708.50
Jul-22	898.05	750.35	898.75	750.55
Aug-22	937.20	838.70	937.95	838.00
Sep-22	955.65	859.35	956.00	859.20
Oct-22	920.50	807.75	921.00	807.35
Nov-22	888.80	793.70	888.90	793.85
Dec-22	927.15	860.90	927.95	861.45
Jan-23	946.00	872.15	946.20	877.00
Feb-23	954.90	899.35	953.70	898.55
Mar-23	972.65	895.00	973.00	894.20

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 2022-23 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 Share Transfer Agent

Link Intime India Pvt. Ltd,
Unit: Godrej Consumer Products Limited,
C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083
Tel. No.: 022-49186270
Email ID: rnt.helpdesk@linkintime.co.in
Website: https://linkintime.co.in/

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.

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.

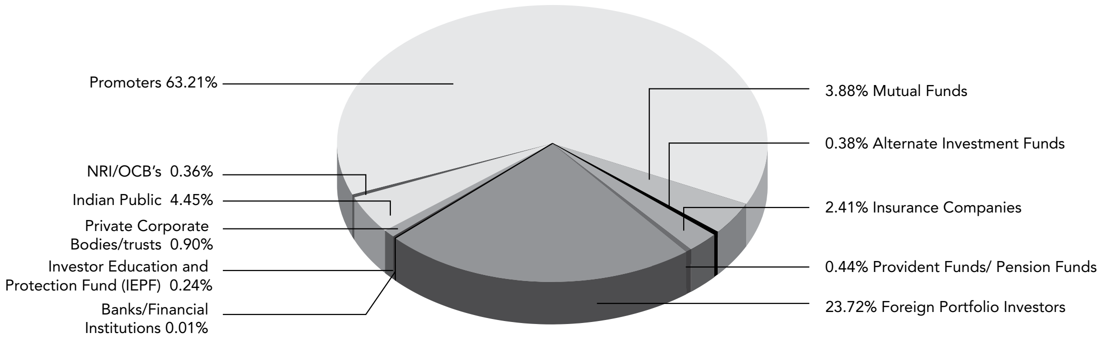
I. Distribution of Shareholding

Distribution of shareholding by size class as on March 31, 2023

Number of Shares	Number of Shareholders	Shareholders%	Number of shares held	Shareholding %
1-500	1,93,344	90.25	135,40,275	1.32
501-1,000	10,648	4.97	74,12,014	0.73
1,001-2,000	5,919	2.76	85,53,611	0.84
2,001-3,000	1,498	0.70	36,74,975	0.36
3,001-4,000	675	0.32	23,76,120	0.23
4,001-5,000	368	0.17	16,44,399	0.16
5,001-10,000	677	0.32	46,32,817	0.45
10,001 and above	1,102	0.51	98,08,61,107	95.91
Total	**2,14,231**	**100.00**	**102,26,95,318**	**100.00**

Distribution of shareholding by ownership as on March 31, 2023:

Category	Shares Held (Number)	Per Cent of Holding
Promoters	64,64,88,267	63.21%
Mutual Funds	3,96,63,862	3.88%
Alternate Investment Funds	38,84,884	0.38%
Banks/Financial Institutions	53,348	0.01%
Insurance Companies	2,46,75,720	2.41%
Provident Funds/ Pension Funds	45,26,058	0.44%
Foreign Portfolio Investors	24,25,96,460	23.72%
Investor Education and Protection Fund (IEPF)	24,87,358	0.24%
Private Corporate Bodies/trusts	91,58,893	0.90%
Indian Public	4,54,29,477	4.45%
NRI/OCB's	37,30,991	0.36%
Total	**102,26,95,318**	**100.00%**



J. Shares Held in Physical and Dematerialised Forms

Breakup of physical and dematerialised shares as on March 31, 2023:

	Number of Shares	Per Cent	Number of Folios	Per Cent
Physical	70,71,319	0.69%	15,173	7.08%
Demat	101,56,23,999	99.31%	1,99,058	92.92%
Total	**102,26,95,318**	**100.00**	**214,231**	**100.00**

Shares held in the demateralised 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.

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	1,367.40 crore	1.36 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, Industrial Area Phase III Lane 2, Bari Brahmana- Distt Sambha
Himachal Pradesh	Thana-Baddi, Katha-Baddi
Sikkim	Mamring, South Sikkim
Assam	Kalapahar-Guwahati, Brahamputra industrial park-village silla, Sarusajai-lokhra
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	Maraimalai nagar-Chengalpattu District

N. Address for Correspondence relating to queries of GCPL shares

Investor correspondence should be addressed to M/s. Link Intime India Pvt. Ltd, Unit: Godrej Consumer Products Limited, C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083. Tel. No.: 022-49186270 Email ID: rnt.helpdesk@ linkintime.co.in Website: https://linkintime.co.in/

Correspondence to the Company should be addressed to: The Secretarial Department, Godrej Consumer Products Limited, 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079.
CIN: L24246MH2000PLC129806
Tel. No.: 022 25188010/20/30
Fax No.: 022 25188040;
Email ID: investor.relations@godrejcp.com

Website:
www.godrejcp.com

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+ (pronounced as Crisil A one plus) for ₹ 750 crore Commercial paper

[ICRA] AAA (pronounced as ICRA Triple A) for ₹ 800 Crore Long-term / Short-term, Fund based / Non-fund Based Facilities

P. 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 2022-23, 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[6].

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.

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 credited into the demat account of the allottee. The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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, 2022)	1493	851469
Number of shareholders and aggregate shares transferred to the Unclaimed Suspense Account during the year	0	0
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year and aggregate shares transferred	42	28,140
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year and the aggregate shares transferred	0	0
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	42	28140
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year (March 31, 2023)	1451	8,23,329

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

G. Demat Suspense Account

In compliance with the Listing Regulations, your Company has opened the Suspense Escrow Demat Account for crediting the shares which are not claimed by depositing letter of confirmation. There are no movements in this account during the year.

H. 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'**.

I. 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	2022-23	2021-22
Audit Fees	7.73	6.88
Tax Fees	0.80	0.11
Others	0.45	0.49
Total	8.98	7.48

J. Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013:

	Received during calendar year 2022	Disposed during Financial year 2022	Pending at the end of Financial year 2022
Number of Complaints	5	5	0

K. Disclosure by listed entity and its subsidiaries of 'Loans and advances in nature of loans to firms/companies in which directors are interested by name and amount: NIL

L. Details of Material Subsidiaries

Name of the Material Subsidiary	Date & Place of Incorporation	Name of Statutory Auditors	Date of Appointment of Statutory Auditor
Godrej Africa Holdings Limited	19/01/2015, Port Louis, Mauritius	SM & Co	7th February, 2020
Strength of Nature LLC	25/02/2000, Atlanta, Georgia	BSR & Co., India (KPMG India)	1st October,2021
Godrej Consumer Products Holding Mauritius Limited	23/02/2010, Port Louis, Mauritius	SM & Co	7th February, 2020
Godrej Mauritius Africa Holdings Limited	14/03/2011, Port Louis, Mauritius	SM & Co	7th February, 2020

Name of the Material Subsidiary	Date & Place of Incorporation	Name of Statutory Auditors	Date of Appointment of Statutory Auditor
PT Godrej Consumer Products Indonesia (earlier known as PT Megasari Makmur)	29/01/1996, Jakarta, Indonesia	KPMG – Indonesia -Sidharta & Widjaja Registered Public Accountants	14th June, 2017
PT Godrej Distribution Indonesia (earlier known as PT Intrasari Raya)	22/08/1990, Jakarta, Indonesia	KPMG – Indonesia -Sidharta & Widjaja Registered Public Accountants	14th June, 2017
Godrej SON Holdings Inc.	22/03/2016, Atlanta, Georgia, USA	BSR & Co., India (KPMG India)	1st October,2021

M. 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 sub regulation (2) of Regulation 46 of the Listing Regulations.

N. 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.

O. Compliance with discretionary requirements

The Company has also ensured the implementation of discretionary items such as:

- Separate posts of Chairman, and CEO & MD, with the provision for reimbursement of expenses in the performance of official duties.
- Unmodified audit opinions / reporting-
  The auditors have expressed an unmodified opinion in their report on the financial statements of the Company.
- Internal auditor reports directly to the Audit Committee.

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

I, Sudhir Sitapati, Managing Director & 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, 2023.

For Godrej Consumer Products Ltd.

sd/-
Sudhir Sitapati
Managing Director & CEO
Mumbai, May 10, 2023

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,
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 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 information, 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, 2023 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	Tanya Arvind Dubash	00026028	May 2, 2011
2	Nadir Burjor Godrej	00066195	November 29, 2000
3	Jamshyd Naoroji Godrej	00076250	March 1, 2001
4	Pirojsha Adi Godrej	00432983	April 1, 2017
5	Nisaba Adi Godrej	00591503	May 2, 2011
6	Sudhir Sitapati	09197063	October 18, 2021
7	Narendra Kumar Anand Ambwani	00236658	May 2, 2011
8	Sumeet Subhash Narang	01874599	April 1, 2019
9	Omkar Goswami	00004258	June 18, 2008
10	Ireena Vittal	05195656	April 30, 2013
11	Ndidi Okonkwo Nwuneli	07738574	April 1, 2017
12	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
Bhavana Shewakramani
Partner
FCS-8636, COP-9577
UDIN :- F008636E000285902

Date : May 10, 2023
Place : Thane

Financial Statemen

ts

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 2023, 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 significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditor of the Company's branch at Singapore.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the branch auditor on financial statements/financial information of such branch as was audited by the branch auditor, 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 2023, and its 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 obtained by us along with the consideration of report of the branch auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the standalone 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 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.

Revenue recognition

See Note 34 to standalone financial statements

The key audit matter	**How the matter was addressed in our audit**
Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals, 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 Company to achieve performance targets for the year. Accordingly, revenue recognition is considered to be a key audit matter.	Our audit procedures included: • 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); • Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT application/ manual controls over the Company's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue and computing discounts and volume rebates in the general ledger accounting system; • Performing substantive testing by selecting statistical samples of revenue transactions recorded for the year as well as period end cut-off and agreeing to the underlying documents, which included sales invoices and shipping documents; • Performing substantive testing by agreeing statistical samples of discounts and rebate accruals and disbursements to underlying documents; • Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; and • Assessing manual journals posted to revenue to identify unusual items.

Intangible Assets -impairment assessment

See Note 6 to standalone financial statements.

The key audit matter	How the matter was addressed in our audit
The carrying amount of brands (indefinite life intangible assets) represent 8% 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: • Evaluating design and implementation and testing operating effectiveness of controls over the Company's process of impairment assessment and approval of forecasts; • 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 Company by comparing projections for previous financial years with actual results realized and analysis of significant variances, • Performing sensitivity analysis by assessing the effect of possible reductions in the above assumptions on the recoverable amount; 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 annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

Management's and Board of Directors' Responsibilities 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/ loss 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. The Management and Board of Directors of the Company are responsible for 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, the Management and Board of Directors are responsible for assessing the ability of the 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 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 are responsible for overseeing the financial reporting process of the Company.

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 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the branch of the Company to express an opinion on the standalone financial statements. For the branch included in the standalone financial statements, which has been audited by branch auditor, such branch auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

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 auditor's 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 Matter

a. We did not audit the financial statements/financial information of one branch included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 0.41 crores as at 31 March 2023, total revenue of Rs. Nil crores, total net profit after tax of Rs. Nil crores and net cash inflows of Rs. 0.41 crores for the year ended on that date, before giving effects to consolidation adjustments, as considered in the standalone financial statements. The financial statements/financial information of this branch has been audited by the other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such other auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on financial statements of such branch as was audited by other auditor, as noted in the "Other Matter" 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.

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 and the report of the other auditor and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c. The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.

d. 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 and with the return received from the branch not visited by us.

e. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

f. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

g. With respect to the adequacy of the internal financial controls with reference to 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 Auditor's 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 and based on the consideration of the report of the other auditor on separate financial statements of the branch, as noted in the "Other Matters" paragraph:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 33 and 46 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management of the Company represented that, to the best of their knowledge and belief, as disclosed in the Note 56 (i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company represented that, to the best of their knowledge and belief, as disclosed in the Note 56 (ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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/payable 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/payable 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/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 23046476BGYAIF5985

Mumbai: 10 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Godrej Consumer Products Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in and provided guarantees to companies and other parties and granted loans, unsecured to other parties during the year, in respect of which the requisite information is as below. The Company has not provided any loans to companies and security or advances in the nature of loans, secured or unsecured to companies or any other parties during the year. The Company has not made any investments in, provided guarantees or security, granted loans and advances in the nature of loans, secured or unsecured to firms and limited liability partnerships during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

Particulars	Guarantees (₹ in Crores)	Loan (₹ in Crores)
Aggregate amount during the year		
Subsidiaries*	4.39	Nil
Others	Nil	0.07
Balance outstanding as at the balance sheet date		
Subsidiaries*	868.88	Nil
Others	Nil	0.08

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of loans given to employees (which as per the Company's policy are interest free) is stipulated. The repayment of principal has been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013. In respect of the investments made and guarantees given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not provided any security to the parties covered under Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Profession tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax ('GST'), Excise duty, Sales tax, Service tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in crores)	Amount paid under protest (₹ In crores)	Period to which the amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	27.43	3.82	2002-03 to 2017-18	Supreme Court
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	13.71	5.30	1999-00 to 2007-08, 2009-10, 2013-14 to 2015-16	High court
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	18.26	10.39	2000-03, 2005-07, 2008-2018	Tribunal
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	6.63	1.93	2006-2009, 2010 -2018	Appellate Authority
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	3.25	0.59	2016-17	Joint Commissioner
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	1.19	1.02	2005-07	Assistant Commissioner (A), Cochin
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	0.33	0.12	2005-06, 1998-99	Deputy Commissioner
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	0.18	0.17	2001-02, 2005-08, 2014-15	Assistant Commissioner (A)
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	7.45	3.12	1996-97, 2002-2012, 2013-2016	Assessing Officer
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	0.19	-	2006-07	Appellate Review Board
Goods and Service Tax Act	Goods and Service Tax	0.15	0.15	2017-18	High Court
Goods and Service Tax Act	Goods and Service Tax	0.16	0.16	2020-21	Commissioner (A)
Goods and Service Tax Act	Goods and Service Tax	0.11	0.11	2019-20	Sales Tax Authority
Goods and Service Tax Act	Goods and Service Tax	0.50	0.03	2019-20 and 2021-22	GST Authority
Goods and Service Tax Act	Goods and Service Tax	0.45	0.45	2019-20	Tribunal
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	1.34	0.61	2009, 2010-11, 2017-18	Commissioner (Appeals)
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	24.31	-	2008-09 to 2011-12	Commissioner of Central Excise
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	58.19	2.17	2004-2017	Customs, Excise and Service Tax Appellate Tribunal of various states

Name of the statute	Nature of the dues	Amount (₹ in crores)	Amount paid under protest (₹ In crores)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	9.47	3.17	Oct-2007 to Dec-2008, 2010-11, 2012-13 to 2016-17	High Court
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	14.17	0.54	2007-08 to 2013-14	Supreme Court
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	6.41	-	2006-07 to 2009-10	High court
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	6.50	-	2006-07, 2007-08, 2008-09, 2010-11, 2011-12, 2012-13, 2014-15, 2016-17, 2018-19.	Income tax Appellate Tribunal

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India

Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 23046476BGYAIF5985

Mumbai: 10 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Godrej Consumer Products Limited for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(A)(g) 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 financial statements of Godrej Consumer Products Limited ("the Company") as of 31 March 2023 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 financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 23046476BGYAIF5985

Mumbai: 10 May 2023

Standalone Balance Sheet as at March 31, 2023

₹ Crore

	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	**675.52**	558.21
(b) Capital work-in-progress	4	**21.58**	76.62
(c) Right-of-use assets	5	**40.10**	29.84
(d) Goodwill	6	**2.48**	2.48
(e) Other intangible assets	6	**804.49**	801.27
(f) Intangible assets under development	7	**3.81**	1.69
(g) Financial assets			
(i) Investments in subsidiaries	8	**5,099.13**	4,409.40
(ii) Other Investments	9	**199.08**	25.20
(iii) Loans	10	**0.03**	0.03
(iv) Others	11	**17.53**	23.42
(h) Deferred tax assets (Net)	12	**322.03**	349.91
(i) Other non-current assets	13	**46.46**	77.86
(j) Non-current Tax assets (Net)	14	**47.91**	45.96
Total Non-current assets		**7,280.15**	**6,401.89**
2. Current assets			
(a) Inventories	15	**591.60**	790.84
(b) Financial assets			
(i) Investments	16	**2,109.59**	766.40
(ii) Trade receivables	17	**320.79**	336.92
(iii) Cash and cash equivalents	18	**17.69**	35.23
(iv) Bank balances other than (iii) above	19	**32.78**	309.74
(v) Loans	20	**0.05**	0.05
(vi) Others	21	**52.69**	38.15
(c) Other current assets	22	**156.04**	203.85
Total Current assets		**3,281.23**	**2,481.18**
TOTAL ASSETS		**10,561.38**	**8,883.07**
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	23	**102.27**	102.26
(b) Other Equity	24	**9,283.75**	7,748.86
Total Equity		**9,386.02**	**7,851.12**
2. LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(ia) Lease liabilities	25	**28.80**	20.42
(b) Provisions	26	**58.93**	57.43
(c) Other non-current liabilities	27	**3.41**	6.93
Total Non current liabilities		**91.14**	**84.78**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	28	**23.82**	-
(ii) Lease liabilities	29	**13.28**	11.03
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	30	**46.40**	23.24
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	30	**664.69**	602.06
(iv) Other financial liabilities	31	**111.90**	89.34
(b) Other current liabilities	32	**157.82**	155.46
(c) Provisions	33	**65.35**	65.08
(d) Current tax liabilities (Net)	12	**0.96**	0.96
Total Current liabilities		**1,084.22**	**947.17**
TOTAL EQUITY AND LIABILITIES		**10,561.38**	**8,883.07**

The accompanying notes 1 to 59 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 Registration No. 101248W/W-100022

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN : 00591503

Sudhir Sitapati
Managing Director & CEO
DIN: 09197063

Vijay Mathur
Partner
M. No. 046476

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and Compliance-Officer

Mumbai: May 10, 2023

Standalone Statement of Profit and Loss for the year ended March 31, 2023

₹ Crore

		Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue				
I	Revenue from Operations	34	**7,667.17**	6,951.56
II	Other Income	35	**139.48**	69.18
III	**Total Income (I + II)**		**7,806.65**	**7,020.74**
IV	**Expenses**			
	Cost of Materials Consumed	36	**3,366.26**	3,063.93
	Purchases of Stock-in-Trade		**295.78**	325.54
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	37	**65.47**	2.98
	Employee Benefits Expense	38	**372.19**	347.52
	Finance Costs	39	**3.07**	7.87
	Depreciation and Amortization Expense	40	**107.99**	85.61
	Other Expenses	41	**1,698.70**	1,483.05
	Total Expenses		**5,909.46**	**5,316.50**
V	**Profit Before Exceptional Items and Tax (III-IV)**		**1,897.19**	**1704.24**
VI	**Exceptional Items (net)**	42	**27.59**	(58.21)
VII	**Profit Before Tax (V-VI)**		**1,869.60**	**1,762.45**
VIII	**Tax Expense**			
	(1) Current Tax (Refer Note 12)		**328.57**	306.44
	(2) Deferred Tax (Refer Note 12)		**27.33**	(23.14)
	Total Tax Expense		**355.90**	**283.30**
IX	**Profit for the Year (VII-VIII)**		**1,513.70**	**1,479.15**
X	**Other Comprehensive Income**			
A	**(i) Items that will not be reclassified to profit or loss**			
	Remeasurements of defined benefit plans		**1.40**	1.26
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plans		**(0.49)**	(0.44)
	Other Comprehensive Income for the year (A)		**0.91**	**0.82**
B	**(i) Items that will be reclassified to profit or loss**			
	The effective portion of gains on hedging instruments in a cash flow hedge		**0.19**	-
	(ii) Income tax relating to item that will be reclassified to profit or loss			
	The effective portion of gains on hedging instruments in a cash flow hedge		**(0.07)**	-
	Other Comprehensive Income for the year (B)		**0.12**	-
	Total Other Comprehensive Income for the year (A+B)		**1.03**	0.82
	Total Comprehensive Income for the year (IX+X)		**1,514.73**	**1,479.97**
XI	**Earnings per Equity Share (Face Value ₹ 1)**	43		
	(1) Basic (₹)		**14.80**	14.47
	(2) Diluted (₹)		**14.80**	14.46

The accompanying notes 1 to 59 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 Registration No. 101248W/W-100022

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN : 00591503

Sudhir Sitapati
Managing Director & CEO
DIN: 09197063

Vijay Mathur
Partner
M. No. 046476

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and Compliance-Officer

Mumbai: May 10, 2023

Standalone Statement of Cash Flows for the year ended March 31, 2023

₹ Crore

		Year ended March 31, 2023	Year ended March 31, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**1,869.60**	**1,762.45**
	Adjustment for:		
	Non-Cash Items		
	Depreciation and amortisation	**107.99**	85.61
	Unrealised Foreign Exchange (Gain) / Loss	**(3.95)**	0.41
	Bad Debts Written off	**1.36**	-
	Provision for Doubtful Debts / Advances	**7.15**	0.79
	Provision towards Litigations	**10.62**	-
	Write-back for Non Moving Inventory (Net)	**(15.17)**	(13.58)
	(Write-back) / Write-off of Old Balances	**(1.07)**	0.06
	Expenses on Employee Stock Grant Scheme (ESGS)	**20.16**	11.96
	Provision / (Reversal) for diminution in the value of investments	**8.82**	(15.38)
	Finance Costs	**3.07**	7.87
	Loss on Fixed Assets Sold / Discarded (Net)	**0.03**	3.36
	Profit on divestment of Associate (Net)	**-**	(42.83)
	Profit on Sale of Investments (Net)	**(47.78)**	(10.90)
	Fair value Gain on financial assets measured at FVTPL	**(5.83)**	(0.62)
	Corporate Guarantee Commission	**-**	(0.08)
	Interest income	**(63.02)**	(36.38)
	Operating Cash Flows Before Working Capital Changes	**1,891.98**	1,752.74
	Adjustments for:		
	Decrease / (Increase) in inventories	**214.41**	(78.21)
	Decrease / (Increase) in trade receivables	**11.94**	(86.46)
	Decrease in loans	**-**	0.02
	Decrease in other financial assets	**9.42**	37.72
	Increase / (Decrease) in other non-financial assets	**79.05**	(56.84)
	Increase / (Decrease) in trade payables, Current liabilities and other financial liabilities	**109.06**	(284.89)
	Decrease in non - financial liabilities and provisions	**(8.41)**	(11.08)
		415.47	(479.74)
	Cash Generated from Operating Activities	**2,307.45**	1,273.00
	Adjustment for:		
	Income taxes paid (Net)	**(330.46)**	(311.72)
	Net Cash Flow from Operating Activities (A)	**1,976.99**	**961.28**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment and Intangible assets (Net)	**(164.65)**	(161.35)
	Proceeds from Sale of Property, Plant & Equipment and Intangibles	**2.50**	4.64
	Purchase of Non-Current Investments	**(198.88)**	(25.00)
	Proceeds from Sale of Non-Current Investments	**25.20**	-
	Purchase of Current Investments (Net)	**(1,018.81)**	(391.09)
	Investment in NCD of Subsidiaries	**(698.55)**	-
	Investments in Subsidiaries	**-**	(502.30)
	Proceeds from divestment of Associate (Net)	**-**	78.65
	Interest Received	**49.45**	28.01
	Net Cash Flow used in Investing Activities (B)	**(2,003.74)**	**(968.44)**

Standalone Statement of Cash Flows for the year ended March 31, 2023

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS	**0.01**	0.01
Borrowings from Banks	**23.82**	-
Repayment of Short-term loans	**-**	(0.14)
Finance costs paid	**(0.31)**	(5.89)
Principal payment of Lease liabilities	**(11.53)**	(11.98)
Finance cost paid towards Lease liabilities	**(2.76)**	(2.37)
Net Cash Flow from/(used in) Financing Activities (C)	**9.23**	**(20.37)**
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(17.53)**	**(27.53)**
CASH AND CASH EQUIVALENTS (Refer Note 18)		
As at the beginning of the year	**35.23**	62.78
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	**(0.01)**	(0.02)
As at the end of the year	**17.69**	**35.23**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(17.53)**	**(27.53)**

Movement of borrowings:	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	**-**	0.14
Cashflows (net)	**23.82**	(0.14)
Closing balance	**23.82**	-

Notes:

1 The above Standalone 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 59 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 Registration No. 101248W/W-100022

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN : 00591503

Sudhir Sitapati
Managing Director & CEO
DIN: 09197063

Vijay Mathur
Partner
M. No. 046476

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and Compliance-Officer

Mumbai: May 10, 2023

Standalone Statement of Changes in Equity for the year ended March 31, 2023

(a) Equity share capital

₹ Crore

	Note No.	
As at April 1, 2021		102.25
Changes in equity share capital during the year		0.01
As at March 31, 2022		**102.26**
Changes in equity share capital during the year	23	0.01
As at March 31, 2023		**102.27**

(b) Other equity (Refer Note 24)

₹ Crore

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Other reserves	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2022	**1,424.93**	**154.05**	**14.78**	**6,155.85**	**(0.75)**	**7,748.86**
Profit for the year	-	-	-	1,513.70	-	1,513.70
Remeasurements of defined benefit plans (net of tax)	-	-	-	0.91	-	0.91
Other comprehensive Loss / (Income) for the year (net of tax)	-	-	-	-	0.12	0.12
Total comprehensive income for the year	**-**	**-**	**-**	**1,514.61**	**0.12**	**1,514.73**
Premium Received on Allotment of Shares / Exercise of Share options	9.77	-	(9.77)	-	-	-
Deferred employee compensation expense	-	-	20.16	-	-	20.16
Balance at March 31, 2023	**1,434.70**	**154.05**	**25.17**	**7,670.46**	**(0.63)**	**9,283.75**

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Other reserves	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2021	**1,418.61**	**154.05**	**9.14**	**4,675.88**	**(0.75)**	**6,256.93**
Profit for the year	-	-	-	1,479.15	-	1,479.15
Remeasurements of defined benefit plans (net of tax)	-	-	-	0.82	-	0.82
Total comprehensive income for the year	**-**	**-**	**-**	**1,479.97**	**-**	**1,479.97**
Premium Received on Allotment of Shares / Exercise of Share options	6.32	-	(6.32)	-	-	-
Deferred employee compensation expense	-	-	11.96	-	-	11.96
Balance at March 31, 2022	**1,424.93**	**154.05**	**14.78**	**6,155.85**	**(0.75)**	**7,748.86**

The accompanying notes 1 to 59 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 Registration No. 101248W/W-100022

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN : 00591503

Sudhir Sitapati
Managing Director & CEO
DIN: 09197063

Vijay Mathur
Partner
M. No. 046476

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and Compliance-Officer

Mumbai: May 10, 2023

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 standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest crore with 2 decimal places as per the requirements of Schedule III, unless otherwise stated.

The standalone financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 10, 2023.

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.

b) Basis of Measurement

These standalone 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 50 & 51).

2.2 Key judgements, estimates and assumptions

In preparing these standalone 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 50)

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)) and Note 51

vi. Fair values of financial instruments (Note 2.3)

vii. Impairment of financial and Non- Financial assets (Note 2.4.(f)(i) and 2.4(d))

viii. Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets (e.g. MAT) can be used (Note 12)

ix. Estimations of discounts, rebates and sales returns; (Note 2.4(k))

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

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 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.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

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 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 and whenever there is an indication that the intangible asset may be impaired. 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 years
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 standalone 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 recognised as an expense in the period in which they are incurred.

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. An impairment loss recognized for goodwill is not reversed in a subsequent period.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories 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,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) or fair value through statement of profit and loss (FVTPL).

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 54(B).

Financial assets at fair value through other comprehensive income (FVTOCI)
A debt instrument is measured at FVOCI if it meets 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 Company 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 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. This includes all derivative financial assets.

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:
Investments in subsidiaries 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, 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 and cross currency interest rate swaps, 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.

Finish 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.

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 standalone 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 specified in the customer contract 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, 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. The fair value of the employee share options is based on the Black Scholes model for time-based options and a combination of Monte-Carlo Simulation and Black-Scholes Merton model for performance-based options.

The grant-date fair value of equity-settled share-based payment granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized 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 recognized 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 market performance conditions and 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. Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

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 and other long term incentives 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 or based on management estimates

Actuarial gains and losses in respect of such benefits are charged to the Statement Profit or Loss account in the period in which they arise.

m) Leases

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:

The Company 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 and lease liabilities are presented separately 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.

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 standalone 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.

u) Recent accounting pronouncements which are not yet effective

The Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Amendment Rules as issued from time to time. On March 31, 2023 MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below :

Ind AS 1 – Presentation of Financial Statements The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12, Income Taxes The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting estimates and errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

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, 2023											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.42	187.92	35.84	523.31	15.12	11.10	20.50	34.18	90.26	933.16
Additions	-	-	19.31	10.00	170.41	0.39	2.21	3.81	4.39	-	210.52
(Disposals)	-	-	(0.01)	(0.15)	(7.05)	(0.06)	(2.78)	(0.16)	(5.35)	-	(15.56)
Closing Gross Carrying Amount	**0.51**	**14.42**	**207.22**	**45.69**	**686.67**	**15.45**	**10.53**	**24.15**	**33.22**	**90.26**	**1,128.12**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	3.95	29.15	24.81	254.19	8.55	5.91	12.35	25.69	10.35	374.95
Depreciation charge during the year *	-	0.16	5.47	4.81	67.87	1.45	1.79	2.66	4.66	1.50	90.37
(Disposals)	-	-	-	(0.14)	(5.18)	(0.06)	(1.91)	(0.16)	(5.27)	-	(12.72)
Closing Accumulated Depreciation	**-**	**4.11**	**34.62**	**29.48**	**316.88**	**9.94**	**5.79**	**14.85**	**25.08**	**11.85**	**452.60**
Net Carrying Amount	**0.51**	**10.31**	**172.60**	**16.21**	**369.79**	**5.51**	**4.74**	**9.30**	**8.14**	**78.41**	**675.52**
Year ended March 31, 2022											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.42	187.70	34.66	462.89	14.55	11.52	19.09	32.53	90.26	868.13
Additions	-	-	1.81	1.57	73.98	0.65	3.03	1.60	6.07	-	88.71
(Disposals)	-	-	(1.49)	(0.49)	(13.52)	(0.09)	(3.45)	(0.22)	(4.42)	-	(23.68)
Other adjustments	-	-	(0.10)	0.10	(0.04)	0.01	-	0.03	-	-	-
Closing Gross Carrying Amount	**0.51**	**14.42**	**187.92**	**35.84**	**523.31**	**15.12**	**11.10**	**20.50**	**34.18**	**90.26**	**933.16**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	3.79	25.55	20.97	216.34	7.18	6.66	10.10	25.10	8.85	324.54
Depreciation charge during the year	-	0.16	5.15	4.31	46.22	1.43	1.99	2.40	4.98	1.50	68.14
(Disposals)	-	-	(0.42)	(0.49)	(8.42)	(0.08)	(2.74)	(0.25)	(4.39)	-	(16.79)
Other adjustments	-	-	(1.13)	0.02	0.05	0.02	-	0.10	-	-	(0.94)
Closing Accumulated Depreciation	**-**	**3.95**	**29.15**	**24.81**	**254.19**	**8.55**	**5.91**	**12.35**	**25.69**	**10.35**	**374.95**
Net Carrying Amount	**0.51**	**10.47**	**158.77**	**11.03**	**269.12**	**6.57**	**5.19**	**8.15**	**8.49**	**79.91**	**558.21**

*Includes accelerated depreciation of ₹ 18.73 crore (31-Mar-22 ₹ Nil) on review of useful life of Property, Plant and Equipment.

Note 4 : Capital Work-In-Progress

Capital work-in-Progress ageing schedule

As At March 31, 2023

₹ Crore

Capital work in progress ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.28	0.43	-	-	5.71
Projects temporarily suspended	0.07	-	-	-	0.07
CWIP -assets not categorised as projects	-	-	-	-	15.80
TOTAL	**5.35**	**0.43**	**-**	**-**	**21.58**

As At March 31, 2022

₹ Crore

Capital work in progress ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	48.79	-	-	-	48.79
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects					27.83
TOTAL	**48.79**	**-**	**-**	**-**	**76.62**

NOTE :

a) There are no projects whose completion is overdue or exceeded the cost as compared to its original plan.

Note 5 : 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. Right-of-use asset is measured, on a lease by lease basis, at carrying amount. 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, 2023 is ₹ 40.12 crore (previous year ₹ 45.89 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 2020. 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 March 31, 2023	As at March 31, 2022
Gross carrying amount		
Opening Gross carrying amount	**55.32**	55.32
Additions	**23.92**	-
(Disposals)	**13.01**	-
Closing Gross carrying amount	**92.25**	**55.32**
Accumulated Depreciation		
Opening Accumulated Depreciation	**25.48**	13.47
Depreciation charge during the year	**13.66**	12.01
(Disposals)	**13.01**	-
Closing Accumulated Depreciation	**52.15**	**25.48**
Net Carrying Amount	**40.10**	**29.84**

(b) Lease liabilities

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Less than one year	**17.51**	12.61
One to three years	**32.57**	22.64
Three years to five years	**5.28**	0.00
More than five years	**0.23**	0.23
Total undiscounted lease liabilities as at 31 March	**55.59**	**35.48**

₹ Crore

Lease liabilities (discounted)	As at March 31, 2023	As at March 31, 2022
Non-current	**28.80**	20.42
Current	**13.28**	11.03
TOTAL	**42.08**	**31.45**

(c) Amounts recognized in statement of profit and loss

₹ Crore

Short-term leases	Year ended March 31, 2023	Year ended March 31, 2022
Expenses relating to short-term leases	**40.12**	45.89
TOTAL	**40.12**	**45.89**

(d) Cash outflow for leases

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Total cash outflow for leases	**14.29**	14.35
TOTAL	**14.29**	**14.35**

B] As a lessor:

(a) Amounts recognized in statement of profit and loss

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Operating lease income	**11.30**	**10.97**

(b) Undiscounted lease payments to be received after reporting date

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Less than one year	**10.86**	10.86
One to three years	**16.65**	22.63
Three years to five years	**0.00**	0.00
Total undiscounted lease payments	**27.51**	**33.49**

Note 6 : Intangible Assets

₹ Crore

	Goodwill	Other Intangible assets				
		Trademarks and Brands *	Computer Software	Technical Knowhow	Product registrations	Total Other Intangible assets
Year ended March 31, 2023						
Gross Carrying Amount						
Opening Gross Carrying Amount	2.48	791.56	62.69	0.10	0.33	854.68
Additions	-	-	6.87	-	-	6.87
Disposals	-	-	(15.50)	-	-	(15.50)
Closing Gross Carrying Amount	**2.48**	**791.56**	**54.06**	**0.10**	**0.33**	**846.05**
Opening Accumulated Amortisation	-	0.31	52.88	0.10	0.12	53.41
Amortisation recognised for the year	-	-	3.89	-	0.07	3.96
Disposals	-	-	(15.81)	-	-	(15.81)
Closing Accumulated Amortisation	**-**	**0.31**	**40.96**	**0.10**	**0.19**	**41.56**
Closing Net Carrying Amount	**2.48**	**791.25**	**13.10**	**-**	**0.14**	**804.49**
Year ended March 31, 2022						
Gross Carrying Amount						
Opening Gross Carrying Amount	2.48	791.56	57.62	0.10	0.33	849.61
Additions	-	-	5.08	-	-	5.08
Disposals	-	-	(0.01)	-	-	(0.01)
Closing Gross Carrying Amount	**2.48**	**791.56**	**62.69**	**0.10**	**0.33**	**854.68**
Accumulated Amortisation						
Opening Accumulated Amortisation	-	0.30	46.95	0.10	0.05	47.40
Amortisation recognised for the year	-	0.01	5.38	-	0.07	5.46
Disposals	-	-	0.55	-	-	0.55
Closing Accumulated Amortisation	**-**	**0.31**	**52.88**	**0.10**	**0.12**	**53.41**
Closing Net Carrying Amount	**2.48**	**791.25**	**9.81**	**-**	**0.21**	**801.27**

Note :

* Includes brands amounting to ₹ 791.25 crore (31-Mar-22 ₹ 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, 2023	As at January 31, 2022
Annual growth rate	**5-8%**	5-6%
Terminal Growth Rate	**5%**	5%
Royalty relief rate	**12%**	12%
Pre- tax discount rate	**10.90%**	10.70%

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. The Company has decided to perform impairment test for 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 2023 (31 March 2022: Nil)

Note 7 : Intangible Assets Under Development

Intangible assets under development ageing schedule

As At March 31, 2023

₹ Crore

Intangible assets under development ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	3.81
TOTAL	**-**	**-**	**-**	**-**	**3.81**

As At March 31, 2022

₹ Crore

Intangible assets under development ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	1.69
TOTAL	**-**	**-**	**-**	**-**	**1.69**

NOTE :

a) There are no projects whose completion is overdue or exceeded the cost as compared to its original plan.

b) There are no suspended projects.

Note 8 : Investments In Subsidiaries

₹ Crore

	Face Value	Numbers		Amounts	
		As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
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 Proprietary Limited	ZAR 1	18,050,000	18,050,000	12.67	12.67
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	185,944,409	185,944,409	982.14	982.14
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	70,258,458	70,258,458	47.65	47.65
Less : Provision for Diminution in the Value of Investments				(8.82)	-
Sub total				**38.83**	**47.65**
Godrej Consumer Products (Bangladesh) Ltd.	BDT 100	4,999	4,999	0.04	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	155,190,990	155,190,990	1,357.80	1,357.80
Godrej East Africa Holdings Ltd.	USD 1	109,450,001	109,450,001	808.25	808.25
Godrej Tanzania Holdings Ltd.	USD 1	17,850,001	17,850,001	121.29	121.29
Godrej SON Holdings INC.	USD 1	135,600,000	135,600,000	928.63	928.63
Godrej Consumer Care Ltd.	₹ 10	10,000,000	10,000,000	10.00	10.00
Godrej Consumer Products Limited Employees' Stock Option Trust*	-	-	-	-	-
Sub total				**4,400.58**	**4,409.40**
(b) Investments in Non-convertible Debentures					
(i) Subsidiary Companies					
Godrej Mauritius Africa Holdings Ltd. (Refer note below)	USD 1			698.55	-
			TOTAL	**5,099.13**	**4,409.40**
Aggregate Amount of Unquoted Investments				5,099.13	4,409.40
Aggregate Amount of Quoted Investments				-	-
Aggregate Market Value of Quoted Investments				-	-
Aggregate Provision for Impairment in the Value of Investments				(8.82)	-

Refer note 47 for percentage holding of the Company in subsidiaries

* Amounts less than 0.01 crores

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:

Redeemable Non-convertible debentures classified as at amortised cost have interest rates of 4.80% (31 March 2022 : Nil) and mature in three years (Refer Note 8(b)).

₹ Crore

	As at March 31, 2023	As at March 31, 2022
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 9 : Other Investments (Non-Current)

₹ Crore

	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unquoted:		
Investments in Deposits with Non-Banking Financial Companies	**-**	25.20
Quoted :		
Investments in Target Mutual fund	**199.08**	-
At Fair Value through Profit or Loss		
Investment in Equity Instruments*		
Godrej One Premises Management Pvt Ltd.* (1400 equity shares of ₹10 each)	**-**	-
TOTAL	**199.08**	**25.20**
Aggregate Amount of Unquoted Investments	**-**	25.20
Aggregate Amount of Quoted Investments	**199.08**	-
Aggregate Market Value of Quoted Investments	**199.08**	-
Aggregate Provision for Impairment in the Value of Investments	**-**	-

* Amounts less than 0.01 crores

Note 10 : Non-Current Loans

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.03**	0.03
TOTAL	**0.03**	**0.03**

Note 11 : Other Non-Current Financial Assets

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good, Unless Otherwise Stated		
Financial Guarantee Fee Receivables	**1.15**	4.78
Security Deposits	**16.38**	18.64
TOTAL	**17.53**	**23.42**

Note 12 : Tax Reconciliations

Tax expense recognised in the Statement of Profit and Loss

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax		
Current tax on profits for the year	**328.57**	306.44
Deferred tax (Net) Others	**0.61**	11.45
MAT Credit Recognised (adjustment on account of previous period)	**(6.00)**	(37.23)
MAT credit utilised	**32.72**	2.64
Total income tax expense	**355.90**	**283.30**

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, 2023	Year ended March 31, 2022
On remeasurements of defined benefit plans		
Deferred tax	**(0.49)**	(0.44)
On Cash Flow Hedge		
Deferred tax	**(0.07)**	-
Total	**(0.56)**	**(0.44)**

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, 2023	Year ended March 31, 2022
Profit before income taxes	**1,869.60**	1,762.45
Indian statutory income tax rate	**34.94%**	34.94%
Expected income tax expense	**653.32**	615.87
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Deduction under Sec 80IC and 80IE	**(300.53)**	(290.67)
Effect of other tax offsets	**1.39**	4.16
Tax effects of amounts which are not deductible for taxable income	**7.72**	7.71
Tax effect on divestment of investment in associate	**-**	(16.54)
Adjustments for current tax of prior periods (Excess MAT utilised) (Refer note (d))	**(6.00)**	(37.23)
Total income tax expense	**355.90**	**283.30**

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, 2023	As at March 31, 2022
Property, Plant and Equipment	**(19.66)**	(22.67)
Intangible assets	**(196.19)**	(193.27)
Total deferred tax liabilities	**(215.85)**	**(215.94)**

Deferred Tax Assets:

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligations	**16.45**	17.53
Provisions	**37.89**	38.15
Others	**0.80**	0.71
MAT credit	**482.74**	509.46
Total deferred tax assets	**537.88**	**565.85**
Net Deferred tax (Liabilities) / Assets	**322.03**	**349.91**

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 2021	(22.41)	(189.38)	20.72	41.68	1.73	474.87	327.21
(Charged)/Credited :							
- to profit or loss	(0.26)	(3.89)	(2.75)	(3.53)	(1.02)	34.59	23.14
- to other comprehensive income	-	-	0.44	-	-	-	0.44
At 1st April 2022	**(22.67)**	**(193.27)**	**17.53**	**38.15**	**0.71**	**509.46**	**349.91**
(Charged)/Credited :							
- to profit or loss	3.01	(2.92)	(0.59)	(0.26)	0.16	(26.72)	(27.33)
- to other comprehensive income	-	-	0.49	-	0.07	-	0.56
As at 31st March 2023	**(19.66)**	**(196.19)**	**16.45**	**37.89**	**0.80**	**482.74**	**322.03**

Liabilities for Current Tax (Net)

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Liabilities for Current Tax (Net)	**0.96**	0.96
[Net of advance tax of ₹ 128.87 crore (31-Mar-22 ₹ 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) 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 ₹ -26.72 crore (net) (31-Mar-22 : ₹ 34.59 crore). Company 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 ₹ 482.74 crore (31-Mar-22 : ₹ 509.46 crore) in future years against the normal tax expected to be paid in those years.

(d) During the year ended March 31, 2023, the Company has reassessed tax benefits under section 80IE of the Income tax Act for financial year 2021-22 based on which incremental Minimum alternate tax credit of ₹ 6 crore (31-Mar-22 : ₹ 37.23 crore) has been recognised in the Standalone Financial Statements.

(e) New provision inserted in the Income tax Act (Sept 2019) with effect from fiscal year 2019-20, allows any domestic company to pay income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The lower rate is an option and companies can continue to account based on the old rates. The Company has plants located in North-east region enjoying income tax exemption, and the effective rate based on the tax exemption plants is lower than 25.17%, so company decided to not opt for lower rate in FY 2022-23.

(f) Based on internal projections the company plans to opt for the lower tax rate in FY 2024-25 and onwards. Accordingly company has reversed deferred tax assets/liabilities recognised in earlier years at the tax rates enacted during the period, to the extent they are likely to reverse after 31st March 2024. The impact of such reversal during the year was ₹ (1.28) crore (31-Mar-22 : ₹ 1.11 crore).

Note 13 : Other Non-Current Assets

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Capital Advances (Refer Note below)		
Considered Good	**15.15**	37.11
Considered Doubtful	**0.86**	1.00
Less: Provision for Doubtful Advances	**(0.86)**	(1.00)
Advances other than capital advances		
Balances with Government Authorities (deposits paid under protest)	**30.83**	39.86
Other non-current assets (includes prepaid expenses)		
Considered Good	**0.48**	0.89
TOTAL	**46.46**	**77.86**

Note:

Capital Advances include ₹ Nil crore (31-Mar-2022 ₹ 0.05 crore) paid to Related Parties. (Refer Note 47)

Note 14 : Non-Current Tax Assets (Net)

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Advance Tax	**47.91**	45.96
[Net of Provision for taxation - ₹ 2,911.00 crore (31-Mar-22 ₹ 2,582.84 crore)]		
TOTAL	**47.91**	**45.96**

(Refer Note 12 for tax reconciliations)

Note 15 : Inventories

₹ Crore

	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	**202.22**	354.54
Goods-in Transit	**41.63**	22.01
	243.85	376.55
Work-in-Progress	**43.11**	57.02
Finished Goods	**260.76**	305.01
Stock-in-Trade	**31.31**	38.62
Stores and Spares	**12.57**	13.64
TOTAL	**591.60**	**790.84**

NOTE :

During the year ended March 31, 2023 an amount of ₹ 15.75 crore (31-Mar-22 ₹ 10.99 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-22 ₹ Nil)

Note 16 : Investments (Current)

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Quoted		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	**863.94**	311.60
At amortised cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**728.37**	127.19
Investments in Commercial Papers with Non-Banking Financial Companies	**342.02**	49.98
Unquoted		
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	**175.26**	277.63
	2,109.59	**766.40**
Aggregate Amount of Unquoted Investments	**175.26**	277.63
Aggregate Amount of Quoted Investments	**1,934.33**	488.77
Aggregate Market Value of Quoted Investments	**1,934.33**	488.77

Note 17 : Trade Receivables

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Secured		
Trade receivables- considered good	**1.65**	0.48
	1.65	0.48
Unsecured		
Trade receivables- considered good	**319.14**	336.44
Trade receivables- credit impaired	**19.45**	12.45
Less: Allowance for Bad and Doubtful Debts	**(19.45)**	(12.45)
TOTAL	**320.79**	**336.92**

Refer note 54A & 54B for information on market risk and credit risk.

Refer note 47B for information about receivables from related parties.

Note :

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

Trade receivables ageing schedule

As At March 31, 2023

₹ Crore

Trade receivables outstanding from Due date	Not due	Upto 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	197.83	93.27	7.58	13.00	4.37	4.74	320.79
Undisputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	7.85	5.64	2.02	2.58	18.09
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	0.75	0.44	0.17	1.36
Provision for bad and doubtful debts							(19.45)
Total	**197.83**	**93.27**	**15.43**	**19.39**	**6.83**	**7.49**	**320.79**

As At March 31, 2022

₹ Crore

Trade receivables outstanding from Due date	Not due	Upto 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	214.00	106.23	6.38	6.73	3.57	0.01	336.92
Undisputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	5.34	1.91	1.17	2.15	10.57
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	0.01	0.01	0.08	0.18	0.17	1.43	1.88
Provision for bad and doubtful debts							(12.45)
Total	**214.01**	**106.24**	**11.80**	**8.82**	**4.91**	**3.59**	**336.92**

NOTE :

There are no unbilled recievables as at 31st March, 2023 and 31st March, 2022.

Note 18 : Cash and Cash Equivalents

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
- In Current Accounts	**14.20**	33.52
	14.20	33.52
Cheques, Drafts on Hand	**3.46**	1.62
Cash on Hand	**0.03**	0.09
TOTAL	**17.69**	**35.23**

Note :

a) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 19 : Other Bank Balances

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Deposits with maturities more than 3 months but less than 12 months (Refer Note below)	**19.10**	294.56
In Unpaid Dividend Accounts	**13.68**	15.18
TOTAL	**32.78**	**309.74**

Note:

(a) The fixed deposits include deposits under lien against bank guarantees ₹ 4.36 crore (31-Mar-22 ₹ 4.23 crore).

Note 20 : Current Loans

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.05**	0.05
TOTAL	**0.05**	**0.05**

Note 21 : Other Current Financial Assets

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Financial guarantee fee receivable	**4.04**	4.97
Interest on Non-convertible Debentures (Related Parties)	**18.07**	-
Refunds/Incentives receivables from Govt. Authorities (Excise duty/GST)		
Considered Good	**21.17**	29.84
Considered Doubtful	**18.65**	22.56
Less: Provision for Doubtful Advances	**(18.65)**	(22.56)
	21.17	29.84
Derivative assets - forward exchange contracts	**1.03**	0.11
Others (includes receivables of insurance claims, exports incentives)	**7.14**	2.55
Security Deposits	**1.24**	0.68
TOTAL	**52.69**	**38.15**

Note 22 : Other Current Assets

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Balances with Government Authorities (GST)	**124.47**	145.02
Contract assets (Right to receive inventory)	**7.65**	9.82
Other Advances (includes prepaid expenses, vendor advances)		
Considered Good	**23.92**	49.01
Considered Doubtful	**0.62**	0.32
Less: Provision for Doubtful Advances	**(0.62)**	(0.32)
TOTAL	**156.04**	**203.85**

Note :

Refer note 47B for information about advance paid to Related Parties.

Note 23 : Equity Share Capital

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Authorised		
1,030,000,000 Equity Shares (31-Mar-22: 1,030,000,000) of ₹ 1 each	**103.00**	103.00
10,000,000 Preference Shares (31-Mar-22: 10,000,000) of ₹ 1 each	**1.00**	1.00
Issued		
1,022,726,442 Equity Shares (31-Mar-22: 1,022,612,203) of ₹ 1 each	**102.27**	102.26
Subscribed and Fully Paid up		
1,022,695,318 Equity Shares (31-Mar-22: 1,022,581,079) of ₹ 1 each fully paid up	**102.27**	102.26
TOTAL	**102.27**	**102.26**

Notes:

a) During the year, the Company has issued 1,14,239 equity shares (31-Mar-22 : 94,806) under the Employee Stock Grant Scheme.

b) 31,124 Rights Issue equity shares (31-Mar-22 : 31,124 equity shares) are kept in abeyance due to various suits filed in courts / forums by third parties. No claims in respect of these shares have been received by the company.

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, 2023		As at March 31, 2022	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	**1,022,581,079**	**102.26**	1,022,486,273	102.25
Add : Shares Issued on exercise of employee stock grant scheme	**114,239**	**0.01**	94,806	0.01
Shares outstanding at the end of the year	**1,022,695,318**	**102.27**	**1,022,581,079**	**102.26**

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, 2023 the amount of per share dividend recognised as distribution to equity shareholders was ₹ Nil (31-Mar-22 ₹ Nil).

e) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	**75,011,445**	**7.33%**	75,011,445	7.34%
Godrej Industries Limited	**242,812,860**	**23.74%**	242,812,860	23.75%
Godrej Seeds & Genetics Limited	**280,500,000**	**27.43%**	280,500,000	27.43%

f) **Shares Reserved for issue under options**

The Company has 9,90,235 (31-Mar-22 year 6,16,102) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2023. (As detailed in Note 51)

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.

k) **Details of shares held by promoters**

As At March 31, 2023

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Godrej Seeds & Genetics Limited	Equity shares of INR 1 each fully paid	280,500,000	280,500,000	-	-
Godrej Industries Limited		242,812,860	242,812,860	-	-
Godrej & Boyce Manufacturing Co. Ltd.		75,011,445	75,011,445	-	-
Rishad Kaikhushru Naoroji & Others (Partners Of Rkn Enterprises)		13,438,500	13,438,500	-	-
Pheroza Jamshyd Godrej		9,640,700	9,640,700	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Family Trust)		2,901,200	2,901,200	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Family Trust)		2,901,200	2,901,200	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Family Trust)		2,843,100	2,843,100	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Family Trust)		2,843,100	2,843,100	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Family Trust)		2,843,100	2,843,100	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Hng Family Trust)		2,752,299	2,752,299	-	-
Sohrab Nadir Godrej		1,901,184	1,901,184	-	-
Burjis Nadir Godrej		1,901,172	1,901,172	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Successor Trust)		1,312,441	1,312,441	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Successor Trust)		1,312,429	1,312,429	-	-
Hormazd Nadir Godrej		461,314	461,314	-	-
Pirojsha Adi Godrej		370,129	370,129	-	-
Nisaba Godrej		370,087	370,087	-	-
Azaar Arvind Dubash		370,000	370,000	-	-
Adi Barjorji Godrej		1,500	1,500	-	-
Navroze Jamshyd Godrej		77	77	-	-
Rishad Kaikhushru Naoroji		72	72	-	-
Freyan Crishna Bieri		70	70	-	-
Tanya Arvind Dubash		66	66	-	-
Nyrika Holkar		64	64	-	-
Nadir Barjorji Godrej		63	63	-	-
Raika Jamshyd Godrej		50	50	-	-
Jamshyd Godrej And Others (Trustees Of The Raika Godrej Family Trust)		24	24	-	-
Adi Godrej, Tanya Dubash, Nisaba Godrej And Pirojsha Godrej (Trustees Of Abg Family Trust)		1	1	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Children Trust)		1	1	-	-

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Children Trust)	Equity shares of INR 1 each fully paid	1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Nbg Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Rng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Burjis Godrej (Trustees Of Bng Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Sohrab Godrej (Trustees Of Sng Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Jng Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Pjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Rjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Raika Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Njg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Navroze Lineage Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Sgc Family Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Vmc Family Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Children Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Children Trust)		1	1	-	-

As At March 31, 2022

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Godrej Seeds & Genetics Limited	**Equity shares of INR 1 each fully paid**	280,500,000	280,500,000	-	-
Godrej Industries Limited		242,812,860	242,812,860	-	-
Godrej & Boyce Manufacturing Co. Ltd.		75,011,445	75,011,445	-	-
Rishad Kaikhushru Naoroji & Others (Partners Of Rkn Enterprises)		13,438,500	13,438,500	-	-
Pheroza Jamshyd Godrej		9,640,700	9,640,700	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Family Trust)		2,901,200	2,901,200	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Family Trust)		2,901,200	2,901,200	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Family Trust)		2,843,100	2,843,100	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Family Trust)		2,843,100	2,843,100	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Family Trust)		2,843,100	2,843,100	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Hng Family Trust)		2,752,299	2,752,299	-	-
Sohrab Nadir Godrej		1,901,184	1,901,184	-	-
Burjis Nadir Godrej		1,901,172	1,901,172	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Successor Trust)		1,312,441	1,312,441	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Successor Trust)		1,312,429	1,312,429	-	-
Hormazd Nadir Godrej		461,314	461,314	-	-
Pirojsha Adi Godrej		370,129	370,129	-	-
Nisaba Godrej		370,087	370,087	-	-
Azaar Arvind Dubash		370,000	370,000	-	-
Adi Barjorji Godrej		1,500	1,500	-	-
Navroze Jamshyd Godrej		77	77	-	-
Rishad Kaikhushru Naoroji		72	72	-	-
Freyan Crishna Bieri		70	70	-	-
Tanya Arvind Dubash		66	66	-	-
Nyrika Holkar		64	64	-	-
Nadir Barjorji Godrej		63	63	-	-
Raika Jamshyd Godrej		50	50	-	-
Jamshyd Godrej And Others (Trustees Of The Raika Godrej Family Trust)		24	24	-	-
Adi Godrej, Tanya Dubash, Nisaba Godrej And Pirojsha Godrej (Trustees Of Abg Family Trust)		1	1	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Children Trust)		1	1	-	-

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Children Trust)	Equity shares of INR 1 each fully paid	1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Nbg Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Rng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Burjis Godrej (Trustees Of Bng Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Sohrab Godrej (Trustees Of Sng Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Jng Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Pjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Rjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Raika Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Njg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Navroze Lineage Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Sgc Family Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Vmc Family Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Children Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Children Trust)		1	1	-	-

Note 24 : Other Equity

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Securities Premium	**1,434.70**	1,424.93
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	**23.56**	13.17
	25.17	14.78
Retained Earnings	**7,670.46**	6,155.85
Other Comprehensive Income (Effective portion of cash flow hedges)	**(0.63)**	(0.75)
TOTAL	**9,283.75**	**7,748.86**

Other Reserves Movement

₹ Crore

	As at March 31, 2023	As at March 31, 2022
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	**13.17**	7.53
(-) Exercise of Share options	**(9.77)**	(6.32)
(+) Deferred Employee Compensation Expense (Refer Note 38)	**20.16**	11.96
Closing Balance	**23.56**	**13.17**
TOTAL	**25.17**	**14.78**

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 51 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 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 25 : Non-Current Financial Liabilities

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Lease liabilities (Refer Note 5)	**28.80**	20.42
TOTAL	**28.80**	**20.42**

Note 26 : Provisions (Non-Current)

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity (Refer Note 50)	**50.61**	51.67
Compensated Absences	**4.13**	5.76
Other long-term incentive	**4.19**	-
TOTAL	**58.93**	**57.43**

Note 27 : Other Non-Current Liabilities

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Unearned premium on guarantees given to subsidiaries	**1.05**	4.64
Others (includes deferred grants, sundry deposits)	**2.36**	2.29
TOTAL	**3.41**	**6.93**

Note 28 : Borrowings

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Unsecured, Working Capital Loan Repayable on Maturity		
From Banks		
Overdraft Facilities (Refer Note (a) below)	**23.82**	-
TOTAL	**23.82**	**-**

Notes:

a) Overdraft facilities ₹ 23.82 crore (31-Mar-2022 ₹ Nil crore) is an unsecured facility and is repayable on demand. Interest would be payable at the rate of 9.55%.

Note 29 : Current - Lease Liabilities

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Lease liabilities (refer note 5)	**13.28**	11.03
TOTAL	**13.28**	**11.03**

Note 30 : Trade Payables

₹ Crore

		As at March 31, 2023	As at March 31, 2022
i)	MSME	**46.40**	23.24
ii)	Other than MSME (Refer Note 47B)	**664.69**	602.06
TOTAL		**711.09**	**625.30**

(Refer Note 54C)

Disclosures pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as follows:

		As at March 31, 2023	As at March 31, 2022
I	The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	**46.40**	23.24
II	Interest due thereon	**-**	-
Trade payable dues to Micro and small enterprises		**-**	-
(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)	**-**	-
(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	**-**	-

Trade payables ageing schedule

As At March 31, 2023

₹ Crore

Particulars		Outstanding for following periods from due date of payment						Total
		Unbilled	Not due	Less than 1year	1-2 years	2-3 years	More than 3years	
i)	MSME	-	45.81	0.56	-	-	0.03	46.40
ii)	Other than MSME	309.26	218.77	132.69	0.96	0.92	1.33	663.93
iii)	Disputed dues -MSME	-	-	-	-	-	-	-
iv)	Disputed dues -Others	-	-	-	-	-	0.76	0.76
Total		**309.26**	**264.58**	**133.25**	**0.96**	**0.92**	**2.12**	**711.09**

As At March 31, 2022

₹ Crore

Particulars		Outstanding for following periods from due date of payment						Total
		Unbilled	Not due	Less than 1year	1-2 years	2-3 years	More than 3years	
i)	MSME	-	23.07	0.17	-	-	-	23.24
ii)	Other than MSME	250.03	228.16	119.31	1.23	1.27	1.30	601.30
iii)	Disputed dues -MSME	-	-	-	-	-	-	-
iv)	Disputed dues -Others	-	-	-	-	-	0.76	0.76
Total		**250.03**	**251.23**	**119.48**	**1.23**	**1.27**	**2.06**	**625.30**

Note 31 : Other Current Financial Liabilities

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Security Deposit Received	**4.36**	4.36
Employee Benefits Payable	**66.21**	57.93
Derivative Liability - Cross currency interest rate swap used for hedging	**11.95**	-
Unpaid Dividends (Refer Note below)	**13.68**	15.18
Capital creditors and other payables	**15.70**	11.87
TOTAL	**111.90**	**89.34**

(Refer Note 54C)

Note:

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 32 : Other Current Liabilities

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Statutory Dues (TDS, Octroi etc)	**11.72**	8.13
Advance from customers	**20.95**	19.82
Contractual and constructive obligation	**117.51**	117.89
Unearned premium on guarantees given to subsidiaries	**3.60**	4.76
Others (includes PF, deferred revenue)	**4.04**	4.86
TOTAL	**157.82**	**155.46**

Note 33 : Provisions (Current)

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity (Refer Note 50)	**8.15**	8.38
Compensated Absences	**1.22**	1.41
Other provisions		
Provision for Sales Returns	**26.14**	36.07
Provision towards Litigations	**29.84**	19.22
TOTAL	**65.35**	**65.08**

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, 2021	**32.36**	**18.82**
Provisions made during the year	3.71	0.40
Provisions reversed during the year	-	-
As at April 1, 2022	36.07	19.22
Provisions made during the year	-	10.62
Provisions reversed during the year	(9.93)	-
As at March 31, 2023	**26.14**	**29.84**

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 34 : Revenue From Operations

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of Products	**7,530.80**	6,819.32
Other Operating Revenues		
a) Royalty & Technical Fees	**23.93**	22.46
b) Miscellaneous Income (includes Refunds/Incentives from Govt. Authorities)	**112.44**	109.78
TOTAL	**7,667.17**	**6,951.56**

Notes :

a) Revenue Information

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue by product categories		
Home care	**3,540.88**	3,383.99
Personal care	**3,989.92**	3,435.33
TOTAL	**7,530.80**	**6,819.32**

b) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	**7,826.82**	7,100.63
Sales returns	**9.93**	(3.71)
Rebates/Discounts	**(305.95)**	(277.60)
Revenue from contract with customers	**7,530.80**	**6,819.32**

c) Contract Balances

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Trade receivables (Note 17)	**320.79**	336.92
Contract assets (Note 22)	**7.65**	9.82
Contract liabilities (Note 32)	**20.95**	19.82

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.

d) Significant changes in contract assets and liabilities during the period

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	**19.82**	23.10

Note 35 : Other Income

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on:		
Fixed deposits with Non-Banking Financial Companies at amortised cost	**16.97**	26.48
Deposits with banks	**6.88**	8.92
On Derivative Instruments	**10.32**	-
Commercial Papers	**10.30**	0.81
Non-convertible Debentures (Related parties)	**18.07**	-
On Others	**0.48**	0.17
Net Gain on Sale of Investments (Mutual Funds/ Non-convertible debentures)	**47.78**	10.90
Fair Value Gain/(Loss) on financial assets measured at fair value through profit or loss	**5.83**	0.62
Other Non-Operating Income		
Net Gain on Foreign Currency Transactions and Translations	**6.12**	0.87
Guarantee Commission income	**4.79**	8.17
Rental Income	**11.30**	10.97
Miscellaneous Non-operating Income	**0.64**	1.27
TOTAL	**139.48**	**69.18**

Note 36 : Cost Of Materials Consumed

₹ Crore

		Year ended March 31, 2023	Year ended March 31, 2022
Raw material and packing material			
Opening Inventory		**376.55**	287.95
Add : Purchases (Net)		**3,233.56**	3,152.53
		3,610.11	3,440.48
Less: Closing Inventory		**(243.85)**	(376.55)
Cost of Materials Consumed	**TOTAL**	**3,366.26**	**3,063.93**

Note 37 : Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

₹ Crore

		Year ended March 31, 2023	Year ended March 31, 2022
Opening Inventory			
Finished Goods		**305.01**	292.49
Stock-in-Trade		**38.62**	61.80
Work-in-Progress		**57.02**	49.34
		400.65	**403.63**
Less: Closing Inventory			
Finished Goods		**260.76**	305.01
Stock-in-Trade		**31.31**	38.62
Work-in-Progress		**43.11**	57.02
		335.18	**400.65**
(Increase)/Decrease in Inventories	**TOTAL**	**65.47**	**2.98**

Note 38 : Employee Benefits Expense

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	**321.46**	302.59
Compensated Absences	**1.37**	1.05
Contribution to Provident and Other Funds (Refer Note 50)	**20.18**	21.75
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 51B)	**20.16**	11.96
Staff Welfare Expenses	**9.02**	10.17
TOTAL	**372.19**	**347.52**

Note:

During the year ended March 31, 2023, Employee Benefits expense includes provision for long term incentive amounting to ₹ 4.19 Crore (Previous Year: ₹ Nil Crore) recorded on achievement of certain parameters as at March 31, 2023 and certain parameters expected to be achieved during the financial year 2023-24, as per the long term incentive scheme in accordance with the accounting standards. This long-term incentive is payable in financial year 2023-24 and 2024-25, subject to fulfilment of all the defined parameters and therefore the provision is recorded at its present value.

Note 39 : Finance Costs

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense		
Interest on lease liabilities	**2.76**	2.37
Others (mainly includes interest on Short-term borrowings)	**0.31**	5.39
Other borrowing costs		
Bill discounting Charges	**-**	0.11
TOTAL	**3.07**	**7.87**

Note 40 : Depreciation and Amortisation Expenses

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	**90.37**	68.14
Depreciation on Right of use assets - buildings	**13.66**	12.01
Amortisation on intangible assets	**3.96**	5.46
TOTAL	**107.99**	**85.61**

Note 41 : Other Expenses

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and Spare Parts	**14.29**	13.11
Power and Fuel	**122.37**	100.67
Rent (Net) (Refer Note 5)	**40.12**	45.89
Repairs and Maintenance		
Plant and Equipment	**6.61**	6.80
Buildings	**5.04**	4.96
Others (Net)	**32.92**	31.48
	44.57	43.24
Insurance	**8.93**	7.19
Rates and Taxes	**12.75**	10.41
Processing and Other Manufacturing Charges	**175.47**	188.56
Travelling and Conveyance	**29.85**	21.36
Auditors' Remuneration		
As Statutory Auditor	**1.99**	1.86
For Other audit related services	**0.12**	0.36
Reimbursement of Expenses	**0.02**	0.03
	2.13	2.25
Legal and Professional Charges	**42.44**	36.93
Donations	**0.52**	0.38
Sales Promotion	**34.94**	63.22
Advertising and Publicity	**687.34**	501.13
Selling and Distribution Expenses	**122.29**	78.73
Freight	**251.26**	276.55
Net Loss on Sale/ write off of Property, Plants and Equipment	**0.03**	3.36
Bad Debts Written Off	**1.36**	-
Provision for Doubtful Debts / Advances	**7.15**	-
CSR expenditure (Refer Note 52)	**31.99**	30.46
Miscellaneous Expenses (Net) (Refer Note (a) below)	**68.90**	59.61
TOTAL	**1,698.70**	**1,483.05**

Note :

Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Note 42 : Exceptional Items

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Impairment (reversal) / provision	**8.82**	(15.38)
Settlement of Litigation with tax authorities	**18.77**	-
Net gain on sale of investment in Associate	**-**	(42.83)
TOTAL	**27.59**	**(58.21)**

Note :

During the year ended March 31, 2023 exceptional items comprise an amount of ₹ 18.77 crore on account of litigation settlement under VAT amnesty scheme and amount of ₹ 8.82 crore Impairment provision for diminution in the value of investments of Godrej Household Products Lanka (Pvt) Ltd.

The Company divested its entire stake in Bhabani Blunt Hair Dressing Private Limited on March 16th,2022, and the right to use the "BBLUNT" brand name to manufacture and sell BBLUNT branded products business during last year in line with the overall strategy of sharpening the strategic focus on the core business portfolio. Total consideration received by GCPL on closing of the transaction is ₹ 78.65 crore (Net). For the year ended March 31, 2022, the Company had exceptional gain of ₹ 58.21 crore (net) on account of divestment of investment in an associate.

Note 43 : Earnings Per Share

	Year ended March 31, 2023	Year ended March 31, 2022
Net Profit After Tax (₹ Crore)	**1,513.70**	**1,479.15**
Number of Shares outstanding at the beginning of the year	**1,022,581,079**	1,022,486,273
Add : Shares Issued during the year	**114,239**	94,806
Number of Shares outstanding at the end of the year	**1,022,695,318**	1,022,581,079
Weighted Average Number of Equity Shares		
For calculating Basic EPS	**1,022,636,084**	1,022,545,027
Effect of dilution:		
Shared based payments	**229,629**	119,419
For calculating Diluted EPS	**1,022,865,713**	1,022,664,446
Earnings Per Share		
(Face Value ₹ 1)		
Basic (₹)	**14.80**	14.47
Diluted (₹)	**14.80**	14.46

Note 44 : Commitments

Estimated value of contracts remaining to be executed on capital account to the extent not provided for ₹ 66.50 crore (31-Mar-22 ₹ 40.97 crore), net of advances there against of ₹ 15.15 crore (31-Mar-22 ₹ 37.11 crore).

Note 45 : Dividend

During the year 2022-23, no interim dividend has been paid.

Note 46 : Contingent Liabilities

₹ Crore

		As at March 31, 2023	As at March 31, 2022
a)	**CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS**		
i)	Excise duty and service tax matters	**56.70**	56.73
ii)	Sales tax and VAT matters	**34.29**	65.07
iii)	GST matters	**0.18**	-
iv)	Income-tax matters	**12.91**	12.78
v)	Other matters	**3.00**	3.00
b)	**GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES**		
i)	Guarantee amounting to USD 50.50 million (31-Mar-22 USD 50.50 million) given by the Company to Standard Chartered Bank Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	**415.02**	382.75
ii)	Guarantee amounting to USD 30.45 million (31-Mar-22 USD 36.75) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards Banking facility taken by Godrej SON Holdings, Inc.	**250.25**	278.54
iii)	Guarantee amounting to USD Nil million (31-Mar-22 USD 49.58 million) given by the Company to HSBC (Singapore) against loan provided to Godrej Mauritius Africa Holdings Ltd.	**-**	375.80
iv)	Guarantee amounting to USD 24.20 million (31-Mar-22 USD 24.20 million) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards Banking facility taken by Godrej Mauritius Africa Holdings Ltd.	**198.88**	183.42
v)	Guarantee amounting to USD 0.58 million (31-Mar-22 Nil) given by the Company to SMBC Singapore towards IRS facility taken by Godrej Mauritius Africa Holdings Ltd.	**4.73**	
		868.88	**1,220.51**
c)	**OTHER GUARANTEES**		
i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 4.36 crore.	**27.89**	37.92
ii)	Guarantee given by the Company to Kotak Mahindra Bank for credit facilities extended to M/s. Broadcast Audience Research Council.	**-**	0.30
		27.89	**38.22**

₹ Crore

		As at March 31, 2023	As at March 31, 2022
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.	**31.59**	32.22
ii)	Others	**-**	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.

Note 47 : 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, 2023	% Holding as at March 31, 2022
Belaza Mozambique LDA	Mozambique	**100%**	100%
Canon Chemicals Limited	Kenya	**100%**	100%
Charm Industries Limited	Kenya	**100%**	100%
Consell (under voluntary Liquidation)	Argentina	**100%**	100%
Cosmetica National	Chile	**100%**	100%
Darling Trading Company Mauritius Limited	Mauritius	**100%**	100%
Deciral S.A.	Uruguay	**100%**	100%
DGH Phase Two Mauritius	Mauritius	**100%**	100%
DGH Tanzania Limited	Mauritius	**100%**	100%
DGH Uganda (Divested on Nov 21, 2022)	Mauritius	**0%**	51%
Frika Weave (Pty) Ltd	South Africa	**100%**	100%
Godrej (UK) Ltd	UK	**100%**	100%
Godrej Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Consumer Care Limited (w.e.f. January 4, 2022)	India	**100%**	100%
Godrej Consumer Products Limited Employees' Stock Option Trust	India	**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 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	**100%**	100%
Godrej CP Malaysia SDN BHD (Indirectly controlled by GCPL)	Malaysia	**100%**	100%
Godrej East Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Global Mideast FZE	Sharjah,UAE	**100%**	100%
Godrej Holdings (Chile) Limitada	Chile	**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 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 (under voluntary liquidation)	Peru	**100%**	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2023	% Holding as at March 31, 2022
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	**100%**	100%
Hair Credentials Zambia Limited	Zambia	**100%**	100%
Hair Trading (Offshore) S.A.L.	Lebanon	**51%**	51%
Indovest Capital (entity restated again on 24th Feb 2023)	Labuan	**100%**	100%
Issue Brazil LTDA (under voluntary liquidation)	Brazil	**100%**	100%
Kinky Group (Proprietary) Limited	South Africa	**100%**	100%
Laboratorio Cuenca S.A	Argentina	**100%**	100%
Lorna Nigeria Limited	Nigeria	**100%**	100%
Old Pro International, Inc.	USA	**100%**	100%
Panamar Producciones SA (under voluntary liquidation)	Argentina	**100%**	100%
PT. Godrej Business Service Indonesia	Indonesia	**100%**	100%
PT Indomas Susemi Jaya	Indonesia	**100%**	100%
PT. Godrej distribution Indonesia	Indonesia	**100%**	100%
PT Sarico Indah	Indonesia	**100%**	100%
PT. Godrej Consumer Products Indonesia	Indonesia	**100%**	100%
Sigma Hair Industries Ltd.	Tanzania	**100%**	100%
Strength of Nature LLC	USA	**100%**	100%
Style Industries Ltd	Kenya	**100%**	100%
Subinite (Pty) Ltd	South Africa	**100%**	100%
Weave Ghana	Ghana	**100%**	100%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	**100%**	100%
Weave Mozambique Limitada	Mozambique	**100%**	100%
Weave Senegal	Senegal	**100%**	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	**51%**	51%

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) Godrej Projects Development Private Limited

vi) Godrej One Premises Management Private Limited

e) Key Management Personnel and Relatives

i)	Mr. Adi Godrej	Chairman Emeritus (till September 30, 2021)
ii)	Ms. Nisaba Godrej	Executive Chairperson (Chairperson & Managing director upto October 18,2021) /Daughter of Mr. Adi Godrej / Sister of Mr. Pirojsha Godrej and Ms. Tanya Dubash
iii)	Mr. Sudhir Sitapati	Managing Director & CEO (From October 18, 2021)
iv)	Mr. V. Srinivasan	Chief Financial Officer and Company Secretary (till August 31, 2021)
v)	Mr. Sameer Shah	Chief Financial Officer (From September 1, 2021)
vi)	Mr. Rahul Botadara	Company Secretary and Compliance Officer(From September 1, 2021)
vii)	Mr. Pirojsha Godrej	Non-Executive Director / Son of Mr. Adi Godrej / Brother of Ms. Nisaba Godrej and Ms. Tanya Dubash
viii)	Mr. Nadir Godrej	Non-Executive Director/ Brother of Mr. Adi Godrej
ix)	Ms. Tanya Dubash	Non-Executive Director/ Daughter of Mr. Adi Godrej /Sister of Mr. Pirojsha Godrej and Ms. Nisaba Godrej
x)	Mr. Jamshyd Godrej	Non Executive Director
xi)	Mr. Aman Mehta	Independent Director (Up to August 31, 2021)
xii)	Mr. Omkar Goswami	Independent Director
xiii)	Ms. Ireena Vittal	Independent Director
xiv)	Mr. Narendra Ambwani	Independent Director
xv)	Ms. Ndidi Nwuneli	Independent Director
xvi)	Ms. Pippa Armerding	Independent Director
xvii)	Mr. Sumeet Narang	Independent Director
xviii)	Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xix)	Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xx)	Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xxi)	Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xxii)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxiii)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

f) Post employment Benefit Trust where the reporting entity exercises significant influence

i) Godrej Consumer Products Employees' Provident Fund

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, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Goods	63.89	114.20	-	0.13	29.63	33.47	2.65	1.49	-	-	-	-	**96.17**	**149.29**
Sale of Capital Asset	-	-	-	-	0.04	0.01	0.02	-	-	-	-	-	**0.06**	**0.01**
Purchase of Materials and Spares	2.73	3.53	-	-	99.81	81.57	-	7.04	-	-	-	-	**102.54**	**92.14**
Purchase of Fixed Asset including Assets under Construction	-	-	-	-	-	-	0.02	0.24	-	-	-	-	**0.02**	**0.24**
Advance Paid	-	-	-	-	-	-	-	-	-	-	-	9.50	**-**	**9.50**
Advance received back	-	-	-	-	-	-	-	-	-	-	-	9.50	**-**	**9.50**
Royalty and Technical Fees Received	23.93	22.46	-	-	-	-	-	-	-	-	-	-	**23.93**	**22.46**
Royalty and Technical Fees Paid	0.16	0.13	-	0.55	-	-	-	-	-	-	-	-	**0.16**	**0.68**
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	3.78	2.75	-	0.10	33.29	23.40	6.47	5.71	-	-	-	-	**43.54**	**31.96**
Expenses Recovered	17.71	18.43	-	-	1.37	1.24	0.19	0.01	-	-	-	-	**19.27**	**19.68**
Investments Made	698.55	502.30	-	-	-	-	-	-	-	-	-	-	**698.55**	**502.30**
Investments Sold / Redeemed	-	-	-	32.04	-	-	-	-	-	-	-	-	**-**	**32.04**
Interest income	18.07		-		-		-		-		-		**18.07**	**-**
Guarantees Given / (Cancelled)	4.73	278.54	-	-	-	-	-	-	-	-	-	-	**4.73**	**278.54**
Guarantee Commission Income	4.79	8.17	-	-	-	-	-	-	-	-	-	-	**4.79**	**8.17**
Income from Business Support Services	4.01	12.45	-	-	-	-	-	-	-	-	-	-	**4.01**	**12.45**
Lease Rentals Received	-	-	-	-	11.63	11.03	-	-	-	-	-	-	**11.63**	**11.03**
Lease Rentals Paid	-	-	-	-	15.88	18.73	-	-	-	-	-	-	**15.88**	**18.73**
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	-	-	15.03	17.39	**15.03**	**17.39**
Short Term Employment Benefits (Including Commission on Profits and Sitting Fees)	-	-	-	-	-	-	-	-	21.84	16.48	-	-	**21.84**	**16.48**
Post Employment Benefits	-	-	-	-	-	-	-	-	0.53	0.49	-	-	**0.53**	**0.49**
Other Long Term Benefits	-	-	-	-	-	-	-	-	-	0.03	-	-	**-**	**0.03**
Share Based Payment	-	-	-	-	-	-	-	-	5.04	1.16	-	-	**5.04**	**1.16**
TOTAL	**842.35**	**962.96**	**-**	**32.82**	**191.65**	**169.45**	**9.35**	**14.49**	**27.41**	**18.16**	**15.03**	**36.39**	**1,085.79**	**1,234.27**

Outstanding Balances

₹ Crore

	Receivables		Payables		Guarantees Outstanding - Given / (Taken)		Commitments	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Subsidiary Companies	**74.20**	96.13	**2.40**	1.30	**868.87**	1,220.51	**-**	-
Investing Entity in which the reporting entity is an associate	**2.97**	3.06	**10.88**	10.09	**(26.88)**	(26.88)	**-**	-
Common Control	**1.07**	0.66	**0.49**	0.49	**(1.21)**	(1.21)	**0.24**	0.24
Key Management Personnel and Relatives	**-**	-	**2.22**	2.36	**-**	-	**-**	-
TOTAL	**78.24**	**99.85**	**15.99**	**14.24**	**840.78**	**1,192.42**	**0.24**	**0.24**

* amounts less than ₹ 0.01 crore

Note : Refer Note 8 for investments in subsidiaries and Note 46 for Guarantees given on behalf of subsidiaries

Note 48 : 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, 2023		As at March 31, 2022	
	In Million	**INR crores**	**In Million**	**INR crores**
Forward Contracts to Sales (USD) - nominal amounts	**$9.41**	**77.35**	$7.50	56.84
[2 contracts (31-Mar-22 : 2 contract]				
Forward Contracts to Sales (EURO) - nominal amounts	**€ -**	**-**	€ 2.00	16.84
[0 contracts (31-Mar-22: 4 contract]				

Note 49 : Hedge Accounting

The objective of hedge accounting is to represent, in the Company financial statements, the effect of the Company 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 Company makes use of financial derivative instruments namely cross currency interest rate swaps for hedging the risk of currency and interest on some of the Floating/Fixed Foreign currency instrument.

For derivative contracts designated as hedge, the Company 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 currency & interest rate risk on Floating/Fixed Foreign currency instrument. 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 Company applies cash flow hedge accounting to hedge the variability in a) Floating/Fixed foreign currency instrument.

The Company 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 Company 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 Company hedging strategy, typical composition of the Company 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 & Interest Rate Risk	Foreign Currency loans	Floating/Fixed Foreign currency instrument is converted into Fixed Rate local currency instrument	Cross currency - Interest Rate Swap	Cross currency - Interest Rate Swap is a derivative instrument whereby the Group hedges fixed/floating foreign currency instrument into fixed local currency instrument.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

For the period ended March 31, 2023

Hedging Instrument	Notional principal amounts outstanding	Derivative Financial Instruments - Assets outstanding	Derivative Financial Instruments – Liabilities outstanding (Refer Note 31)	Gain/ (Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffec-tiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffec-tiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Cross Currency Interest Rate Swap	676.09	-	11.95	(22.27)	(22.27)	-	NA	NA	NA

Loss recognized in Other comprehensive income on hedging instrument amounting to ₹ 22.27 crore is offset by gain on hedged item amounting to ₹ 22.46 crore.

For the period ended March 31, 2022

Hedging Instrument	Notional principal amounts outstanding	Derivative Financial Instruments - Assets outstanding	Derivative Financial Instruments – Liabilities outstanding (Refer Note 31)	Gain/ (Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffec-tiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffec-tiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Cross Currency Interest Rate Swap	-	-	-	-	-	-	NA	NA	NA

The table below provides a profile of the timing of the notional amounts of the Company hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

₹ Crore

Particulars	As at March 31, 2023			
	Total	Less than 1year	1-5 years	Over 5 yeras
Cross currency - Interest Rate Swap				
Notional principal amount	676.09	-	676.09	-
Average rate	4.80%	-	4.80%	-

₹ Crore

Particulars	As at March 31, 2022			
	Total	Less than 1year	1-5 years	Over 5 yeras
Cross currency - Interest Rate Swap				
Notional principal amount	-	-	-	-
Average rate	-	-	-	-

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, 2023	Movement in Cash flow hedge reserve for the year ended March 31, 2022
Opening balance	(0.75)	(0.75)
Gain / (Loss) on the Effective portion of changes in fair value:		
a) Interest rate risk	-	-
b) Currency risk	0.19	-
Net amount reclassified to profit or loss:		
a) Interest rate risk	-	-
b) Currency risk	-	-
Tax on movements on reserves during the year	(0.07)	-
Closing balance	(0.63)	(0.75)

Note 50 : 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, 2023.

₹ Crore

	As at March 31, 2023	**As at March 31, 2022**
Plan assets at period end, at fair value	**178.17**	170.68
Provident Fund Corpus	**170.01**	168.26
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	**8.47%**	8.45%
Guaranteed Rate of Interest	**8.15%**	8.10%

c) **Amounts Recognised as Expense:**

i) **Defined Contribution Plan**

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 11.77 crore (31-Mar-22 ₹ 12.72 crore) has been included in Note 38 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 8.10 crore (31-Mar-22 ₹ 8.60 crore) has been included in Note 38 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, 2023	As at March 31, 2022
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**62.04**	66.33
	Current Service Cost	**4.25**	4.49
	Interest Cost	**3.98**	4.15
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	**-**	(1.42)
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	**0.20**	(0.39)
	Actuarial (Gain) / Loss on Obligation- Due to Experience	**(1.67)**	0.54
	Benefits Paid	**(8.99)**	(11.66)
	Present value of the obligation at the end of the year	**59.81**	**62.04**
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**1.99**	0.61
	Interest Income	**0.13**	0.04
	Return on plan assets excluding interest income	**(0.07)**	(0.01)
	Contributions by the Employer	**8.00**	13.00
	Benefits Paid	**(8.99)**	(11.66)
	Fair value of Plan Assets at the end of the year	**1.06**	**1.99**
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**59.81**	62.04
	Fair value of Plan Assets at the end of the year	**1.06**	1.99
	Net Liability recognised in the Balance Sheet	**58.76**	**60.06**
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**4.25**	4.49
	Interest Cost/Income on Obligation/ Plan assets (Net)	**3.85**	4.11
	Net Cost Included in Personnel Expenses	**8.10**	**8.60**
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	**(1.47)**	(1.27)
	Return on plan assets excluding interest income	**0.07**	0.01
	Recognised in other comprehensive income	**(1.40)**	**(1.26)**
vi)	**Weighted average duration of Present Benefit Obligation**	**5 years**	**5 years**
vii)	**Estimated contribution to be made in next financial year**	**8.15**	**8.38**
viii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	Insurer Managed Funds	**100%**	100%
ix)	**Actuarial Assumptions**		
	i) Discount Rate	**7.30% P.A.**	6.41% P.A.
	ii) Salary Escalation Rate	**10.00% P.A.**	9.00% P.A.
	iii) Mortality	**Indian Assured Lives Mortality 2012-14 (Urban)**	
	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

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	**10.84**	10.56
2nd Following Year	**8.24**	8.84
3rd Following Year	**8.21**	8.14
4th Following Year	**7.39**	7.95
5th Following Year	**6.81**	6.58
Sum of Years 6 To 10	**26.13**	25.34

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:

	March 31, 2023		March 31, 2022	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(2.31)**	**2.53**	(2.47)	2.70
Future salary growth (1% movement)	**2.44**	**(2.28)**	2.61	(2.43)

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 51 : 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 period of 1 to 5 years subject to conditions as may be decided by the Compensation Committee andthe 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 Granted	Vesting Condition	Exercise Price (₹) per share	Weighted average Exercise Price (₹) per share	Exercise period
Employees Stock Grant Scheme 2011	From 2011 to 2022	20,04,880	Vested in the period of 1 to 5 years subject to conditions.	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, 2023	As at March 31, 2022
Outstanding at the beginning of the year	**616,102**	**187,421**
Add: Granted during the year	**529,432**	578,514
Less: Exercised during the year	**114,239**	94,806
Less: Forfeited/ lapsed during the year	**41,060**	55,027
Outstanding at the end of the year	**990,235**	**616,102**

Weighted average remaining contractual life of options as at 31st March, 2023 was ₹ 2.48 years (31-Mar-22 ₹ 2.97 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 824.69 (31-Mar-22 ₹ 958.87).

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, 2023	As at March 31, 2022
Risk-free interest rate (%)	**6.36%**	5.34%
Expected life of options (years)	**2.58**	3.65
Expected volatility (%)	**35.72%**	34.73%
Dividend yield	**0.00%**	0.00%
The price of the underlying share in market at the time of option grant (₹)	**900.15**	977.30

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

Note 52 : 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 ₹ 31.99 crore (31-Mar-22 ₹ 30.46 crore):

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the company during the year	**31.99**	30.46
Amount of expenditure incurred on CSR activities	**31.69**	24.22
Shortfall at the end of the year	**0.30**	6.24
Movement of provision		
Opening	**6.24**	-
Utilised during the year	**(5.88)**	-
Provision recognised during the year	**0.30**	6.24
Closing	**0.66**	6.24

Reason for Shortfall

₹ 0.30 crore unutilised by partners against ongoing projects has been transferred into unspent CSR account. The same will be utilised in FY24.

Nature of CSR Activities

i) Salon-I; livelihood enhancement project, training women for entry level jobs in beauty and wellness industry. ₹ 0.07 crore remaining owing to pending 1 month training and placement of Salon-I students. It will be fully utilised by May 2023.

ii) EMBED; promoting preventive healthcare, providing technical support to national government in prevention and control of vector borne diseases. ₹ 0.21 crore remaining against CHRI's technical unit support to national and state government due to delays in the national dengue conclave and IVM e-module. The same will be adjusted against FY24 budget and will be utilised by June 2023.

iii) Community Development programme; ₹ 0.02 crore supporting food kits to TB patients in Mumbai in partnership with BMC through Niramaya Foundation

GCPL has deposited the unspent CSR amount of ₹ 0.30 crore (31-Mar-22 ₹ 6.24 crore) to the specified bank account post year end and before April 30,2023.

Note 53 : 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

As at March 31, 2023	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Investments in subsidiaries								
Non-convertible Debentures	-	-	698.55	698.55	-	-	-	-
Other Investments								
Mutual Fund	-	-	199.08	199.08	199.08	-	-	199.08
Loans	-	-	0.03	0.03	-	-	-	-
Other non-current financial assets	-	-	17.53	17.53	-	-	-	-
Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	728.37	728.37	728.37	-	-	728.37
Mutual Funds	863.94	-	-	863.94	863.94	-	-	863.94
Commercial papers	-	-	342.02	342.02	342.02	-	-	342.02
Deposits with Non-Banking Financial Companies			175.26	175.26	-	175.26	-	175.26
Trade receivables	-	-	320.79	320.79	-	-	-	-
Cash and cash equivalents	-	-	17.69	17.69	-	-	-	-
Other bank balances	-	-	32.78	32.78	-	-	-	-
Loans	-	-	0.05	0.05	-	-	-	-
Refunds/Incentives receivables from government authorities	-	-	21.17	21.17	-	-	-	-
Derivative assets - forward exchange contracts		1.03	-	1.03	-	1.03	-	1.03
Other current financial assets	-	-	31.52	31.52	-	-	-	-
TOTAL	**863.94**	**1.03**	**2,584.84**	**3,449.81**	**2,133.41**	**176.29**	**-**	**2,309.70**
Financial liabilities								
Non Current								
Lease liabilities	-	-	28.80	28.80	-	-	-	-
Current								
Borrowings	-	-	23.82	23.82	-	-	-	-
Lease liabilities			13.28	13.28		-		
Trade and other payables	-	-	711.09	711.09	-	-	-	-
Derivative Liabilities - forward exchange contracts	-	11.95	-	11.95	-	11.95	-	11.95
Other Current Financial Liabilities	-	-	99.95	99.95	-	-	-	-
TOTAL	**-**	**11.95**	**876.94**	**888.89**	**-**	**11.95**	**-**	**11.95**

There were no transfers between levels 1 and 2 during the year.

₹ Crore

As at March 31, 2022	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Deposits with Non-Banking Financial Companies			25.20	25.20	-	25.20	-	25.20
Loans	-	-	0.03	0.03	-	-	-	-
Other Non-Current Financial Assets	-	-	23.42	23.42	-	-	-	-
Current				-				-
Investments				-				-
Non-convertible Debentures with Non-Banking Financial Companies	-	-	127.19	127.19	127.19	-	-	127.19
Mutual Funds	311.60	-	-	311.60	311.60	-	-	311.60
Commercial papers	-	-	49.98	49.98	49.98	-	-	49.98
Deposits with Non-Banking Financial Companies			277.63	277.63	-	277.63	-	277.63
Trade receivables	-	-	336.92	336.92	-	-	-	-
Cash and cash equivalents	-	-	35.23	35.23	-	-	-	-
Other Bank balances	-	-	309.74	309.74	-	-	-	-
Loans	-	-	0.05	0.05	-	-	-	-
Refunds/Incentives receivables from Govt. Authorities	-	-	29.84	29.84	-	-	-	-
Derivative assets - forward exchange contracts	0.11	-	-	0.11	-	0.11	-	0.11
Other Current Financial Assets	-	-	8.20	8.20	-	-	-	-
TOTAL	**311.71**	**-**	**1,223.43**	**1,535.14**	**488.77**	**302.94**	**-**	**791.71**
Financial liabilities								
Non Current								
Lease liabilities	-	-	20.42	20.42	-	-	-	-
Current								
Lease liabilities			11.03	11.03		-		-
Trade and other payables	-	-	625.30	625.30	-	-	-	-
Derivative Liabilities - forward exchange contracts	-	-	-	-	-	-	-	-
Other current financial liabilities	-	-	89.34	89.34	-	-	-	-
TOTAL	**-**	**-**	**746.09**	**746.09**	**-**	**-**	**-**	**-**

There were 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 1, Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

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
Investments in Target Maturity Fund	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Financial Instruments	MTM from Banks	NA	NA

Note 54 : 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 investment in non-convertible debentures in a subsidaries 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 and cross currency interest rate swaps . 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, 2023 is as below:

₹ Crore

	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
	GBP	USD	EURO	SGD	AED
Financial assets					
Cash and cash equivalents	-	6.02	-	0.22	-
Non-current investments	-	698.55	-	-	-
Less: Currency Swap for NCD Investment	-	(698.55)	-	-	-
Trade and other receivables	-	97.67	29.01	-	-
Less: Forward contracts for trade receivables	-	(77.35)	-	-	-
Other Non-Current Financial Assets	-	1.15	-	-	-
Other Current Financial Assets	-	4.04	-	-	-
	-	**31.52**	**29.01**	**0.22**	**-**
Financial liabilities					
Trade and other payables	0.10	2.10	(1.05)	0.03	-
	0.10	**2.10**	**(1.05)**	**0.03**	**-**
Net exposure	**(0.10)**	**29.42**	**30.06**	**0.19**	**-**

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, 2022 is as below:

₹ Crore

	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
	GBP	USD	EURO	SGD	AED
Financial assets					
Cash and cash equivalents	-	1.04	-	-	-
Trade and other receivables	-	97.49	31.52	-	-
Less: Forward contracts for trade receivables	-	(56.84)	(16.84)	-	-
Other Non-Current Financial Assets	-	4.78	-	-	-
Other Current Financial Assets	-	4.97	-	-	-
	-	**51.44**	**14.68**	**-**	**-**
Financial liabilities					
Trade and other payables	(0.16)	4.54	27.44	-	-
Net exposure	**0.16**	**46.90**	**(12.76)**	**-**	**-**

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate as at March 31, 2023	March 31, 2022
GBP INR	**101.87**	99.55
USD INR	**82.22**	75.81
EUR INR	**89.61**	84.66
SGD INR	**61.33**	-
AED INR	**22.37**	-

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in GBP/USD/EURO 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, 2023		
5% movement		
GBP	-	-
USD	1.47	(1.47)
EUR	1.50	(1.50)
	2.97	**(2.97)**

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2022		
5% movement		
GBP	0.01	(0.01)
USD	2.34	(2.34)
EUR	(0.64)	0.64
	1.71	**(1.71)**

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.

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 of 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, 2023	As at March 31, 2022
Opening balance	**12.45**	14.46
Impairment loss recognised / (released) during the year	**7.00**	(2.01)
Closing balance	**19.45**	12.45

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

March 31, 2023	Contractual cash flows			
	Total	Less than 1 Year	1-3 years	More than 3 years
Non-derivative financial liabilities				
Lease liabilities	55.59	17.51	32.57	5.51
Borrowings	23.82	23.82	-	-
Trade payables	711.09	711.09	-	-
Other Financial Liabilities	99.95	99.95	-	-
Total	**890.45**	**852.37**	**32.57**	**5.51**
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	-	-	-	-
- Inflow	77.35	77.35	-	-

₹ Crore

March 31, 2022	Contractual cash flows			
	Total	Less than 1 Year	1-3 years	More than 3 years
Non-derivative financial liabilities				
Lease liabilities	35.48	12.61	22.64	0.23
Borrowings	-	-	-	-
Trade payables	625.30	625.30	-	-
Other Financial Liabilities	89.34	89.34	-	-
Total	**750.12**	**727.25**	**22.64**	**0.23**
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	-	-	-	-
- Inflow	73.68	73.68	-	-

Note 55 : Ratio Analysis And Its Elements

	As At March 31, 2023	As At March 31, 2022	% Change
Current ratio (Current Assets/ Current Liabilities)	**3.03**	2.62	16%
Debt-Equity ratio (Non-Current + Current Borrowings)/ Total Equity)	**-**	-	0%
Debt service coverage ratio (PAT + Finance Cost + Depreciation and Amortization expense + Profit/Loss on sale of Fixed assets) / (Finance Cost +Repayment Lease liabilities + Repayment of Long Term borrowings))	**99.31**	79.43	25%
Return on Equity Ratio (Net Profits after taxes – Preference Dividend)/Average Share holder's Equity	**0.18**	0.21	-16%
Inventory turnover (in times) -(Net Sale of products/ Average Inventory)	**10.89**	9.13	19%
Trade Receivables Turnover ratio (in times)-(Net Sale of products/ Average trade receivables)	**22.90**	23.34	-2%
Trade Payables turnover Ratio (Total Purchases / Avg. Trade payables)	**5.28**	4.87	8%
Net working Capital turnover Ratio (Net Sales / Working Capital)	**3.43**	4.45	-23%
Net Profit Ratio (Net Profit After Taxes /Net Sale of products)	**0.20**	0.22	-7%
Return on Capital Employed (Earnings Before interest and Taxes / Capital Employed)	**14.9%**	18.1%	-18%
Return on Investment :-			
Fixed Deposits with Banks	**4.95%**	4.78%	4%
Fixed Deposits with NBFCs	**5.24%**	5.04%	4%
Non - Convertible Debentures	**6.39%**	4.44%	44%
Mutual Funds	**5.82%**	3.59%	62%
Commercial Papers	**7.32%**	4.72%	55%

Reasons for Change in Ratios :

i) Change in the debt service coverage ratio is due to decrease in debt service cost.

ii) Change in Return on investment on Non-convertible debentures is due to investment made at higher yields.

iii) Change in Return on Mutual Funds is due to higher yields.

iv) Change in Return on Commercial Papers is due to investments were made at higher yields.

Note 56 : Utilisation Of Borrowed Funds And Share Premium

i) To the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) To the best of our knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 57 : Struck Off Companies

Relationship with struck off companies

Name of struck off company	Nature of transactions	Transactions during the year March 31, 2023	Balance outstanding as at March 31, 2023	Relationship with the Struck off company
3H Health And Hygiene Pvt. Ltd	Payables	-	-	Vendor
Shakun & CO (Services) Pvt. Ltd	Payables	-	-	Vendor

* amounts less than ₹ 0.01 crore

Name of struck off company	Nature of transactions	Transactions during the year March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with the Struck off company
3H Health And Hygiene Pvt. Ltd	Payables	0.02	-	Vendor

Note 58 : Disclosure U/S 186 (4) Of The Companies Act, 2013

Details of Investments made are disclosed under Note 8 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 46.

Note 59 : Subsequent Events

Subsequent to 31st March, 2023, The Company has acquired consumer care business for a consideration of ₹ 2,825 crore from Raymonds Consumer Care Limited. No impact of the said acquisition has been given in these financial statements as this is a non-adjusting event.

Apart from above there are no significant subsequent events that would require adjustments or disclosures in the standalone financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN : 00591503

Sudhir Sitapati
Managing Director & CEO
DIN: 09197063

Vijay Mathur
Partner
M. No. 046476

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and Compliance-Officer

Mumbai: May 10, 2023

Independent Auditor's Report

To the Members of
Godrej Consumer Products Limited

Report on the Audit of the 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"), which comprise the consolidated balance sheet as at 31 March 2023, 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 in which are included the Returns for the year ended on that date audited by the branch auditor of the Holding Company's branch at Singapore (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 report of the branch auditor on financial statements/financial information of such branch as was audited by the branch auditor and reports of other auditors on separate/consolidated 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 as at 31 March 2023, 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 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 report of the branch auditor and other auditors referred to in paragraph (a) of the "Other Matters" section 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 and based on the consideration of reports of other auditors on separate/consolidated financial statements of components audited by them, 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.

Revenue recognition

(See note 29 to consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals 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 for the year. 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 application/ manual controls over the Group's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue and computing discounts and volume rebates in the general ledger accounting system; • Performing substantive testing by selecting statistical samples of revenue transactions recorded for the year as well as period end cut-off and agreeing to the underlying documents, which included sales invoices and shipping documents; • Performing substantive testing by agreeing statistical samples of discounts and rebate accruals and disbursements to underlying documents; • Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; and • Assessing manual journals posted to revenue to identify unusual items

Impairment evaluation of Goodwill

(See note 52 to consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
The carrying amount of Goodwill represents 33% 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 design and implementation and testing operating effectiveness of controls over the Group's process of impairment assessment and approval of forecasts; • Evaluating 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; • 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; and • Evaluating the adequacy of disclosures in respect of impairment evaluation of Goodwill in the consolidated financial statements.

Key Audit Matters

Key Audit Matters (Continued)

The key audit matter	How the matter was addressed in our audit
Intangible Assets- impairment assessment	**Our audit procedures included:**
(See Note 52 to consolidated financial statements) The carrying amount of trademarks / brands (indefinite life intangible assets) represent 13% 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.	• Evaluating design and implementation and testing operating effectiveness of controls over the Group's process of impairment assessment and approval of forecasts; • 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; • Performing sensitivity analysis by assessing the effect of possible reductions in the above assumptions on the recoverable amount; 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 annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

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/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 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 the 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 Board of 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 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 are 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 whether the company has adequate internal financial controls with reference to 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 the Management and Board of Directors.

- Conclude on the appropriateness of the 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 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 statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/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 paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company 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 auditor's 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/information of one branch, whose financial statements/financial information reflect total assets of ₹ 0.41 crores as at 31 March 2023, total revenue of ₹ Nil crores, total net profit after tax of ₹ Nil crores and net cash inflows of ₹ 0.41 crores for the year ended on that date, before giving effect to consolidation adjustments, as considered in the consolidated financial statements. These financial statements/financial information have been audited by the branch auditor whose report has 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 branch and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch is based solely on the report of the branch auditor.

b. We did not audit the financial statements / financial information of 32 subsidiaries, whose financial statements/ financial information reflects total assets of ₹ 6,283.50 crores as at 31 March 2023, total revenue of ₹ 8,267.62 crores, total net profit after tax of ₹ 172.98 crores and net cash outflows of ₹ 369.26 crores for the year ended on that date, before giving effect to consolidation adjustments, as considered in the consolidated financial statements. These financial statements/financial information 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 reports of the other auditors.

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 branch auditor and other auditors.

a. The financial statements/ financial information of 2 subsidiaries, whose financial statements/financial information reflects total assets of ₹ 1.96 crores as at 31 March 2023, total revenue of ₹ Nil, total net profit after tax of ₹ Nil and net cash flows of ₹ Nil crores for the year ended on that date, before giving effect to consolidation adjustments, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/ financial information 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 such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information 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 this matter with respect to the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2 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/consolidated financial statements of such branch and 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 and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.

   c. The report on the accounts of the branch office of the Holding Company audited under Section 143(8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.

   d. 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 and with the returns received from the branch not visited by us.

e. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

f. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary 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 Auditor's 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 and based on the consideration of the reports of the other auditors on separate/ consolidated financial statements of the branch and subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 28 and 41 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2023.

d (i) The management of the Holding Company and its subsidiary company whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiary company that, to the best of its knowledge and belief, as disclosed in the Note 56 (a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of its subsidiary company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary company whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiary company that, to the best of its knowledge and belief, as disclosed in the Note 56 (b) to the consolidated financial statements, no funds have been received by the Holding Company or any of its subsidiary company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding

Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiary company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances by us and that performed by the auditor of the subsidiary company incorporated in India whose financial statements/financial information has been audited under the Act nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary company incorporated in India has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of its subsidiary company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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 to its directors 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. In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of a subsidiary company incorporated in India, the subsidiary company has not paid / provided managerial remuneration which would require requisite approvals mandated by the provisions of Section 197 of the Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vijay Mathur
Partner
Membership No.:046476
UDIN: 23046476BGYAIG8131

Mumbai, 10 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Godrej Consumer Products Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vijay Mathur
Partner
Membership No.:046476
UDIN: 23046476BGYAIG8131

Mumbai, 10 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Godrej Consumer Products Limited for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(A)(g) 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 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements/ financial information of a subsidiary company as was audited by the other auditor, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such company/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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective company's/Holding 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 financial statements criteria established by the respective company/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 respective company's/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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 company's internal financial controls with reference to 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements/ financial information insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration
No.: 101248W/W-100022

Vijay Mathur
Partner
Membership No.:046476
UDIN: 23046476BGYAIG8131

Mumbai : 10 May 2023

Consolidated Balance Sheet As at March 31, 2023

₹ Crore

	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	**1,437.40**	1,274.91
(b) Capital work-in-progress	4	**41.61**	114.75
(c) Right-of-use assets	5	**96.67**	98.45
(d) Goodwill	6	**5,822.25**	5,376.79
(e) Other Intangible assets	6	**2,577.34**	2,469.15
(f) Intangible assets under development	6A	**3.81**	1.69
(g) Financial Assets			
(i) Other Investments	7	**839.33**	171.12
(ii) Loans	8	**0.03**	0.03
(iii) Others	9	**21.61**	25.09
(i) Deferred tax assets (net)	10D	**702.75**	731.51
(j) Other non-current assets	11	**48.68**	93.67
(k) Non-Current Tax Assets (net)	10C	**101.32**	89.63
Total Non Current Assets		**11,692.80**	**10,446.79**
2. Current assets			
(a) Inventories	12	**1,537.15**	2,129.85
(b) Financial Assets			
(i) Investments	13	**2,189.65**	844.31
(ii) Trade receivables	14	**1,245.28**	1,116.32
(iii) Cash and cash equivalents	15A	**357.62**	750.92
(iv) Bank balances other than (iii) above	15B	**33.10**	356.85
(v) Loans	16	**0.05**	0.05
(vi) Others	17	**42.31**	41.83
(c) Other current assets	18	**400.81**	447.14
Total Current Assets		**5,805.97**	**5,687.27**
TOTAL ASSETS		**17,498.77**	**16,134.06**
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	19	**102.27**	102.26
(b) Other equity	20	**13,691.96**	11,453.67
Total Equity		**13,794.23**	**11,555.93**
2. LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**189.12**	380.85
(ii) Lease liabilities	5	**57.61**	64.44
(b) Provisions	22	**103.42**	107.00
(c) Deferred tax liabilities (net)	10E	**61.51**	51.94
(d) Other non-current liabilities	23	**1.57**	2.29
Total Non Current liabilities		**413.23**	**606.52**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**844.84**	1,226.81
(ii) Lease liabilities	5	**38.01**	32.24
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	25	**46.40**	23.24
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	25	**1,776.77**	2,139.82
(iv) Other financial liabilities	26	**266.39**	227.23
(b) Other current liabilities	27	**229.03**	223.84
(c) Provisions	28	**75.16**	76.21
(d) Current tax liabilities (Net)	10C	**14.71**	22.22
Total Current Liabilities		**3,291.31**	**3,971.61**
TOTAL EQUITY AND LIABILITIES		**17,498.77**	**16,134.06**

The accompanying notes 1 to 59 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 10, 2023

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Sudhir Sitapati
Managing Director and CEO
DIN : 09197063

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and Compliance Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

₹ Crore

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	Revenue			
I.	Revenue from Operations	29	**13,315.97**	12,276.50
II.	Other income	30	**168.41**	89.71
III.	**Total Income (I + II)**		**13,484.38**	**12,366.21**
IV.	**Expenses**			
	Cost of Materials Consumed	31	**6,184.67**	5,782.98
	Purchases of Stock-in-Trade		**305.18**	353.65
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	**212.94**	(61.54)
	Employee Benefits Expense	33	**1,111.48**	1,104.14
	Finance costs	34	**175.74**	110.16
	Depreciation and Amortization Expenses	35	**236.29**	209.93
	Other Expenses	36	**3,071.24**	2,702.16
	Total Expenses		**11,297.54**	**10,201.48**
V.	**Profit before Exceptional Items, Share of Net Profit/ (loss) of equity accounted investees and Tax (III-IV)**		**2,186.84**	**2,164.73**
VI.	Share of net profit/ (loss) of equity accounted investees (net of income tax)		**-**	0.28
VII.	**Profit before Exceptional Items and Tax (V+VI)**		**2,186.84**	**2,165.01**
VIII.	Exceptional Items (Net)	37	**(54.11)**	(9.75)
IX.	**Profit before Tax (VII+VIII)**		**2,132.73**	**2,155.26**
X.	**Tax expense:**			
	(1) Current Tax	10A	**396.25**	397.31
	(2) Deferred Tax	10A	**34.02**	(25.44)
	Total Tax Expense		**430.27**	**371.87**
XI.	**Profit for the Year (IX-X)**		**1,702.46**	**1,783.39**
XII.	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plans		**7.14**	7.47
	(ii) Income tax related to items that will not be reclassifed to profit or loss	10A	**(1.74)**	(1.76)
			5.40	**5.71**
	B (i) Items that will be reclassified to profit or loss			
	a) Exchange differences in translating financial statements of foreign operations		**547.30**	368.01
	b) Effective portion of gains and loss on hedging instruments in a cash flow hedge		**0.42**	2.84
	(ii) Income tax related to items that will be reclassifed to profit or loss	10A	**(0.07)**	-
			547.65	**370.85**
	Other Comprehensive Income (net of income tax) (A+B)		**553.05**	**376.56**
XIII.	**Total Comprehensive Income for the Year (XI+XII)**		**2,255.51**	**2,159.95**
	Profit attributable to:			
	Owners of the Company		**1,702.46**	**1,783.39**
	Non-controlling interests		**-**	-
	Other Comprehensive Income attributable to:			
	Owners of the Company		**553.05**	**376.56**
	Non-controlling interests		**-**	**-**
	Total comprehensive income attributable to:			
	Owners of the Company		**2,255.51**	**2,159.95**
	Non-controlling interests		**-**	**-**
XIV.	**Earnings per equity share (₹)**			
	1. Basic	38	**16.65**	**17.44**
	2. Diluted		**16.65**	**17.44**

The accompanying notes 1 to 59 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 10, 2023

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Sudhir Sitapati
Managing Director and CEO
DIN : 09197063

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and
Compliance Officer

Consolidated Statement of Cash Flows for the year ended March 31, 2023

₹ Crore

		Year ended March 31, 2023	Year ended March 31, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**2,132.73**	2,155.26
	Adjustments for :		
	Non-Cash Items		
	Depreciation and amortization expenses	**236.29**	209.93
	Unrealised Foreign Exchange (Gain) / Loss	**(10.26)**	(10.17)
	Bad Debts Written off	**5.40**	3.20
	Provision / Write off for Doubtful Debts / Advances	**6.46**	2.28
	(Release)/ Provision/ write off for Non Moving Inventory	**3.05**	(5.48)
	Provision towards Litigations	**10.62**	-
	Write off /(write back) of Old Balances	**(1.07)**	0.06
	Expenses on Employee Stock Grant Scheme (ESGS)	**20.16**	11.96
	Impairment on intangible assets	**6.03**	60.19
	Finance cost	**175.74**	110.16
	(Profit) /Loss on sale of Property, Plant & Equipment and Intangible assets (net)	**(1.24)**	1.97
	(Profit) on Sale of Investments (net)	**(48.15)**	(10.90)
	Profit on divestment of Associate (Net)	**-**	(39.79)
	(Reversal) /Provision for diminution in the value of investments	**-**	(15.38)
	Fair value (Gain) on financial assets measured at FVTPL (net)	**(5.83)**	(0.62)
	Interest Income	**(95.56)**	(59.58)
	Share of profit in associate	**-**	(0.28)
	Adjustment due to hyperinflation	**41.39**	21.47
		343.03	**279.02**
	Operating Cash Flows Before Working Capital Changes	**2,475.76**	2,434.28
	Adjustments for :		
	Decrease/(Increase) in inventories	**555.00**	(384.17)
	(Increase) in trade receivables	**(165.16)**	(88.89)
	Decrease in loans	**-**	0.02
	Decrease in other financial assets	**8.03**	30.69
	Decrease /(Increase) in other non-current assets	**8.69**	(1.70)
	Decrease/(Increase) in other current assets	**56.40**	(96.97)
	(Decrease)/ Increase in trade and other payables	**(370.03)**	83.21
	Increase/ (Decrease) in other financial liabilities	**4.05**	(74.98)
	(Decrease) in other liabilities and provisions	**(3.64)**	(3.38)
		93.34	**(536.17)**
	Cash Generated from Operating Activities	**2,569.10**	**1,898.11**
	Adjustment for :		
	Income Taxes paid (net)	**(418.45)**	(447.54)
	Net Cash Flow from Operating Activities (A)	**2,150.65**	**1,450.57**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment and intangible assets (net)	**7.66**	2.78
	Investment in Mutual Fund (Net)	**(227.40)**	(279.30)
	Investment in Deposits with NBFCs	**(674.88)**	(165.64)
	Redemption in Deposits with NBFCs	**25.20**	-
	Proceeds from divestment of Associate (Net)	**(988.01)**	(387.37)
	Payment of liabilities for Business Acquisitions	**-**	78.65
	(Investments) in Non Current Investments	**(11.82)**	(172.36)
	Interest Received	**110.91**	59.01
	Net Cash Flow (used in) in Investing Activities (B)	**(1,758.34)**	**(864.23)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Allotment of Equity Shares under Employee Stock Grant Scheme	**0.01**	0.01
	Proceeds /repayments of short term borrowings (Net)	**(223.64)**	535.24
	Repayments of long term borrowings	**(410.72)**	(755.08)

Consolidated Statement of Cash Flows for the year ended March 31, 2023

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Finance Cost paid	**(111.62)**	(112.30)
Principal Payment of lease liabilities	**(40.62)**	(40.65)
Finance cost paid towards Lease liabilities	**(7.72)**	(6.74)
Net Cash Flow (used in) Financing Activities (C)	**(794.31)**	**(379.52)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(402.00)**	206.82
CASH AND CASH EQUIVALENTS:		
As at the beginning of the year ** (Refer Note 15A)	**750.92**	524.13
Less: Cash credit (Refer Note 24)	**(0.06)**	(0.36)
Effect of exchange difference on translation of cash and cash equivalents on consolidation	**3.94**	20.27
As at the end of the year ** (Refer Note 15A)	**357.62**	750.92
Less: Cash credit (Refer Note 24)	**(4.82)**	(0.06)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(402.00)**	**206.82**

* 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, 2023	Year ended March 31, 2022
Opening Balance	**1,607.60**	**1,767.96**
Cash Flows (net)	**(634.36)**	(219.84)
Add/(Less): Exchange difference	**55.90**	59.48
Closing Balance	**1,029.14**	**1,607.60**

Note:

1 The above consolidated 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 59 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 10, 2023

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Sudhir Sitapati
Managing Director and CEO
DIN : 09197063

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and
Compliance Officer

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(a) **Equity Share Capital**		
	Note No.	₹ Crore
As at April 1, 2021		102.25
Changes in equity share capital during the year		0.01
As at March 31, 2022		**102.26**
As at April, 2022		102.26
Changes in equity share capital during the year	19	0.01
As at March 31, 2023		**102.27**

(b) Other Equity (Refer Note 19)

₹ Crore

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, 2021	1,418.61	154.05	9.14	7,691.93	(3.46)	66.38	9,336.65	9,336.65
Profit for the year			-	1,783.39	-	-	1,783.39	1,783.39
Remeasurements of defined benefit plans (net of tax)	-	-	-	5.71	-	-	5.71	5.71
Other comprehensive income for the year (Net)	-	-	-	-	2.84	368.01	370.85	370.85
Total comprehensive income for the year	-	-	-	**1,789.10**	**2.84**	**368.01**	**2,159.95**	**2,159.95**
Premium received on allotment of shares / Exercise of Share Options	6.32	-	(6.32)	-	-	-	-	-
Deferred employee compensation expense	-	-	11.96	-	-	-	11.96	11.96
Revaluation of put option liability	-	-	-	(54.89)	-	-	(54.89)	(54.89)
Balance as at March 31, 2022	**1,424.93**	**154.05**	**14.78**	**9,426.14**	**(0.62)**	**434.39**	**11,453.67**	**11,453.67**
Balance as at April 1, 2022	1,424.93	154.05	14.78	9,426.14	(0.62)	434.39	11,453.67	11,453.67
Profit for the year			-	1,702.46	-	-	1,702.46	1,702.46
Remeasurements of defined benefit plans (net of tax)	-	-	-	5.40	-	-	5.40	5.40
Other comprehensive income for the year (Net)	-	-	-	-	0.35	547.30	547.65	547.65
Total comprehensive income for the year	-	-	-	**1,707.86**	**0.35**	**547.30**	**2,255.51**	**2,255.51**
Premium received on allotment of shares / Exercise of Share Options	9.77	-	(9.77)	-	-	-	-	-
Deferred employee compensation expense	-	-	20.16	-	-	-	20.16	**20.16**
Revaluation of put option liability	-	-	-	(37.38)	-	-	(37.38)	(37.38)
Balance as at March 31, 2023	**1,434.70**	**154.05**	**25.17**	**11,096.62**	**(0.27)**	**981.69**	**13,691.96**	**13,691.96**

The accompanying notes 1 to 59 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 10, 2023

For and on behalf of the Board of Directors

Nisaba Godrej
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Managing Director and CEO
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Chief Financial Officer

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Company Secretary and
Compliance Officer

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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 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').

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 10, 2023.

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 2.4 (f)]
- Defined benefit plans – plan assets and share based payments measured at fair value [Note 2.4 (l)]

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 is 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 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 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. 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, 2023 are:

- Net assets increased by ₹ 28.68 crore (Mar-31-2022: ₹ 24.85 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, 2023;

- Total Revenue from operation is increased by ₹ 2.39 crore (Mar-31-2022: ₹ 43.40 crore);

- Profit after tax is reduced by ₹ 95.29 crore (Mar-31-2022: ₹ 50.48 crore) and

- A net monetary loss of ₹ 53.89 crore (Mar-31-2022: loss of ₹ 18.68 crore) (grouped under Finance cost / Other income) is recognized from the inflation and exchange rate movements in the year on the net monetary items held in Argentinian Peso and adjustment to income statement. The Argentina hyperinflation index is computed basis the periodic inflation index. Below are the indexes used for calculation of hyperinflation impact in Argentina Peso. These are for directional purpose as computation is done basis monthly index.

As at	Index*
31st Mar'23	18334.51
31st Mar'22	8975.04
31st Mar'21	5785.99
31st Mar'20	4056.11

*Source - National Institute of Statistics and Censuses of the Argentine Republic.

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 2.4 (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 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 2.4 (n)]

v. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; [Note 2.4(j)]

vi. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; [Note 2.4(I)]

vii. Estimates of rebates and sales incentives accruals [Note 2.4 (k)]

viii. Fair value of financial instruments [Note 2.3]

ix. Impairment of Goodwill [Note 2.4 (b)]

x. Impairment of financial and non-financial assets [Note 2.4 (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 categorized 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 categorized 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 recognizes 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

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 derecognized.

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.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

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 amortized 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 Equipment's 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. <u>Goodwill and other Intangible Assets</u>

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.

<u>Goodwill</u>

Goodwill on acquisition of subsidiaries and on consolidation is included in intangible assets. Goodwill is not amortized 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.

<u>Other intangible assets</u>

Intangible assets with definite lives are amortized 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 amortized, but are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. 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 recognized 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 amortized 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 amortized equally over a period of 20 years.

Brands like Goodknight, Hit, SON, Dr Miracle, Darling 1, Darling 2, Valon, and Millefiori are assessed as intangibles having indefinite useful life and are not amortized 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 recognized as an expense in the period in which they are incurred.

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 recognized 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 recognized 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 recognized 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 recognized.

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 recognized in profit and loss. Non-current assets held for sale are not depreciated or amortized.

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 recognized 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 recognized 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 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 amortized cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through statement of profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) or fair value through statement of profit and loss (FVTPL)

Financial assets at amortised cost

A financial asset is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 recognized 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 meets 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 amortized 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 amortized 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 amortized 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 recognizes 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 amortized 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 recognized in profit or loss.

In the case of loans and borrowings and payables, these are measured at amortized cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognized in Consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 recognized 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 recognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, or to realize 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 and cross currency interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognized 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.

Cash flow hedges

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.

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 recognized 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 cash credits repayable on demand, as they are considered an integral part of the Group's cash management.

j. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized 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 recognized 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 recognized 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 specified in the customer contract 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, 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 recognized where payments are received from customers before transferring control of the goods

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 amortized 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 recognized 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 recognized 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 for time-based options and a combination of Monte-Carlo Simulation and Black-Scholes Merton model for performance-based options.

The grant-date fair value of equity-settled share-based payment granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized 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 recognized 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 market performance conditions and 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. Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

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 recognized 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 recognized 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 recognized 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 recognized immediately in profit or loss. The Group recognizes 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 and other long term incentives 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

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 and lease liabilities are presented separately in the balance sheet.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognized 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 recognized 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.

n. Income Tax

Income tax expense comprises current tax expense and deferred tax expense / income. It is recognized in profit or loss except to the extent that it relates to items recognized 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 recognized amounts; and
- Intends either to settle on a net basis, or to realize 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 recognized 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 recognized 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 recognized 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 recognized. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognized.

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 and accumulated in equity under the heading Exchange differences on translating the financial statements of foreign operations.

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 Exchange differences on translating the financial statements of foreign operations 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 recognized 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 recognized 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 recognizes a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorized 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.

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

The Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Amendment Rules as issued from time to time. ON March 31, 2023 MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

A. Ind AS 1 – Presentation of Financial Statements The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

B. Ind AS 12, Income Taxes The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

C. Ind AS 8, Accounting Policies, Changes in Accounting estimates and errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

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, 2023												
Gross carrying amount												
Opening gross carrying amount	61.33	85.62	571.09	56.73	939.12	35.79	63.68	41.39	74.62	90.26	1.53	2,021.16
Additions	-	-	26.16	12.73	248.76	1.93	10.30	9.21	11.92	-	-	321.01
Disposals	-	-	(0.55)	(0.57)	(19.58)	(0.33)	(9.36)	(2.00)	(9.60)	-	(0.08)	(42.07)
Hyperinflationary adjustment #	0.03	-	5.80	-	2.00	(1.41)	0.15	4.56	2.64	-	-	13.77
Other Adjustments (consist of exchange difference on translation of foreign operations)	1.41	(3.03)	12.13	0.02	3.28	(1.35)	(2.95)	(2.10)	(1.75)	-	0.06	5.72
Closing Gross Carrying Amount	**62.77**	**82.59**	**614.63**	**68.91**	**1,173.58**	**34.63**	**61.82**	**51.06**	**77.83**	**90.26**	**1.51**	**2,319.59**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	8.83	108.70	43.77	449.04	15.53	32.94	23.85	54.73	7.33	1.53	746.25
Depreciation charge during the year	-	1.12	20.41	7.76	103.10	3.67	10.40	4.35	10.47	-	-	161.28
Additional depreciation due to hyperinflation #	-	-	0.97	-	0.62	0.35	0.15	0.72	0.76	-	-	3.57
Disposals	-	-	(0.21)	(0.50)	(15.47)	(0.30)	(7.95)	(1.69)	(9.45)	-	(0.08)	(35.65)
Hyperinflationary adjustment #	-	-	1.36	-	(0.11)	(1.81)	(0.16)	0.35	2.34	-	-	1.97
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	(0.21)	3.84	0.53	4.35	(0.51)	(1.64)	(0.73)	(0.94)	-	0.08	4.77
Closing Accumulated Depreciation	**-**	**9.74**	**135.07**	**51.56**	**541.53**	**16.93**	**33.74**	**26.85**	**57.91**	**7.33**	**1.53**	**882.19**
Net Carrying Amount	**62.77**	**72.85**	**479.56**	**17.35**	**632.05**	**17.70**	**28.08**	**24.21**	**19.92**	**82.93**	**(0.02)**	**1,437.40**

₹ 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, 2022												
Gross carrying amount												
Opening gross carrying amount	59.02	85.25	526.53	52.30	806.74	36.97	58.27	36.12	63.65	90.26	1.83	1,816.94
Additions	-	0.02	20.08	6.92	122.62	3.41	10.05	3.40	14.52	-	-	181.02
Disposals	-	-	(1.49)	(0.49)	(15.38)	(6.62)	(6.02)	(0.42)	(7.55)	-	(0.40)	(38.37)
Hyperinflationary Adjustments #	0.04	-	6.96	-	7.47	1.61	0.14	2.31	3.35	-	-	21.88
Other Adjustments (consist of exchange difference on translation of foreign operations)	2.27	0.35	19.01	(2.00)	17.67	0.42	1.24	(0.02)	0.65	-	0.10	39.69
Closing Gross Carrying Amount	**61.33**	**85.62**	**571.09**	**56.73**	**939.12**	**35.79**	**63.68**	**41.39**	**74.62**	**90.26**	**1.53**	**2,021.16**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	7.66	83.63	35.98	360.77	16.79	25.82	18.11	48.80	7.33	1.83	606.72
Depreciation charge during the year	-	1.11	20.77	6.42	83.41	3.48	11.13	4.29	10.47	-	-	141.08
Additional depreciation due to hyperinflation #	-	-	0.77	-	1.32	0.33	(0.11)	0.54	(0.09)	-	-	2.76
Disposals	-	-	(0.42)	(0.49)	(10.18)	(6.57)	(5.11)	(0.42)	(7.39)	-	(0.40)	(30.98)
Hyperinflationary Adjustments#	-	-	1.41	-	5.71	1.01	0.26	1.30	2.33	-	-	12.02
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.06	2.54	1.86	8.01	0.49	0.95	0.03	0.61	-	0.10	14.65
Closing Accumulated Depreciation	**-**	**8.83**	**108.70**	**43.77**	**449.04**	**15.53**	**32.94**	**23.85**	**54.73**	**7.33**	**1.53**	**746.25**
Net Carrying Amount	**61.33**	**76.79**	**462.39**	**12.96**	**490.08**	**20.26**	**30.74**	**17.54**	**19.89**	**82.93**	**-**	**1,274.91**

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 : Capital Work-In-Progress

₹ Crore

Ageing as at March 31, 2023	Amount				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	16.85	0.46	0.50	0.92	18.73
Projects temporarily suspended	0.07	-	-	-	0.07
CWIP -assets not categorised as projects					22.81
Total	**16.92**	**0.46**	**0.50**	**0.92**	**41.61**
Ageing as at March 31, 2022				**Amount**	
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	67.91	2.07	0.40	0.52	70.90
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	43.85
Total	**67.91**	**2.07**	**0.40**	**0.52**	**114.75**

₹ Crore

Overdue CWIP projects- expected period of completion as at March 31, 2023	To be completed in			
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**
Project 1	1.13			

₹ Crore

Overdue CWIP projects- expected period of completion as at March 31, 2022	To be completed in			
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**
Project 1	0.86			
Project 2	7.73			

Note 5 : Leases

As a lessee:

Right-of-Use assets

₹ Crore

	Building	Plant and Equipment	Vehicles	Total
Recognised at April 1, 2022	**93.74**	**2.88**	**1.83**	**98.45**
Additions/ (deletions) during the year	24.88	2.64	12.63	**40.15**
Depreciation charge for the year	(37.64)	(1.34)	(2.53)	**(41.51)**
Exchange difference	(0.49)	0.26	(0.19)	**(0.42)**
Balance as at March 31, 2023	**80.49**	**4.44**	**11.74**	**96.67**
Recognised at April 1, 2021	**88.04**	**2.03**	**1.06**	**91.13**
Additions/ (deletions) during the year	38.38	1.68	1.08	**41.14**
Depreciation charge for the year	(32.97)	(0.94)	(0.45)	**(34.36)**
Exchange difference	0.29	0.11	0.14	**0.54**
Balance as at March 31, 2022	**93.74**	**2.88**	**1.83**	**98.45**

Maturity analysis - contractual undiscounted cash flows:

₹ Crore

Lease liabilities	As at March 31, 2023	As at March 31, 2022
Less than one year	**44.12**	37.30
One to three years	**56.61**	62.18
Three to five years	**8.98**	7.36
More than five years	**0.35**	1.05
Total undiscounted lease liabilities	**110.06**	**107.89**

₹ Crore

Lease liabilities (discounted value)	As at March 31, 2023	As at March 31, 2022
Non-current	**57.61**	64.44
Current	**38.01**	32.24
Total	**95.62**	**96.68**

Amounts recognized in statement of profit and loss:

₹ Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Expenses relating to short-term leases	**57.88**	65.35
Expenses relating to low value leases	**2.67**	1.37
Total	**60.55**	**66.72**

As a lessor:

Amounts recognized in statement of profit and loss:

₹ Crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Operating lease income	**11.30**	10.97

₹ Crore

Undiscounted lease payments to be received after	March 31, 2023	March 31, 2022
Less than one year	**10.86**	10.86
One to three years	**16.65**	22.63
Three years to five years	**-**	-
Total undiscounted lease payments	**27.51**	**33.49**

Note 6 : 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, 2023					
Opening Gross carrying amount	5,408.42	2,674.47	144.14	0.10	2,818.71
Additions	-	0.55	10.26	-	10.81
Disposals	-	(1.18)	(15.66)	-	(16.84)
Hyperinflationary adjustment #	-	2.55	4.75	-	7.30
Other Adjustments (consist of exchange difference on translation of foreign operations)	448.08	154.25	1.45	-	155.70
Closing Gross Carrying Amount	**5,856.50**	**2,830.64**	**144.94**	**0.10**	**2,975.68**
Accumulated Amortisation/ Impairment					
Opening Accumulated Amortisation/ Impairment	31.63	233.83	115.63	0.10	349.56
Amortization recognised for the year	-	15.86	13.30	-	29.16
Additional amortisation due to hyperinflation #	-	0.44	0.33	-	0.77
Disposals	-	(1.18)	(15.66)	-	(16.84)
Impairment (Refer Note 52)	-	6.03	-	-	6.03
Hyperinflationary adjustment #	-	2.38	4.11	-	6.49
Other Adjustments (consist of exchange difference on translation of foreign operations)	2.62	21.69	1.48	-	23.17
Closing Accumulated Amortisation/ Impairment	**34.25**	**279.05**	**119.19**	**0.10**	**398.34**
Net Carrying Amount	**5,822.25**	**2,551.59**	**25.75**	**-**	**2,577.34**

₹ Crore

PARTICULARS	Goodwill (Refer note 52)	Other Intangible assets			Total Other Intangible assets
		Trademarks and Brands *	Computer Software	Technical Knowhow	
Year ended March 31, 2022					
Opening Gross carrying amount	5,160.54	2,592.26	129.80	0.10	2,722.16
Additions	-	0.15	8.80	-	8.95
Disposals	-	(9.32)	(1.01)	-	(10.33)
Hyperinflationary adjustment #	-	3.42	4.37	-	7.79
Other Adjustments (consist of exchange difference on translation of foreign operations)	247.88	87.96	2.18	-	90.14
Closing Gross Carrying Amount	**5,408.42**	**2,674.47**	**144.14**	**0.10**	**2,818.71**
Accumulated Amortisation/ Impairment					
Opening Accumulated Amortisation	30.69	153.67	94.82	0.10	248.59
Amortisation recognised for the year	-	15.10	14.86	-	29.96
Additional amortisation due to hyperinflation #	-	0.36	1.41		1.77
Disposals	-	(2.77)	(0.88)	-	(3.65)
Impairment (Refer Note 52)	-	53.64	-	-	53.64
Hyperinflationary adjustment #	-	3.03	3.51	-	6.54
Other Adjustments (consist of exchange difference on translation of foreign operations)	0.94	10.80	1.91	-	12.71
Closing Accumulated Amortisation/ Impairment	**31.63**	**233.83**	**115.63**	**0.10**	**349.56**
Net Carrying Amount	**5,376.79**	**2,440.64**	**28.51**	**-**	**2,469.15**

NOTE :

* Includes trademarks / brands amounting to ₹ 2,329.42 crore (Mar-31-2022 : ₹ 2,219.18 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 2.1 (e) for impact of these standards.

Note 6A : Intangible Assets under Development

Intangible assets under development ageing schedule

₹ Crore

As at March 31, 2023

Intangible assets under development ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	3.81
Total	**-**	**-**	**-**	**-**	**3.81**

As at March 31, 2022

Intangible Assets under Development ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	1.69
Total	**-**	**-**	**-**	**-**	**1.69**

Note :

There are no projects whose completion is overdue or exceeded the cost as compared to its original plan.

There are no suspended projects.

Note 7: Other Investments (Non-Current)

₹ Crore

	Amounts	
	As at March 31, 2023	**As at March 31, 2022**
Quoted, fully paid up:		
At Amortised Cost		
Investments in Government Bonds	**640.25**	145.92
Investments in Target Mutual fund	**199.08**	-
Unquoted, fully paid up:		
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	**-**	25.20
Total	**839.33**	**171.12**
Aggregate Amount of Unquoted Investments	**-**	25.20
Aggregate Amount of Quoted Investments	**839.33**	145.92
Aggregate Market Value of Quoted Investments	**839.33**	145.92
Aggregate Provision for Impairment in the Value of Investments	**-**	-

Note 8: Loans (Non-Current)

₹ Crore

	As at March 31, 2023	**As at March 31, 2022**
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	0.03	0.03
Total	**0.03**	**0.03**

Note 9: Other Non-Current Financial Assets

₹ Crore

	As at March 31, 2023	**As at March 31, 2022**
Unsecured, Considered Good, Unless Otherwise Stated		
Security Deposits	**21.01**	23.74
Others	**0.60**	1.35
TOTAL	**21.61**	**25.09**

Note 10: 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, 2023	Year ended March 31, 2022
Current Tax:		
Current tax on profits for the year	**396.25**	397.31
Deferred tax (net)	**7.21**	9.15
MAT Credit Recognised (adjustment on account of previous period audit)	**(6.00)**	(37.23)
MAT credit utilised	**32.81**	2.64
Total income tax expense	**430.27**	**371.87**

Deferred tax is in respect of origination and reversal of temporary differences.

ii Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during the year :

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
On remeasurements of defined benefit plans		
Deferred tax	**(1.74)**	(1.76)
On revaluation of cash flow hedges		
Deferred tax	**(0.07)**	-
TOTAL	**(1.81)**	**(1.76)**

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, 2023	Year ended March 31, 2022
Profit Before Tax	**2,132.73**	2,155.26
Statutory Income tax rate	**32.70%**	31.94%
Expected income tax expense	**697.50**	688.35
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	**(300.53)**	(290.67)
Effect of other tax offsets	**1.39**	4.16
Tax impact of income not subject to tax	**(3.26)**	(3.36)
Tax effects of amounts which are not deductible for taxable income	**12.61**	10.91
Tax effect on divestment of investment in associate	**-**	(16.54)
Reversal of DTA due to rate change	**-**	(25.54)
Adjustments for current tax of prior periods (Excess MAT utilised) (Refer note (e) below)	**(6.00)**	(37.23)
Deferred Tax Asset not recognised on losses	**60.03**	42.49
Tax benefits in overseas jurisdictions	**(33.97)**	(10.46)
Others	**2.50**	9.76
Total income tax expense	**430.27**	**371.87**

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, 2023	As at March 31, 2022
Non-Current Tax Assets (net)	**101.32**	89.63
Current Tax Liabilities (net)	**14.71**	22.22

D Deferred Tax Assets (Net Of Liabilities):

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability on account of :		
Property, Plant and Equipment	**(28.49)**	(41.61)
Intangible assets	**(196.19)**	(193.27)
Others	**(5.17)**	(1.16)
Deferred Tax Asset on account of :	**-**	
Defined benefit obligations	**16.52**	21.08
Intangible assets	**336.44**	336.72
Provisions	**53.50**	72.69
MAT credit	**482.74**	509.46
Others (includes hyperinflation)	**43.40**	27.60
Total Deferred Tax Assets	**702.75**	731.51

E Deferred Tax Liabilities (Net Of Assets):

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability on account of :		
Property, Plant and Equipment	**(27.52)**	(19.65)
Intangible assets	**(229.00)**	(175.11)
Others	**(5.61)**	-
Deferred Tax Asset on account of :		
Defined benefit obligations	**-**	6.23
Provisions	**38.83**	21.69
Tax losses	**136.98**	101.39
Others	**24.81**	13.51
Total Deferred Tax (Liabilities)	**(61.51)**	**(51.94)**
Net Deferred Tax (Liabilities) / Assets	**641.24**	**679.57**

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, 2021	(60.99)	(35.53)	(0.10)	51.21	85.60	474.87	122.70	637.76
Charged/(credited) :								
- to profit or loss	(0.27)	(13.01)	(1.06)	(22.14)	8.78	34.59	18.55	25.44
- foreign currency translation	-	16.88	-	-	-	-	-	16.88
- to other comprehensive income	-	-	-	(1.76)	-		-	(1.76)
-to reserves	-	-	-	-	-	-	1.25	1.25

As at March 31, 2022	**(61.26)**	**(31.66)**	**(1.16)**	**27.31**	**94.38**	**509.46**	**142.50**	**679.57**
Charged/(credited) :								
- to profit or loss	5.25	(51.46)	(9.62)	(9.05)	(2.05)	(26.71)	55.08	(38.56)
- foreign currency translation	-	(5.63)	-	-	-	-	-	(5.63)
- to other comprehensive income	-	-	-	(1.74)	-		(0.07)	(1.81)
-to reserves	-	-	-	-	-	-	7.67	7.67
As at March 31, 2023	**(56.01)**	**(88.75)**	**(10.78)**	**16.52**	**92.33**	**482.75**	**205.18**	**641.24**

(a) 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.

(b) 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.

(c) The Group has not recognized deferred tax liability on undistributed profits of its subsidiaries and associates amounting to ₹ 1,640.96 crores (Mar-31-2022 : ₹ 1,110.82 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.

(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 Group will pay normal income tax against which the MAT paid will be adjusted.

During the year the Group has utilized/(recognised) MAT credit of ₹ 26.71 crores (Mar-31-2022 : (₹ 37.23 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 ₹ 482.74 crores (Mar-31-2022 : ₹ 509.46 crores) in future years against the normal tax expected to be paid in those years.

(e) During the year ended March 31, 2023, the group has reassessed tax benefits under section 80IE of the Income tax Act for financial year 2020-21 based on which incremental Minimum alternate tax credit of ₹ 6 crore (Mar-31-2022 : ₹ 37.23 crores) has been recognised.

(f) New provision inserted in the income tax act (Sept 2019) with effect from fiscal year 2019-20, allows any domestic company to pay income tax in India at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The lower rate is an option and companies can continue to account based on the old rates. The Group has plants located in North-east region enjoying income tax exemption, and the effective rate based on the tax exemption plants is lower than 25.17%, so Group decided to not opt for lower rate in FY 2022-23

(g) Based on internal projections the Group 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 Group 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 was ₹ (1.28 crore) for the year ended March 31, 2023 (Year ended March 31, 2022: ₹ 1.11 crore).

Note 11: Other Non-Current Assets

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Capital Advances		
Considered Good	**17.79**	54.09
Considered Doubtful	**0.86**	1.00
Less: Provision for Doubtful Advances	**(0.86)**	(1.00)
Balances with Government Authorities	**30.41**	38.69
Other non-current assets		
Considered Good-Unsecured	**0.48**	0.89
	0.48	0.89
TOTAL	**48.68**	**93.67**

Note 12: Inventories

₹ Crore

	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	**873.96**	1,269.76
Goods-in Transit	**37.60**	22.01
	911.56	**1,291.77**
Work-in-Progress	**69.20**	90.51
Finished goods	**469.42**	654.79
Stock-in-Trade	**61.57**	67.83
Stores and Spares	**25.40**	24.95
TOTAL	**1,537.15**	**2,129.85**

Refer Note 54 for Assets pledged as security

During the year ended March 31, 2023 an amount of ₹ 3.05 crore (31-Mar-22 ₹ (5.48) crore) was debited /(credited) to the statement of Profit and Loss on account of write off/ write back of inventories (net) including damaged and slow moving inventory.

Note 13: Investments (Current)

₹ Crore

	Amounts	
	As at March 31, 2023	As at March 31, 2022
Quoted, fully paid up:		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	**943.99**	389.51
At Amortised Cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**728.37**	127.19
Investments in Commercial Papers with Non-Banking Financial Companies	**342.02**	49.98
Unquoted, fully paid up:		
At Amortised Cost		
Investments in Deposits with Non-Banking Financial Companies	**175.27**	277.63
TOTAL	**2,189.65**	**844.31**
Aggregate amount of unquoted investments	**175.27**	277.63
Aggregate amount of quoted investments	**2,014.38**	566.68
Aggregate Market Value of quoted Investments	**2,014.38**	566.68

Note 14: Trade Receivables

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Considered Good- Secured	**0.68**	0.68
Considered Good - Unsecured	**1,244.60**	1,115.64
Trade Receivables - credit impaired	**67.90**	59.79
Less: Impairment allowance for Doubtful Debts	**(67.90)**	(59.79)
TOTAL	**1,245.28**	**1,116.32**

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.

Trade Receivables ageing schedule

₹ Crore

As on March 31, 2023	Outstanding for following periods from due date of payment						Total
	Not due	Up to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	937.44	283.39	18.78	4.69	-	0.98	1,245.28
Undisputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	0.02	16.89	31.63	5.53	7.77	61.84
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	0.12	0.05	0.82	0.73	4.34	6.06
Provision for bad and doubtful debts							(67.90)
Total	**937.44**	**283.53**	**35.72**	**37.14**	**6.26**	**13.09**	**1,245.28**

₹ Crore

As on March 31, 2022	Outstanding for following periods from due date of payment						Total
	Not due	Up to 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	791.21	315.27	7.26	2.30	0.19	0.09	1,116.32
Undisputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	0.37	10.43	10.74	26.31	3.87	51.72
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	0.01	0.26	0.90	0.61	4.38	1.91	8.07
Provision for bad and doubtful debts							(59.79)
Total	**791.22**	**315.90**	**18.59**	**13.65**	**30.88**	**5.87**	**1,116.32**

Note 15A: Cash and Cash Equivalents

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
- In Current Accounts	**293.47**	672.50
- Deposits with less than 3 months original maturity	**51.26**	74.63
	344.73	**747.13**
Cheques, Drafts on Hand	**3.46**	1.62
Cash on hand	**9.43**	2.17
TOTAL	**357.62**	**750.92**

Note 15B: Other Bank Balances

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Deposits with maturities more than 3 months but less than 12 months	**19.42**	341.67
In Unpaid Dividend Accounts	**13.68**	15.18
TOTAL	**33.10**	**356.85**

NOTES:

The fixed deposits include deposits under lien against bank guarantees ₹ 4.36 crore (Mar-31-2022 : ₹ 4.23 crore)

Note 16: Loans (Current)

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.05**	0.05
TOTAL	**0.05**	**0.05**

Note 17: Other Current Financial Assets

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Security Deposits	**3.88**	4.15
Derivatives		
Interest rate swaps used for hedging	**-**	0.26
Cross Currency Interest rate swap used for hedging	**0.46**	-
Foreign-exchange forward contracts used for hedging	**1.03**	0.11
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	**21.18**	29.84
Considered Doubtful	**18.65**	22.56
Less: Impairment allowance for doubtful advances	**(18.65)**	(22.56)
	21.18	**29.84**
Others (includes insurance claim receivables & export incentive receivables)	**15.76**	7.47
TOTAL	**42.31**	**41.83**

Note 18: Other Current Assets

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Balances with Government Authorities	**151.65**	180.58
Contract Assets (right to receive inventory)	**9.50**	12.42
Other Advances (includes vendor advances & prepaid expenses)		
Considered Good	**239.66**	254.14
Considered Doubtful	**1.29**	1.00
Less: Provision for Doubtful Advances	**(1.29)**	(1.00)
	239.66	**254.14**
TOTAL	**400.81**	**447.14**

Note 19: Share Capital

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Authorised		
1,030,000,000 Equity Shares (Mar-31-2022 : 1,030,000,000) of ₹ 1 each	**103.00**	103.00
10,000,000 Preference Shares (Mar-31-2022 : 10,000,000) of ₹ 1 each	**1.00**	1.00
Issued		
1,022,726,442 Equity Shares (31-Mar-22: 1,022,612,203) of ₹ 1 each	**102.27**	102.26
Subscribed and Fully Paid up		
1,022,695,318 Equity Shares (31-Mar-22: 1,022,581,079) of ₹ 1 each fully paid up	**102.27**	102.26
TOTAL	**102.27**	**102.26**

NOTES:

a) During the year, the Company has issued 1,14,239 equity shares (31-Mar-2022: 94,806) under the Employee Stock Grant Scheme.

b) 31,124 Right Issue equity shares (31 March 2022 : 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, 2023		As at March 31, 2022	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	**1,022,581,079**	**102.26**	**1,022,486,273**	102.25
Add : Shares Issued on exercise of employee stock grant scheme	**114,239**	**0.01**	**94,806**	0.01
Shares outstanding at the end of the year	**1,022,695,318**	**102.27**	**1,022,581,079**	**102.26**

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 31 March 2023 the amount of per share dividend recognised as distribution to equity shareholders was Nil (31 March 2022 : NIL).

e) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	**75,011,445**	**7.33**	75,011,445	**7.34**
Godrej Industries Limited	**242,812,860**	**23.74**	242,812,860	**23.75**
Godrej Seeds & Genetics Limited	**280,500,000**	**27.43**	280,500,000	**27.43**

f) **Shares Reserved for issue under options**

The Company has 9,90,235 (previous year 6,16,102) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2023.(As detailed in Note 45)

g) **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 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 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.

k) Details of shares held by promoters

As at 31 March 2023

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Godrej Seeds & Genetics Limited	Equity shares of INR 1 each fully paid	280,500,000	280,500,000	-	-
Godrej Industries Limited		242,812,860	242,812,860	-	-
Godrej & Boyce Manufacturing Co. Ltd.		75,011,445	75,011,445	-	-
Rishad Kaikhushru Naoroji & Others (Partners Of Rkn Enterprises)		13,438,500	13,438,500	-	-
Pheroza Jamshyd Godrej		9,640,700	9,640,700	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Family Trust)		2,901,200	2,901,200	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Family Trust)		2,901,200	2,901,200	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Family Trust)		2,843,100	2,843,100	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Family Trust)		2,843,100	2,843,100	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Family Trust)		2,843,100	2,843,100	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Hng Family Trust)		2,752,299	2,752,299	-	-
Sohrab Nadir Godrej		1,901,184	1,901,184	-	-
Burjis Nadir Godrej		1,901,172	1,901,172	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Successor Trust)		1,312,441	1,312,441	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Successor Trust)		1,312,429	1,312,429	-	-
Hormazd Nadir Godrej		461,314	461,314	-	-
Pirojsha Adi Godrej		370,129	370,129	-	-
Nisaba Godrej		370,087	370,087	-	-
Azaar Arvind Dubash		370,000	370,000	-	-
Adi Barjorji Godrej		1,500	1,500	-	-
Navroze Jamshyd Godrej		77	77	-	-
Rishad Kaikhushru Naoroji		72	72	-	-
Freyan Crishna Bieri		70	70	-	-
Tanya Arvind Dubash		66	66	-	-
Nyrika Holkar		64	64	-	-
Nadir Barjorji Godrej		63	63	-	-
Raika Jamshyd Godrej		50	50	-	-
Jamshyd Godrej And Others (Trustees Of The Raika Godrej Family Trust)		24	24	-	-
Adi Godrej, Tanya Dubash, Nisaba Godrej And Pirojsha Godrej (Trustees Of Abg Family Trust)		1	1	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Children Trust)		1	1	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Nbg Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Rng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Burjis Godrej (Trustees Of Bng Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Sohrab Godrej (Trustees Of Sng Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Jng Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Pjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Rjg Family Trust)		1	1	-	-

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Raika Lineage Trust)	Equity shares of INR 1 each fully paid	1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Njg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Navroze Lineage Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Sgc Family Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Vmc Family Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Children Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Children Trust)		1	1	-	-

As at 31 March 2022

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Godrej Seeds & Genetics Limited	Equity shares of INR 1 each fully paid	280,500,000	280,500,000	-	-
Godrej Industries Limited		242,812,860	242,812,860	-	-
Godrej & Boyce Manufacturing Co. Ltd.		75,011,445	75,011,445	-	-
Rishad Kaikhushru Naoroji & Others (Partners Of Rkn Enterprises)		13,438,500	13,438,500	-	-
Pheroza Jamshyd Godrej		9,640,700	9,640,700	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Family Trust)		2,901,200	2,901,200	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Family Trust)		2,901,200	2,901,200	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Family Trust)		2,843,100	2,843,100	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Family Trust)		2,843,100	2,843,100	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Family Trust)		2,843,100	2,843,100	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Hng Family Trust)		2,752,299	2,752,299	-	-
Sohrab Nadir Godrej		1,901,184	1,901,184	-	-
Burjis Nadir Godrej		1,901,172	1,901,172	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Successor Trust)		1,312,441	1,312,441	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Successor Trust)		1,312,429	1,312,429	-	-
Hormazd Nadir Godrej		461,314	461,314	-	-
Pirojsha Adi Godrej		370,129	370,129	-	0.00%
Nisaba Godrej		370,087	370,087	-	0.00%
Azaar Arvind Dubash		370,000	370,000	-	-
Adi Barjorji Godrej		1,500	1,500	-	0.00%
Navroze Jamshyd Godrej		77	77	-	-
Rishad Kaikhushru Naoroji		72	72	-	-
Freyan Crishna Bieri		70	70	-	-
Tanya Arvind Dubash		66	66	-	0.00%
Nyrika Holkar		64	64	-	-
Nadir Barjorji Godrej		63	63	-	-
Raika Jamshyd Godrej		50	50	-	-
Jamshyd Godrej And Others (Trustees Of The Raika Godrej Family Trust)		24	24	-	-
Adi Godrej, Tanya Dubash, Nisaba Godrej And Pirojsha Godrej (Trustees Of Abg Family Trust)		1	1	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Children Trust)		1	1	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Lineage Trust)		1	1	-	-

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Nbg Family Trust)	Equity shares of INR 1 each fully paid	1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Rng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Burjis Godrej (Trustees Of Bng Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Sohrab Godrej (Trustees Of Sng Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Jng Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Pjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Rjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Raika Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Njg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Navroze Lineage Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Sgc Family Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Vmc Family Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Children Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Children Trust)		1	1	-	-

Note 20: Other Equity

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Securities Premium	**1,434.70**	1,424.93
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	**23.56**	13.17
	25.17	**14.78**
Retained Earnings	**11,096.62**	9,426.14
Other Comprehensive Income (effective portion of cash flow hedges & exchange differences in translating financial statements of foreign operations)	**981.42**	433.77
TOTAL	**13,691.96**	**11,453.67**

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2023	As at March 31, 2022
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	**13.17**	7.53
(-) Exercise of Share options	**(9.77)**	(6.32)
(+) Deferred Employee Compensation Expense (Refer Note 33)	**20.16**	11.96
Closing Balance	**23.56**	**13.17**
TOTAL	**25.17**	**14.78**

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

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 21: Non-Current Borrowings

₹ Crore

		Maturity Date	Terms of Repayment	Interest rate*	As at March 31, 2023	As at March 31, 2022
A.	**Secured**					
	Term Loans from banks in USD	Upto August 2024	Payable in Multiple Installments every year	5.49% - 5.49%	**0.10**	0.16
	Unsecured					
	Term loans					
	a) From Banks in USD	Upto June 2025	Payable in Multiple Installments every year	1.29% - 5.55%	**411.73**	768.80
					411.83	**768.96**
					411.83	**768.96**
	Less: Current maturities of long term debt (from banks in USD) (Refer Note 24)				**(222.71)**	**(388.11)**
	TOTAL				**189.12**	**380.85**

*includes variable and fixed rate instruments. Refer Note 49 A (iii) for interest rate risk and Note 54 for assets pledged as security

Note 22: Provisions

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity (Refer Note 44)	**91.31**	101.21
Compensated Absences	**4.16**	5.79
Other long term incentives	**7.95**	-
TOTAL	**103.42**	**107.00**

Note 23: Other Non-Current Liabilities

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Others (includes deferred grants, sundry deposits)	**1.57**	2.29
TOTAL	**1.57**	**2.29**

Note 24: Current Borrowings

₹ Crore

		Maturity Date	Terms of Repayment	Coupon/ Interest rate*	As at March 31, 2023	As at March 31, 2022
A.	**Secured**					
	Loans repayable on demand from banks (Refer Note below)	Cash Credit	Payable on demand	7.50% -9%	**4.82**	0.06
					4.82	**0.06**
B.	**Unsecured**					
	Loans repayable on demand from banks	Upto 12 months	Mulitple dates	1.03%-13.35%	**534.94**	397.70
	Overdraft from banks	On demand	On demand	7.15% - 55.90%**	**82.37**	440.94
					617.31	838.64
C.	**Current maturity of long term debt (Refer Note 21)**				**222.71**	388.11
	TOTAL				**844.84**	**1,226.81**

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 and Note 54 for assets pledged as security.

**55.9% 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, 2023	As at March 31, 2022
Total oustanding dues of micro enterprises and small enterprises	**46.40**	23.24
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**1,776.77**	2,139.82
TOTAL	**1,823.17**	**2,163.06**

* 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, 2023	As at March 31, 2022
I	The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	**46.40**	23.24
II	Interest due thereon	**-**	-
	Trade payable dues to Micro and small enterprises	**46.40**	**23.24**
(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)	**-**	-
(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	**-**	-

Ageing of Trade payables outstanding as on March 31, 2023

₹ Crore

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	45.84	0.56	-	-	-	46.40
Other than MSME	309.23	1,252.67	201.63	7.36	2.35	2.77	1,776.01
Disputed dues -MSME	-	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	0.76	0.76
Total	**309.23**	**1,298.51**	**202.19**	**7.36**	**2.35**	**3.53**	**1,823.17**

Ageing of Trade payables outstanding as on March 31, 2022

₹ Crore

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	23.06	0.18	-	-	-	23.24
Other than MSME	586.44	1,360.87	186.88	2.52	1.01	1.34	2,139.06
Disputed dues -MSME	-	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	0.76	0.76
Total	**586.44**	**1,383.93**	**187.06**	**2.52**	**1.01**	**2.10**	**2,163.06**

Note 26: Other Current Financial Liabilities

₹ Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit received	**5.05**	5.10
Unclaimed Dividends (Refer Note (a) below)	**13.68**	15.18
Put Option liability	**81.08**	50.83
Interest accrued	**3.02**	0.51
Derivatives		
Interest rate swaps used for hedging	**-**	0.54
Cross currency Interest rate swaps used for hedging	**11.95**	-
Foreign-exchange forward contracts used for hedging	**0.08**	7.64
Employee Benefits Payable	**134.23**	132.81
Capital creditors and other payables	**17.30**	14.62
TOTAL	**266.39**	**227.23**

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, 2023	As at March 31, 2022
Statutory Dues (VAT, GST, TDS etc.)	**48.13**	32.05
Advance from customers	**38.44**	30.25
Contractual and constructive obligation	**114.51**	117.89
Other Payables (including PF)	**27.95**	43.65
TOTAL	**229.03**	**223.84**

Note 28: Provisions

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity (net) (Refer Note 44)	**8.15**	8.38
Compensated Absences	**4.21**	4.45
Other Provision :		
Provision for Sales Returns	**30.02**	41.33
Provision towards Litigations	**32.78**	22.05
TOTAL	**75.16**	**76.21**

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, 2022	**41.33**	22.05
Additional provisions recognised	**-**	12.38
Amount Utilised	**(10.17)**	-
Foreign currency translation difference	**(1.14)**	(1.65)
As at March 31, 2023	**30.02**	**32.78**

₹ Crore

	Sales Returns	Provision towards Litigation
As at April 1, 2021	**37.34**	20.66
Additional provisions recognised	**4.91**	2.35
Amount Utilised	**(0.13)**	(0.61)
Foreign currency translation difference	**(0.79)**	(0.35)
As at March 31, 2022	**41.33**	**22.05**

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, 2023	Year ended March 31, 2022
a)	Sale of Products	**13,198.68**	12,174.22
	Other Operating Revenues (includes export incentive, GST refunds, scrap sales etc.)	**117.29**	102.28
	TOTAL	**13,315.97**	**12,276.50**

b) Revenue Information

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue by product categories		
Home care	**5,114.25**	4,958.07
Personal care	**8,084.43**	7,216.15
TOTAL	**13,198.68**	**12,174.22**

c) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	**14,358.15**	13,250.87
Sales returns	**(76.72)**	(76.93)
Rebates/Discounts	**(1,082.75)**	(999.72)
Revenue from contract with customers	**13,198.68**	**12,174.22**

d) Contract Balances

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Trade receivables (Refer Note 14)	**1,245.28**	1,116.32
Contract assets (Refer Note 18)	**9.50**	12.42
Contract liabilities (Refer Note 27)	**38.44**	30.25

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, 2023	Year ended March 31, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	**30.25**	27.44

Note 30 : Other Income

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	**16.97**	26.48
On Advances and Fixed Deposits	**68.29**	33.10
Commercial Papers	**10.30**	0.81
On Others	**0.48**	0.17
Net Gain on Sale of Investments	**48.15**	10.90
Fair Value Gain \ (Loss) on financial assets measured at fair value through profit or loss (net)	**5.83**	0.62
Other Non-Operating Income		
Profit on Sale of Property, Plant & Equipment (Net)	**1.24**	-
Rental Income	**11.30**	10.97
Miscellaneous non operating income	**5.85**	6.66
TOTAL	**168.41**	**89.71**

Note 31: Cost of Materials Consumed

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Raw material and packing material		
Opening Inventory	**1,291.77**	941.12
Add : Purchases (net)	**5,804.46**	6,133.63
	7,096.23	7,074.75
Less: Closing Inventory	**(911.56)**	(1,291.77)
Cost of Materials Consumed	**6,184.67**	**5,782.98**

Note 32: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Opening Inventory		
Finished Goods	**654.79**	587.86
Stock-in-Trade	**67.83**	86.42
Work-in-Progress	**90.51**	77.31
	813.13	**751.59**
Less: Closing Inventory		
Finished Goods	**469.42**	654.79
Stock-in-Trade	**61.57**	67.83
Work-in-Progress	**69.20**	90.51
	600.19	**813.13**
(Increase) / decrease in Inventories	**212.94**	**(61.54)**

Note 33: Employee Benefits Expense

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	**1,024.23**	1,012.30
Contribution to Provident and Other Funds (Refer Note 44)	**21.24**	22.85
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 45)	**20.16**	11.96
Staff Welfare Expenses	**45.85**	57.03
TOTAL	**1,111.48**	**1,104.14**

Note : During the year ended March 31, 2023, Employee Benefits expense includes provision for long term incentive amounting to ₹ 7.95 Crore (Previous Year: NIL) recorded on achievement of certain parameters as at March 31, 2023 and certain parameters expected to be achieved during the financial year 2023-24 and 2024-25 as per the long term incentive scheme in accordance with the accounting standards. This long-term incentive is payable in financial year 2024-25, subject to fulfilment of all the defined parameters and therefore the provision is recorded at its present value.

Note 34: Finance Costs

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense		
Interest on bank loans and overdraft	**99.33**	65.66
Bill discounting charges	**14.80**	19.08
Interest on lease liability	**7.72**	6.74
Net Monetary loss on account of Hyperinflation	**53.89**	18.68
TOTAL	**175.74**	**110.16**

Note 35: Depreciation and Amortization Expenses

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	**164.85**	143.84
Depreciation on right of use asset	**41.51**	34.36
Amortization of intangible assets	**29.93**	31.73
TOTAL	**236.29**	**209.93**

Note 36: Other Expenses

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and Spares	**35.09**	33.02
Power and Fuel	**154.63**	133.49
Rent (net)	**60.55**	66.72
Repairs and Maintenance		
Plant and Equipment	**16.99**	16.11
Buildings	**11.13**	9.57
Others (net)	**70.51**	69.35
	98.63	**95.03**
Insurance	**34.97**	24.18
Rates and Taxes	**45.07**	43.44
Processing and Other Manufacturing Charges	**305.19**	302.25
Travelling and Conveyance	**69.54**	44.32
Legal and Professional Charges	**97.31**	79.80
Donations	**1.56**	2.68
Sales Promotion	**203.37**	236.41
Advertising and Publicity	**985.52**	750.77
Selling and distribution expenses	**202.32**	146.17
Freight	**427.16**	424.06
Royalty	**0.87**	1.46
Commission	**17.76**	19.16
Bank charges	**12.74**	12.10
Net Loss on Sale / write off of Property, Plant and Equipment	**-**	1.97
Net Loss on Foreign Currency Transactions and Translations	**108.70**	96.62
Bad Debts Written Off	**5.40**	3.20
Miscellaneous Expenses (net) (Refer Note (a) below)	**204.86**	185.31
TOTAL	**3,071.24**	**2,702.16**

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, 2023	Year ended March 31, 2022
Restructuring Cost	**(29.31)**	(4.73)
Settlement of Litigation with tax authorities	**(18.77)**	-
Impairment Loss on other intangible assets (Refer note 52)	**(6.03)**	(60.19)
Impairment provision reversal on Associate (Refer note 51)	**-**	15.38
Profit on Sale of Investment in Associate (Net) (Refer note 51)	**-**	39.79
TOTAL	**(54.11)**	**(9.75)**

NOTE:

For the year ended March 31, 2023, exceptional items include impairment loss of ₹ 6.03 crore towards brands, restructuring costs of ₹ 29.31 crore and ₹ 18.77 crore on account of litigation settlement under VAT amnesty scheme in the Consolidated Financial Statements

For the year ended March 31, 2022, exceptional items for consolidated financial statements includes impairment loss of ₹ 60.19 crore towards brands, restructuring costs of ₹ 4.73 crore offset by gain of ₹ 55.17 crore (net) on account of divestment of investment in an associate.

Note 38: Earnings Per Share

	Year ended March 31, 2023	Year ended March 31, 2022
Net Profit After Tax (₹ Crore)	**1,702.46**	**1,783.39**
Number of Shares outstanding at the beginning of the year	**1,022,581,079**	1,022,486,273
Add : Shares Issued during the year	**114,239**	94,806
Number of Shares outstanding at the end of the year	**1,022,695,318**	1,022,581,079
Weighted Average Number of Equity Shares		
For calculating Basic EPS	**1,022,636,084**	1,022,545,027
Effect of dilution:		
Shared based payments	**229,629**	119,419
For calculating Diluted EPS	**1,022,865,713**	1,022,664,446
Earnings Per Share Before and After Extraordinary Items		
(Face Value ₹ 1)		
Basic (₹)	**16.65**	17.44
Diluted (₹)	**16.65**	17.44

Note 39 : Commitments

₹ Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Estimated value of contracts remaining to be executed on capital account to the extent not provided, net of advances there against of ₹ 15.15 crore (March 31,2022 : ₹ 37.11 crore)	**73.64**	41.55
TOTAL	**73.64**	**41.55**

Note 40 : Dividend

During the year 2022-23, no interim dividend has been paid.

Note 41 : Contingent Liabilities

₹ Crore

		As at March 31, 2023	As at March 31, 2022
a)	**CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS**		
i)	Excise duty demands against which the Company / Group has preferred appeals	**57.74**	57.70
ii)	Sales tax demands against which the Company / Group has preferred appeals	**38.54**	70.75
iii)	GST matters	**0.18**	-
iv)	Income-tax matters	**252.38**	253.79
v)	Other matters	**3.99**	3.00
b)	**Guarantees given against Borrowings (in excess of Loans outstanding) / Bank facilities**		
i)	Guarantee amounting to USD Nil (31-Mar-22 USD 49.58 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch towards loan provided to Godrej Mauritius Africa Holdings Limited	**-**	34.16
ii)	Guarantee amounting to USD 24.20 million (31-Mar-22 USD 24.20 million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej Mauritius Africa Holdings Limited	**25.48**	23.50
iii)	Guarantee amounting to USD 50.50 million (31-Mar-22 USD 50.50 million) given by the Company to Standard Chartered Bank, Mauritius towards bank facilities provided to Godrej Tanzania Holdings Limited	**415.02**	382.75
iv)	Guarantee amounting to USD 30.45 million (31-Mar-22 USD 36.75 million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej SON Holdings, Inc.	**11.92**	13.26
v)	Guarantee amounting to USD 0.58 million (31-Mar-22 Nil) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards interest rate swap / derivative facilities provided to Godrej Mauritius Africa Holdings Limited	**4.73**	-
	Others		
i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 4.53 crore (31-Mar-22 ₹ 4.39 crore)].	**27.89**	37.92
ii)	Guarantee given by the Company to Kotak Mahindra Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**-**	0.30
c)	**Claims against the Company not acknowledged as debt**	**31.59**	32.28

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.

Note 42 : Related Party Disclosures

A) Related Parties and their Relationship

a) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2023	% Holding as at March 31, 2022
Bhabhani Blunt Hairdressing Pvt Limited	India	**0%**	0%

*Refer note 51 for details of sale of investment in associate

b) Investing Entity in which the reporting entity is an Associate

i) Godrej Industries Limited

ii) Godrej Seeds & Genetics Limited

c) 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) Godrej Projects Development Private Limited

vi) Godrej One Premises Management Private Limited

d) Key Management Personnel and Relatives:

i)	Mr. Adi Godrej	Chairman Emeritus (till September 30,2021)
ii)	Ms. Nisaba Godrej	Executive Chairperson (Chairperson & Managing director upto October 18,2021) / Daughter of Mr. Adi Godrej / Sister of Mr. Pirojsha Godrej and Ms. Tanya Dubash
iii)	Mr. Sudhir Sitapati	Managing Director & CEO (From October 18, 2021)
iv)	Mr. V. Srinivasan	Chief Financial Officer and Company Secretary (till August 31, 2021)
v)	Mr. Sameer Shah	Chief Financial Officer (From September 1, 2021)
vi)	Mr. Rahul Botadara	Company Secretary and Compliance Officer(From September 1, 2021)
vii)	Mr. Pirojsha Godrej	Non-Executive Director / Son of Mr. Adi Godrej / Brother of Ms. Nisaba Godrej and Ms. Tanya Dubash
viii)	Mr. Nadir Godrej	Non-Executive Director/ Brother of Mr. Adi Godrej
ix)	Ms. Tanya Dubash	Non-Executive Director/ Daughter of Mr. Adi Godrej /Sister of Mr. Pirojsha Godrej and Ms. Nisaba Godrej
x)	Mr. Jamshyd Godrej	Non Executive Director
xi)	Mr. Aman Mehta	Independent Director (Upto August 31, 2021)
xii)	Mr. Omkar Goswami	Independent Director
xiii)	Ms. Ireena Vittal	Independent Director
xiv)	Mr. Narendra Ambwani	Independent Director
xv)	Ms. Ndidi Nwuneli	Independent Director
xvi)	Ms. Pippa Armerding	Independent Director

xvii)	Mr. Sumeet Narang	Independent Director
xvii)	Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xix)	Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xx)	Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xxi)	Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xxii)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxiii)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

e) Post employment Benefit Trust where the reporting entity exercises significant influence

i) Godrej Consumer Products Employees' Provident Fund

B) The Related Party Transactions are as under :

₹ Crore

	Associate Company (Refer Note 51)		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	-	0.13	29.63	33.47	2.65	1.49	-	-	-	-	**32.28**	35.09
Sale of Capital Asset	-	-	0.04	0.01	0.02	-	-	-	-	-	**0.06**	0.01
Purchase of Materials and Spares	-	-	147.80	97.24	-	7.04	-	-	-	-	**147.80**	104.28
Purchase of Fixed Asset including Assets	-	-	-	-	0.02	0.24	-	-	-	-	**0.02**	0.24
Advance Paid	-	-	-	-	-	-	-	-	-	9.50	**-**	9.50
Advance received back	-	-	-	-	-	-	-	-	-	9.50	**-**	9.50
Royalty and Technical Fees Paid	-	0.55	-	-	-	-	-	-	-	-	**-**	0.55
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	-	0.10	33.29	23.40	6.47	5.71	-	-	-	-	**39.76**	29.21
Expenses Recovered	-	-	1.37	1.24	0.19	0.01	-	-	-	-	**1.56**	1.25
Investments Sold / Redeemed	-	32.04	-	-	-	-	-	-	-	-	**-**	32.04
Lease Rentals Received	-	-	11.63	11.03	-	-	-	-	-	-	**11.63**	11.03
Lease Rentals Paid	-	-	15.88	18.73	-	-	-	-	-	-	**15.88**	18.73
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	15.03	17.39	**15.03**	17.39
Short Term Employment Benefits (Including Commission on Profits and Sitting Fees)	-	-	-	-	-	-	20.68	16.48	-	-	**20.68**	16.48
Post Employment Benefits	-	-	-	-	-	-	0.49	0.49	-	-	**0.49**	0.49
Other Long Term Benefits	-	-	-	-	-	-	-	0.03	-	-	**-**	0.03
Share Based Payment	-	-	-	-	-	-	5.04	1.16	-	-	**5.04**	1.16
TOTAL	**-**	**32.82**	**239.64**	**185.12**	**9.35**	**14.49**	**26.21**	**18.16**	**15.03**	**36.39**	**290.23**	**286.98**

Outstanding Balances

₹ Crore

	Receivables		Payables		Guarantees Outstanding-Given/ (Taken)		Commitments	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Associate Company	-	-	-	-	-	-	-	-
Investing Entity in which the reporting entity is an associate	2.97	3.07	13.52	11.39	(26.88)	(26.88)	-	-
Companies under Common Control	1.07	0.66	0.49	0.49	(1.21)	(1.21)	0.24	0.24
Key Management Personnel and Relatives	-	-	2.22	2.36	-	-	-	-
TOTAL	**4.04**	**3.73**	**16.23**	**14.24**	**(28.09)**	**(28.09)**	**0.24**	**0.24**

Note : Refer note 7 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, 2023 and March 31, 2022:

	As at March 31, 2023		As at March 31, 2022	
	In million	INR cr	In million	INR cr
Forward Contracts to Purchase (USD)	**US $11.60**	**95.33**	US $16.03	121.81
[415 contracts (previous year 248 contracts)]				
Forward Contracts to Sell (USD)	**US $9.40**	**77.25**	US $9.50	72.19
[2 contracts (previous year 4 contracts)]				
Forward Contracts to Sell (Euro)	**€ 0.00**	**0.00**	€ 2.00	16.85
[0 contract (previous year 4)]				

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:

i) 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.

ii) For Godrej Nigeria Limited, management set aside physical assets with an investment outfit to fund future benefit obligations arising under the gratuity plan.The physical assets earmarked for the fund's investment are being managed by the Pension Fund Administration outfit of First Guaranteed Pension Limited.

iii) Gratuity plans for entities other than mentioned in i) and ii) are unfunded.

iv) 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.

v) The Company has a gratuity trust. The Group funds its unfunded gratuity payouts from its cash flows. Accordingly, the Group creates adequate provision in its books every year based on actuarial valuation.

vi) 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, 2023.

₹ Crore

	As at March 31, 2023	**As at March 31, 2022**
Plan assets at period end, at fair value	**178.17**	170.68
Provident Fund Corpus	**170.01**	168.26
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	**8.47%**	8.45%
Guaranteed Rate of Interest	**8.15%**	8.10%

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 11.77 crore (Mar-31-2022 : ₹ 12.72 crore) has been included under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 8.25 crore (Mar-31-2022 : ₹ 16.77crore) 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, 2023	As at March 31, 2022
i)	**Change in Present Value of Obligation**			
	Present value of the obligation at the beginning of the year		**111.86**	117.71
	Plan amendments and curtailments		**(10.70)**	(3.16)
	Current Service Cost		**12.07**	12.60
	Interest Cost		**6.94**	7.41
	Exchange difference		**1.81**	2.83
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions		**0.05**	(1.65)
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions		**(1.60)**	(4.02)
	Actuarial (Gain) / Loss on Obligation- Due to Experience		**(5.66)**	(1.82)
	Actuarial (Gain) / Loss on Obligation		**(7.21)**	(7.49)
	Benefits Paid		**(14.11)**	(18.04)
	Present value of the obligation at the end of the year		**100.66**	111.86
ii)	**Change in Plan Assets**			
	Fair value of Plan Assets at the beginning of the year		**2.27**	0.87
	Interest Income		**0.06**	0.08
	Return on plan assets excluding interest income		**(0.07)**	(0.02)
	Contributions by the Employer		**13.12**	19.38
	Benefits Paid		**(14.11)**	(18.04)
	Exchange difference		**(0.07)**	-
	Fair value of Plan Assets at the end of the year		**1.20**	2.27
iii)	**Amounts Recognised in the Balance Sheet:**			
	Present value of Obligation at the end of the year		**100.66**	111.86
	Fair value of Plan Assets at the end of the year		**1.20**	2.27
	Net Liability recognised in the Balance Sheet		**99.46**	109.59
iv)	**Amounts Recognised in the Statement of Profit and Loss:**			
	Current Service Cost		**12.07**	12.60
	Plan amendments and curtailments		**(10.70)**	(3.16)
	Interest Cost / Income on Obligation / Plan assets (net)		**6.88**	7.33
	Net Cost Included in Personnel Expenses		**8.25**	16.77
v)	**Recognised in other comprehensive income for the year**			
	Actuarial (Gain) / Loss on Obligation		**(7.21)**	(7.49)
	Return on plan assets excluding interest income		**0.07**	0.02
	Recognised in other comprehensive income		**(7.14)**	(7.47)
vi)	**Weighted average duration of Present Benefit Obligation**		**7.91 years**	8.26 years
vii)	**Estimated contribution to be made in next financial year**		**9.87**	12.25
viii)	**Major categories of Plan Assets as a % of total Plan Assets**			
	Insurer Managed Funds		**100%**	100%
ix)	**Actuarial Assumptions**			
	i) Discount Rate		**6.50%-17.75%p.a**	6.41%-13.5%p.a
	ii) Salary Escalation Rate		**5% p.a.-17%p.a**	6% p.a.-12.8%p.a
	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**

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	**12.57**	14.48
2nd Following Year	**10.80**	11.61
3rd Following Year	**23.56**	28.88
4th Following Year	**22.74**	28.56
5th Following Year	**22.16**	10.95
Sum of Years 6 to 10	**70.10**	67.27

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-23		31-Mar-22	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(6.71)**	**7.81**	(7.28)	8.48
Future salary growth (1% movement)	**7.76**	**(6.72)**	8.41	(7.29)

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 period of 1 to 5 years subject to conditions as may be decided by the Compensation Committee andthe 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 2022	2,004,880	Vested in the period of 1 to 5 years subject to conditions.	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	**616,102**	**187,421**
Add: Granted during the year	**529,432**	578,514
Less: Exercised during the year	**114,239**	94,806
Less: Forfeited/ lapsed during the year	**41,060**	55,027
Outstanding at the end of the year	**990,235**	**616,102**

Weighted average remaining contractual life of options as at 31st March, 2023 was 2.48 years (31-Mar-22: 2.97 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 824.69 (31-Mar-22 ₹ 958.87).

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:

Particulars	As at March 31, 2023	As at March 31, 2022
Risk-free interest rate (%)	**6.36%**	5.34%
Expected life of options (years)	**2.58**	3.65
Expected volatility (%)	**35.72%**	34.73%
Dividend yield	**0.00%**	0.00%
The price of the underlying share in market at the time of option grant (₹)	**900.15**	977.30

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 7 and 13 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 41.

Note 47 : Subsequent Events

Subsequent to 31st March, 2023, the Group has acquired consumer care business for a consideration of ₹2,825 crores from Raymonds Consumer Care Limited. No impact of the said acquisition has been given in these financial statements as this is a non adjusting event.

Apart from above 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

As at March 31, 2023	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Investments in Government Bonds	-	-	640.25	640.25	640.25	-	-	640.25
Investments in Target Mutual fund	-	-	199.08	199.08	199.08	-	-	199.08
Loans	-	-	0.03	0.03	-	-	-	-
Other Financial Assets	-	-	21.61	21.61	-	-	-	-
Current								
Investments								
Deposits with Non-Banking Financial Companies	-	-	175.27	175.27	-	175.27	-	175.27
Investments in Commercial Papers			342.02	342.02	342.02	-	-	342.02
Investments in Mutual Fund	943.99	-	-	943.99	943.99	-	-	943.99
Non-convertible Debentures with Non-Banking Financial Companies	-	-	728.37	728.37	728.37	-	-	728.37
Trade receivables	-	-	1,245.28	1,245.28	-	-	-	-
Cash and cash equivalents	-	-	357.62	357.62	-	-	-	-
Bank balances others	-	-	33.10	33.10	-	-	-	-
Loans	-	-	0.05	0.05	-	-	-	-
Derivative Asset								
Interest Rate Swap used for hedging	-	-	-	-	-	-	-	-
Cross Currency Interest Rate Swap used for hedging	-	0.46	-	0.46	-	0.46	-	0.46
Forward contract used for hedging	1.03	-	-	1.03	-	1.03	-	1.03
Others	-	-	40.82	40.82	-	-	-	-
	945.02	**0.46**	**3,783.50**	**4,728.98**	**2,853.71**	**176.76**	**-**	**3,030.47**
Financial liabilities								
Non-Current								
Borrowings	-	-	189.12	189.12	-	-	-	-
Lease Liability	-	-	57.61	57.61	-	-	-	-
Current								
Borrowings	-	-	844.84	844.84	-	-	-	-
Trade and other payables	-	-	1,823.17	1,823.17	-	-	-	-
Put Option Liability *	-	-	-	81.08	-	-	81.08	81.08
Derivative liability								
Interest Rate Swap used for hedging	-	-	-	-	-	-	-	-
Cross Currency Interest Rate Swap used for hedging	-	11.95	-	11.95	-	11.95	-	11.95
Forward contract used for hedging		0.08		0.08		0.08		
Lease Liability	-	-	38.01	38.01	-	-	-	-
Others	-	-	173.28	173.28	-	-	-	-
	-	**12.03**	**3,126.03**	**3,219.14**	**-**	**12.03**	**81.08**	**93.03**

A. Accounting classification and fair values (contd)

₹ Crore

As at March 31, 2022	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Investments in Government Bonds	-	-	145.92	145.92	145.92	-	-	145.92
Deposits with Non-Banking Financial Companies	-	-	25.20	25.20	-	25.20	-	25.20
Loans	-	-	0.03	0.03	-	-	-	-
Other Financial Assets	-	-	25.09	25.09	-	-	-	-
Current				-				-
Deposits with Non-Banking Financial Companies	-	-	277.63	277.63	-	277.63	-	277.63
Investments in Commercial Papers	-	-	49.98	49.98	49.98	-	-	49.98
Mutual Fund	389.51	-	-	389.51	389.51	-	-	389.51
Non-convertible Debentures with Non-Banking Financial Companies	-	-	127.19	127.19	127.19	-	-	127.19
Trade receivables	-	-	1,116.32	1,116.32	-	-	-	-
Cash and cash equivalents	-	-	750.92	750.92	-	-	-	-
Bank balances others			356.85	356.85	-	-	-	-
Loans	-	-	0.05	0.05	-	-	-	-
Derivative Asset								
Interest Rate Swap used for hedging		0.26		0.26	-	0.26	-	0.26
Cross Currency Interest Rate Swap used for hedging	-	-	-	-	-	-	-	-
Forward contract used for hedging	0.11	-		0.11	-	0.11	-	0.11
Others	-	-	41.46	41.46	-	-	-	-
	389.62	**0.26**	**2,916.64**	**3,306.52**	**712.60**	**303.20**	**-**	**1,015.80**
Financial liabilities								
Non-Current								
Borrowings	-	-	380.85	380.85	-	-	-	-
Lease Liability	-	-	64.44	64.44				
Current				-				-
Borrowings	-	-	1,226.81	1,226.81	-	-	-	-
Trade and other payables	-	-	2,163.06	2,163.06	-	-	-	-
Put Option Liability *	-	-	-	50.83	-	-	50.83	50.83
Derivative liability								
Interest Rate Swap used for hedging	-	0.54	-	0.54	-	0.54	-	0.54
Cross Currency Interest Rate Swap used for hedging	-	-	-	-	-	-	-	-
Forward contract used for hedging	7.64	-	-	7.64	-	7.64	-	7.64
Lease Liability			32.24	32.24	-	-	-	-
Others	-	-	168.22	168.22	-	-	-	-
	7.64	**0.54**	**4,035.62**	**4,094.63**	**-**	**8.18**	**50.83**	**59.01**

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
Investments in Target Maturity Fund	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
Put Option Liability	Performance of the business	Inputs are given below	Next page for inter-relationship between significant inputs and fair value measurement given below

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, 2023	As at March 31, 2022
Opening Balance	**50.83**	**163.88**
Net change in fair value through reserves	**37.38**	54.89
Net change in liability due to payments	**(11.82)**	(172.36)
Exchange difference	**4.69**	4.42
Closing Balance	**81.08**	**50.83**

Valuation processes

The main level 3 inputs for put option evaluated as follows :

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 , reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Put Option Liability

₹ Crore

	Year ended March 31, 2023	
	Equity impact	
Significant unobservable inputs	**10% Increase**	**10% Decrease**
Achievement of financial target (10% movement)	(8.11)	8.11

	Year ended March 31, 2022	
	Equity impact	
Significant unobservable inputs	**10% Increase**	**10% Decrease**
Achievement of financial target (10% movement)	(5.08)	5.08

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 Group 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 Group 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, 2023 and March 31, 2022 are as below:

₹ Crore

As at March 31, 2023	GBP	USD	EURO	ZAR	Others
Financial assets					
Cash and cash equivalents	-	77.17	-	0.74	1.02
Short-term loans and advances	-	-	-	-	-
Trade and other receivables	0.32	209.71	29.01	0.62	-
Less: Forward contracts for trade receivables	-	(77.25)	-	-	-
Other Non-Current financial assets	-	1.15	-	-	-
Other Current financial assets	-	4.04	-	-	-
	0.32	**214.82**	**29.01**	**1.36**	**1.02**
Financial liabilities					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	22.27	-	-	-
Trade and other payables	-	255.52	0.02	-	1.08
Less: Forward contracts for trade payables	-	(92.87)	-	-	-
Other Current financial liabilities	-	-	-	-	-
	-	**184.92**	**0.02**	**-**	**1.08**
Net Exposure	**0.32**	**29.90**	**28.99**	**1.36**	**(0.06)**

₹ Crore

As at March 31, 2022	GBP	USD	EURO	ZAR	Others
Financial assets					
Cash and cash equivalents	-	46.68	0.01	0.63	1.10
Short-term loans and advances	-	2.17	-	-	-
Trade and other receivables	0.63	212.89	31.52	1.22	-
Less: Forward contracts for trade receivables	-	(72.04)	(16.84)	-	-
Other Non-Current financial assets	-	4.78	-	-	-
Other Current financial assets	-	4.97	-	-	-
	0.63	**199.45**	**14.69**	**1.85**	**1.10**
Financial liabilities					
Long term borrowings	-	2.27	-	-	-
Short term borrowings	-	1.60	-	-	-
Trade and other payables	(0.14)	394.19	27.82	-	1.16
Less: Forward contracts for trade payables	-	(122.38)	-	-	-
Other Current financial liabilities	-	0.02	-	-	-
	(0.14)	**275.70**	**27.82**	**-**	**1.16**
Net Exposure	**0.77**	**(76.25)**	**(13.13)**	**1.85**	**(0.06)**

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
	March 31, 2023	**March 31, 2022**
GBP INR	**101.64**	99.43
USD INR	**82.18**	75.99
EUR INR	**89.47**	84.24
ZAR INR	**4.63**	5.22

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/ZAR/CNH/KWD/SGD/MYR against the India rupee at March 31, 2023 and March 31, 2022 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/ZAR/CNH/KWD/SGD/MYR 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, 2023		
GBP	0.02	(0.02)
USD	1.50	(1.50)
EURO	1.45	(1.45)
ZAR	0.07	(0.07)
Others - CNH/SGD/MYR	(0.00)	0.00
	3.03	**(3.03)**

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2022		
GBP	0.04	(0.04)
USD	(3.81)	3.81
EURO	(0.66)	0.66
ZAR	0.09	(0.09)
Others - CNH/KWD	(0.00)	0.00
	(4.34)	**4.34**

(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, 2023	As at March 31, 2022
Borrowings		
Fixed rate instruments	**93.81**	302.82
Variable-rate instruments	**940.15**	1,304.84
	1,033.96	**1,607.66**

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, 2023		
Variable-rate instruments	(4.70)	4.70
Less : Interest-rate swap on Variable rate instrument	-	-
Cash flow sensitivity (net)	**(4.70)**	**4.70**
As at March 31, 2022		
Variable-rate instruments	(6.52)	6.52
Less : Interest-rate swap on Variable rate instrument	1.68	(1.68)
Cash flow sensitivity (net)	**(4.84)**	**4.84**

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.

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.

Ageing for trade receivables is disclosed in note 14.

The movement in allowances for impairment in respect of trade receivables is as follows:

₹ Crore

	As at March 31, 2023	As at March 31, 2022
Opening Balance	**59.79**	**56.79**
Impairment loss recognised	**11.32**	6.58
Amounts written off / written back	**(1.01)**	(3.20)
Exchange difference	**(2.20)**	(0.38)
Closing Balance	**67.90**	**59.79**

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

As at March 31, 2023	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1-3 years	More than 3 years
Non-derivative financial liabilities					
Term loan and overdrafts from banks	1,033.96	1,068.80	869.57	199.23	-
Trade payables	1,823.17	1,823.17	1,823.17	-	-
Lease Liability	95.62	110.07	44.12	56.61	9.34
Other financial liabilities	254.44	254.44	254.44	-	-
Derivative financial liabilities					
Cross Currency Interest Rate Swap used for hedging	11.95	110.81	42.72	68.09	-
Forward exchange contracts used for hedging					
- Outflow	0.08	95.33	95.33	-	-
- Inflow	-	77.25	77.25	-	-

₹ Crore

As at March 31, 2022	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1-3 years	More than 3 years
Non-derivative financial liabilities					
Term loan and overdrafts from banks	1,607.66	1,620.77	1,234.07	386.70	-
Trade payables	2,163.06	2,163.06	2,163.06	-	-
Lease Liability	96.68	107.89	37.30	62.18	8.41
Other financial liabilities	226.69	226.69	226.69	-	-
Derivative financial liabilities					
Interest rate swaps	0.54	5.12	5.12	-	-
Forward exchange contracts used for hedging					
- Outflow	-	122.38	122.38	-	-
- Inflow	-	88.88	88.88	-	-

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 transaction, interest rate swaps for hedging the risk of interest rate fluctuation on some of its variable rate loans and cross currency interest rate swaps for hedging the risk of currency and interest on some of the Floating/Fixed Foreign currency instrument.

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 transaction, interest rate risk on variable rate loans and currency & interest rate risk on Floating/Fixed Foreign currency instrument. 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) Highly probable forecast transaction; b) interest payments on variable rate loans and c) Floating/Fixed foreign currency instrument.

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	Highly Probable forecast transaction in Foreign currency (FCY)	FCY denominated highly probable forecast transaction 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 Risk	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
3	Currency Risk & Interest Rate Risk	Foreign Currency loans	Floating/Fixed Foreign currency instrument is converted into Fixed functional currency instrument	Cross currency - Interest Rate Swap	Cross currency - Interest Rate Swap is a derivative instrument whereby the Group hedges fixed/floating foreign currency instrument into fixed functional currency instrument.	Cash flow hedge

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, 2023

₹ 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
Foreign exchange forward contracts (Refer Note 26)	2.56	-	0.08	(0.08)	(0.08)	-	NA	NA	NA
Previous Year	-	-	-	-	-	-	*NA*	*NA*	*NA*
Interest rate swaps (Refer Note 17 and 26)	-	-	-	*(0.13)*	*(0.13)*	-	*NA*	*NA*	*NA*
Previous Year	*335.10*	*0.26*	*0.54*	-	-	-	*NA*	*NA*	*NA*
Cross currency - Interest Rate Swap (Refer Note 17 and 26)	*844.57*	*0.46*	*11.95*	*(21.81)*	*(21.81)*	-	*NA*	*NA*	*NA*
Previous Year	-	-	-	-	-	-	*NA*	*NA*	*NA*

* Loss recognized in Other comprehensive income on hedging instrument amounting to ₹22.02 crores is offset by gain on hedged item amounting to ₹22.44 crores.

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, 2023				As at March 31, 2022			
	Total	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years
Foreign exchange forward contracts								
Notional principal amount	2.56	2.56	-	-	-	-	-	
Average price (₹)	85.24	85.24	-	-	-	-	-	
Interest rate swaps								
Notional principal amount	**-**	**-**	**-**	**-**	335.10	335.10	-	-
Average rate	**-**	**-**	**-**	**-**	1.89%	1.89%	0.00%	-
Cross currency - Interest Rate Swap								
Notional principal amount	**844.57**	**168.48**	**676.09**	**-**	335.10	335.10	-	-
Average rate	**6.03%**	**10.95%**	**4.80%**	**-**	1.89%	1.89%	0.00%	-

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, 2023	Movement in Cash flow hedge reserve for the year ended March 31, 2022
Opening balance		**(0.62)**	(3.46)
Gain / (Loss) on the Effective portion of changes in fair value:			
a)	Interest rate risk	**0.11**	2.84
b)	Currency risk	0.31	-
Tax on movements on reserves during the year		(0.07)	-
Closing balance		**(0.27)**	**(0.62)**

Note 51 : Profit on Sale of Investment in Associate

In previous year, the Company divested its entire stake in Bhabani Blunt Hair Dressing Private Limited (Associate company) on 16th March, 2022, and the right to use the "BBLUNT" brand name to manufacture and sell BBLUNT branded products business during the year in line with the overall strategy of sharpening the strategic focus on the core business portfolio. Total consideration received by the Company on closing of the transaction is ₹ 78.65 cr (net). As per IND AS 36, the Group reversed impairment of ₹ 15.38 cr and net gain of ₹ 39.79 cr was recognised as an exceptional item.

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, 2023	As at March 31, 2022
India	**2.47**	2.47
Indonesia	**1,759.78**	1,611.49
Africa (including SON)	**3,519.19**	3,251.65
Argentina	**342.80**	316.96
Others*	**198.01**	194.22
Total	**5,822.25**	**5,376.79**

* 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, 2023	As at March 31, 2022
India	**791.25**	791.25
Africa (including SON)	**1,536.62**	1,426.44
Chile	**1.54**	1.49
Total	**2,329.41**	**2,219.18**

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.

Particulars (CGU and brands)	As at January 31, 2023		
	Average sales growth	Pre Tax discount rate	Terminal growth rate
Indonesia	5.0%	11.6%	5.0%
Africa (Including SON)	0% - 13.5%	12% - 20.17%	0% - 8%
Argentina	2.8% - 3%	21.6%	8.0%
Others*	6% - 16%	12.4% - 29.55%	2% - 4%

Particulars (CGU and brands)	As at January 31, 2022		
	Average sales growth	Pre Tax discount rate	Terminal growth rate
Indonesia	5.0%	12.2%	5.0%
Africa (Including SON)	0% - 11.3%	8.7%% - 16.2%	0% - 7%
Argentina	1.8%	18.0%	2.0%
Others*	6.3% - 16.9%	12% - 21.5%	3% - 4%

* 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.

Based on impairment test done as at January 31, 2023, Group has concluded that there is no impairment on Goodwill (March 31, 2022: Nil) and due to the internal and external sources of information there was impairment for indefinite life intangible assets in Africa (including SON) of ₹6.03 crore as at March 31, 2023 (March 31, 2022: ₹53.64 crore) and Chile (Others) of ₹ Nil as at March 31, 2023 (March 31, 2022: 6.51 crore (net)). 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 and home care products.

Information about reportable segments for the year ended March 31, 2023 and March 31, 2022 is as follows:

		Year ended March 31, 2023				₹ Crore
Particulars		**India**	**Indonesia**	**Africa (including Strength of Nature)**	**Others**	**Total**
	Segment Revenue	**7,667.16**	1,653.03	3,414.67	717.83	13,452.69
Add/(Less):	Inter segment revenue	**(91.84)**	(39.96)	(0.77)	(4.15)	(136.72)
	Revenue from Operations	**7,575.32**	1,613.07	3,413.90	713.68	**13,315.97**
	Segment result	**1,874.81**	303.02	222.25	30.38	2,430.46
Add/(Less):						
	Other income	**65.92**	(0.77)	5.63	1.59	72.37
	Depreciation & Amortization	**(107.98)**	(18.72)	(95.13)	(14.46)	(236.29)
	Interest income	**44.95**	25.94	4.53	20.62	96.04
	Finance costs (Unallocable)	**-**	-	-	-	(175.74)
	Exceptional items (net)	**(18.77)**	(18.21)	(7.11)	(10.02)	(54.11)
	Profit Before Tax					2,132.73
	Tax expense	**-**	-	-	-	(430.27)
	Profit After Tax					**1,702.46**

Year ended March 31, 2022

₹ Crore

Particulars		**India**	**Indonesia**	**Africa (including Strength of Nature)**	**Others**	**Total**
	Segment Revenue	**6,951.56**	1,705.19	3,049.74	750.77	12,457.26
Add/(Less):	Inter segment revenue	**(149.34)**	(26.69)	(0.79)	(3.94)	(180.76)
	Revenue from Operations	**6,802.22**	1,678.50	3,048.95	746.83	**12,276.50**
	Segment result	**1,729.29**	389.52	184.51	91.79	2,395.11
Add/(Less):						
	Other income	**23.77**	0.11	4.52	0.75	29.15
	Depreciation & Amortization	**(85.61)**	(25.32)	(84.72)	(14.28)	(209.93)
	Interest income	**36.38**	13.71	1.37	9.10	60.56
	Finance costs (Unallocable)	**-**	-	-	-	(110.16)
	Exceptional items (net)	**58.21**	-	(53.64)	(11.28)	(6.71)
	Exceptional items (Unallocable to segment)					(3.04)
	Share of net profits of equity accounted anvestees (net of income tax)					0.28
	Profit Before Tax	-	-	-	-	**2,155.26**
	Tax expense	**-**	-	-	-	(371.87)
	Profit After Tax					**1,783.39**

Particulars		**As at March 31, 2023**	**As at March 31, 2022**
Segment Assets			
a)	India	**5,472.44**	4,483.55
b)	Indonesia	**3,450.11**	3,204.14
c)	Africa (including Strength of Nature)	**7,574.23**	7,482.11
d)	Others	**1,115.71**	1,078.83
Less: Intersegment Eliminations		**(113.72)**	(114.57)
		17,498.77	**16,134.06**
Segment Liabilities			
a)	India	**1,109.48**	1,000.51
b)	Indonesia	**382.09**	569.85
c)	Africa (including Strength of Nature)	**914.93**	1,150.57
d)	Others	**201.77**	217.68
Less: Intersegment Eliminations		**(114.38)**	(115.65)
		2,493.89	**2,822.96**
Add: Unallocable liabilities		**1,210.66**	1,755.17
Total Liabilities		**3,704.55**	**4,578.13**

Information about major customers:

No Single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2023 and March 31, 2022

Capital expenditure

₹ Crore

Particulars		**Year ended March 31, 2023**	**Year ended March 31, 2022**
a)	India	**142.38**	165.91
b)	Indonesia	**10.81**	10.12
c)	Africa (including Strength of Nature)	**61.58**	88.89
d)	Others	**9.73**	14.82
Total		**224.50**	279.74

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, 2023	**As at March 31, 2022**
Current			
Financial assets			
Floating charge			
Trade receivables *(Refer Note 14)*		**3.54**	3.00
Total	**(a)**	**3.54**	3.00
Non Financial assets			
First charge			
Inventories *(Refer Note 12)*	**(b)**	**14.43**	21.14
Total current assets pledged as security	**(c) = (a) + (b)**	**17.97**	24.14
Non Current			
First charge			
Plant & Machinery *(Refer Note 3)*		**13.94**	15.87
Total non-current assets pledged as security	**(d)**	**13.94**	15.87
Total assets pledged as security	**(e) = (c) + (d)**	**31.92**	**40.01**

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)	68.04%	9,386.02	88.91%	1,513.70	0.19%	1.03	67.16%	1,514.73
Subsidiaries								
Domestic								
Godrej Consumer Care Limited	0.07%	10.17	0.02%	0.29			0.01%	0.29
Godrej Consumer Products Limited Employees' Stock Option Trust	0.00%	-	0.00%	-			0.00%	-
Foreign								
Beleza Mozambique LDA	1.70%	234.49	1.93%	32.94			1.46%	32.94
Consell SA	0.00%	-	0.00%	0.06			0.00%	0.06
Cosmetica Nacional	1.26%	174.27	-0.16%	-2.75			-0.12%	-2.75
Charm Industries Limited	-0.03%	-3.95	-0.28%	-4.77			-0.21%	-4.77
Canon Chemicals Limited	0.46%	64.13	0.04%	0.62			0.03%	0.62
Darling Trading Company Mauritius Ltd	0.45%	61.91	0.57%	9.68			0.43%	9.68
Deciral SA	0.14%	18.79	0.29%	4.87			0.22%	4.87
DGH Phase Two Mauritius	2.60%	358.05	0.00%	-0.04			0.00%	-0.04
DGH Tanzania Limited	0.74%	102.76	-0.01%	-0.13			-0.01%	-0.13
DGH Uganda(Liquidated w.e.f 21st Nov 2022)	0.00%	-	0.00%	-			0.00%	-
Frika Weave (PTY) LTD	0.03%	3.69	0.01%	0.12			0.01%	0.12
Godrej Africa Holdings Limited	22.85%	3,151.69	0.89%	15.11			0.67%	15.11
Godrej Consumer Holdings (Netherlands) B.V.	5.77%	796.11	-0.02%	-0.26			-0.01%	-0.26
Godrej Consumer Investments (Chile) Spa	3.09%	425.98	0.00%	-0.02			0.00%	-0.02
Godrej Consumer Products (Netherlands) B.V.	0.34%	46.89	-0.03%	-0.45			-0.02%	-0.45
Godrej Consumer Products Bangladesh Ltd	0.00%	-0.17	0.00%	-0.02			0.00%	-0.02
Godrej Consumer Products Dutch Coöperatief U.A.	6.28%	865.65	0.01%	0.09			0.00%	0.09

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 Consumer Products Holding (Mauritius) Limited	15.19%	2,095.78	1.89%	32.23	0.03%	0.16	1.44%	32.39
Godrej Consumer Products International (FZCO)	0.25%	34.16	0.87%	14.74			0.65%	14.74
Godrej East Africa Holdings Ltd	4.66%	642.47	-1.93%	-32.94			-1.46%	-32.94
Godrej Global Mid East FZE	0.23%	31.51	1.46%	24.86			1.10%	24.86
Godrej Holdings (Chile) Limitada	3.65%	503.20	0.00%	-			0.00%	-
Godrej Household Products (Bangladesh) Pvt. Ltd.	-0.09%	-12.97	-0.73%	-12.38			-0.55%	-12.38
Godrej Household Products (Lanka) Pvt. Ltd.	0.06%	7.68	-0.17%	-2.86			-0.13%	-2.86
Godrej Indonesia IP Holding Ltd.	0.01%	0.86	-0.01%	-0.13			-0.01%	-0.13
Godrej Mauritius Africa Holdings Ltd.	15.52%	2,140.74	14.58%	248.25	0.02%	0.11	11.01%	248.36
Godrej MID East Holdings Limited	0.01%	1.64	-0.04%	-0.70			-0.03%	-0.70
Godrej Netherlands B.V.	4.09%	563.65	0.28%	4.74			0.21%	4.74
Godrej Nigeria Limited	-0.39%	-53.31	-2.43%	-41.39	0.00%	-	-1.84%	-41.39
Godrej Peru SAC	0.00%	0.59	-0.02%	-0.27			-0.01%	-0.27
Godrej SON Holdings INC	12.97%	1,789.44	0.03%	0.54			0.02%	0.54
Godrej South Africa Proprietary Ltd	0.84%	115.60	0.34%	5.73			0.25%	5.73
Godrej Tanzania Holdings Ltd	0.53%	73.20	-0.35%	-5.91			-0.26%	-5.91
Godrej (UK) Ltd	0.74%	102.36	-0.02%	-0.34			-0.02%	-0.34
Godrej West Africa Holdings Ltd.	1.07%	147.70	0.23%	3.90			0.17%	3.90
Hair Credentials Zambia Limited	0.08%	11.56	0.44%	7.56			0.34%	7.56
Hair Trading (offshore) S. A. L	1.20%	165.64	4.56%	77.66			3.44%	77.66
Indovest Capital (entity restated again on 24th Feb 2023)	0.01%	1.07	0.00%	0.04			0.00%	0.04
Issue Group Brazil Limited	0.01%	1.28	0.00%	0.07			0.00%	0.07
Kinky Group (Pty) Limited	0.22%	29.67	0.07%	1.14			0.05%	1.14
Laboratoria Cuenca S.A	0.97%	133.64	3.54%	60.26			2.67%	60.26
Lorna Nigeria Ltd.	0.92%	126.65	-0.93%	-15.84			-0.70%	-15.84
Old Pro International Inc	1.10%	151.30	0.00%	-			0.00%	-
Panamar Producciones S.A.	0.00%	0.27	0.00%	-			0.00%	-

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 Godrej Business Service Indonesia (Earlier named as ""PT Ekamas Sarijaya"")	0.12%	16.46	0.08%	1.33			0.06%	1.33
PT Indomas Susemi Jaya	0.99%	135.89	0.96%	16.31			0.72%	16.31
PT Godrej Distribution Indonesia	1.55%	213.87	1.60%	27.17			1.20%	27.17
PT Godrej Consumer Products Indonesia (Earlier named as "PT Megasari Makmur")	15.19%	2,094.66	8.73%	148.60	0.80%	4.45	6.79%	153.05
PT Sarico Indah	0.13%	18.17	0.12%	2.00			0.09%	2.00
Sigma Hair Industries Limited	0.12%	16.73	0.01%	0.23			0.01%	0.23
Strength of Nature LLC	17.29%	2,385.64	-0.11%	-1.85			-0.08%	-1.85
Style Industries Limited	0.21%	28.52	-4.08%	-69.43			-3.08%	-69.43
Subinite (Pty) Ltd.	0.17%	23.13	1.23%	20.90			0.93%	20.90
Weave Ghana Ltd	0.08%	10.75	-2.37%	-40.38			-1.79%	-40.38
Weave IP Holdings Mauritius Pvt. Ltd.	0.01%	0.97	0.15%	2.55			0.11%	2.55
Weave Mozambique Limitada	0.36%	49.27	0.35%	6.03			0.27%	6.03
Weave Senegal Ltd	-0.03%	-3.54	0.00%	-			0.00%	-
Weave Trading Mauritius Pvt. Ltd.	0.01%	0.89	1.40%	23.80			1.06%	23.80
Godrej CP Malaysia SDN. BHD	0.00%	-	0.00%	-			0.00%	
Adjustment arising out of consolidation					98.96%	547.30	24.27%	547.30
Eliminations	-113.81%	(15,699.04)	-21.90%	(372.80)	0.00%	0.00	-16.53%	(372.80)
Grand Total	**100.00%**	**13794.23**	**100.00%**	**1702.46**	**100.00%**	**553.05**	**100.00%**	**2255.51**

Note 56 : Utilisation of Borrowed Funds and Share Premium

a. To the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficieries) by or on behalf of the Company or its subsidiary company incorporated in India or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. To the best of our knowledge and belief, no funds have been received by the Company or its subsidiary company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiary incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficieries) by or on behalf of the Funding Party or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 57 : Struck off Companies

Relationship with struck off companies

Name of struck off company	Nature of transactions	Transactions during the year March 31, 2023	Balance outstanding as at March 31, 2023	Relationship with the Struck off company
3H Health And Hygiene Pvt. Ltd	Payables	-	-	Vendor
Shakun & CO (Services) Pvt. Ltd	Payables	-	-	Vendor

** amounts less than ₹ 0.01 crore*

Name of struck off company	Nature of transactions	Transactions during the year March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with the Struck off company
3H Health And Hygiene Pvt. Ltd	Payables	0.02	-	Vendor

Note 58 : 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, 2023	March 31, 2022
Godrej Consumer Care Limited (w.e.f. January 4, 2022)	India	100%	100%
Godrej Consumer Products Limited Employees' Stock Option Trust	India	100%	100%
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%
Belaza Mozambique LDA	Mozambique	100%	100%
Consell SA (under voluntary Liquidation)	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(Liquidated w.e.f 21st Nov 2022)	Mauritius	0%	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 Holdings (Chile) Limitada	Chile	100%	100%
Godrej Indonesia IP Holding Ltd.	Mauritius	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%
Godrej Nigeria Limited	Nigeria	100%	100%
Godrej Peru SAC (under voluntary liquidation)	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 (entity restated again on 24th Feb 2023)	Labuan	100%	0%
Issue Group Brazil Limited	Brazil	100%	100%

Name of the subsidiaries	Country of Incorporation	Ownership interest held by the Group	
		March 31, 2023	March 31, 2022
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. (under voluntary liquidation)	Argentina	100%	100%
PT Godrej Business Service Indonesia (Earlier named as "PT Ekamas Sarijaya")	Indonesia	100%	100%
PT Indomas Susemi Jaya	Indonesia	100%	100%
PT Godrej Distribution Indonesia	Indonesia	100%	100%
PT Godrej Consumer Products Indonesia (Earlier named as "PT Megasari Makmur")	Indonesia	100%	100%
PT Sarico Indah	Indonesia	100%	100%
Sigma Hair Industries Limited	Tanzania	100%	100%
Strength of Nature LLC	USA	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%

Note 59 : General

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore with 2 decimal places 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 10, 2023

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Sudhir Sitapati
Managing Director and CEO
DIN : 09197063

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and
Compliance Officer

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	Godrej Consumer Care Limited	04-01-2022	01-Apr-2022 To 31-Mar-2023	INR	1.00	10.000	0.170	10.180	0.010	0.000	0.370	0.290	0.000	0.290	-	100%
2	Godrej Consumer Products Limited Employees' Stock Option Trust	07-03-2007	01-Apr-2022 To 31-Mar-2023	INR	1.00	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	100%
3	Beleza Mozambique LDA	10/13/2011	01-Apr-2022 To 31-Mar-2023	MZN	1.28	15.890	218.600	251.480	16.990	0.000	422.500	32.940	0.000	32.940	-	100%
4	Consell SA (Argentina)	02-06-2010	01-Apr-2022 To 31-Mar-2023	ARS	0.39	0.110	(0.110)	0.000	0.000	0.000	0.060	0.060	0.000	0.060	-	100%
5	Cosmetica Nacional	20-04-2012	01-Apr-2022 To 31-Mar-2023	CPeso	0.10	133.830	40.430	224.390	50.120	0.000	164.530	(3.760)	(1.020)	(2.750)	-	100%
6	Charm Industries Limited	09-09-2014	01-Apr-2022 To 31-Mar-2023	KES	0.62	0.620	(4.570)	4.040	7.990	0.000	1.060	(4.770)	0.000	(4.770)	-	100%
7	Canon Chemicals Limited	05-05-2016	01-Apr-2022 To 31-Mar-2023	KES	0.62	8.390	55.740	78.840	14.710	0.000	118.700	0.920	0.300	0.620	-	100%
8	Darling Trading Company Mauritius Ltd	22-01-2015	01-Apr-2022 To 31-Mar-2023	USD	82.18	8.220	53.690	62.190	0.280	8.220	10.970	10.590	0.910	9.680	-	100%
9	Deciral SA	02-06-2010	01-Apr-2022 To 31-Mar-2023	ARS	0.39	9.650	9.150	27.870	9.080	0.000	23.790	5.720	0.850	4.870	-	100%
10	DGH Phase Two Mauritius	09-05-2012	01-Apr-2022 To 31-Mar-2023	USD	82.18	327.670	30.380	411.810	53.760	427.120	2.560	0.470	0.510	(0.040)	-	100%
11	DGH Tanzania Limited	06-12-2012	01-Apr-2022 To 31-Mar-2023	USD	82.18	104.190	(1.430)	102.820	0.060	61.640	0.000	(0.130)	0.000	(0.130)	-	100%
12	DGH Uganda	31-01-2017	01-Apr-2022 To 31-Mar-2023	UGX	82.18	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	100%
13	Frika Weave (PTY) LTD	06-01-2015	01-Apr-2022 To 31-Mar-2023	ZAR	4.63	5.130	(1.440)	3.690	0.000	0.000	0.200	0.170	0.050	0.120	-	100%
14	Godrej Africa Holdings Limited	19-01-2015	01-Apr-2022 To 31-Mar-2023	USD	82.18	2943.110	208.580	3151.750	0.060	3151.570	15.250	15.110	0.000	15.110	-	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											
15	Godrej Consumer Holdings (Netherlands) B.V.	31-03-2010	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.210	795.900	804.720	8.610	795.050	18.390	(0.260)	0.000	(0.260)	-	100%
16	Godrej Consumer Investments (Chile) Spa	28-03-2012	01-Apr-2022 To 31-Mar-2023	USD	82.18	444.910	(18.920)	426.010	0.030	426.000	0.000	(0.020)	0.000	(0.020)	-	100%
17	Godrej Consumer Products (Netherlands) B.V.	31-03-2010	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.190	46.700	46.960	0.070	46.880	0.000	(0.450)	0.000	(0.450)	-	100%
18	Godrej Consumer Products Bangladesh Limited	13-04-2010	01-Apr-2022 To 31-Mar-2023	Taka	0.77	0.040	(0.210)	0.040	0.210	0.000	0.000	(0.020)	0.000	(0.020)	-	100%
19	Godrej Consumer Products Dutch Coöperatief U.A. (Netherlands)	24-03-2010	01-Apr-2022 To 31-Mar-2023	USD	82.18	729.280	136.370	865.960	0.310	865.560	0.000	(0.170)	(0.260)	0.090	-	100%
20	Godrej Consumer Products Holding (Mauritius) Limited	23-04-2010	01-Apr-2022 To 31-Mar-2023	USD	82.18	1542.950	552.830	2096.700	0.920	1453.290	34.230	33.040	0.810	32.230	-	100%
21	Godrej Consumer Products International (FZCO)	28-02-2017	01-Apr-2022 To 31-Mar-2023	USD	82.18	8.220	25.940	543.090	508.930	0.000	662.020	14.740	0.000	14.740	-	100%
22	Godrej East Africa Holdings Ltd	20-07-2012	01-Apr-2022 To 31-Mar-2023	USD	82.18	923.840	(281.370)	1593.200	950.730	1593.150	0.000	(32.940)	0.000	(32.940)	-	100%
23	Godrej Global Mid East FZE	05-07-2011	01-Apr-2022 To 31-Mar-2023	AED	22.38	10.260	21.240	68.350	36.840	0.000	170.620	24.860	0.000	24.860	-	100%
24	Godrej Holdings (Chile) Limitada	29-03-2012	01-Apr-2022 To 31-Mar-2023	USD	82.18	426.310	76.900	503.250	0.050	503.250	0.000	0.000	0.000	0.000	-	100%
25	Godrej Household Products (Bangladesh) Pvt. Ltd	01-04-2010	01-Apr-2022 To 31-Mar-2023	Taka	0.77	82.660	(95.630)	34.860	47.830	0.000	96.820	(10.770)	1.610	(12.380)	-	100%
26	Godrej Household Products Lanka (Pvt.) Ltd.	01-04-2010	01-Apr-2022 To 31-Mar-2023	LKR	0.25	18.120	(10.440)	27.290	19.610	0.000	54.590	(3.390)	(0.530)	(2.860)	-	100%
27	Godrej Indonesia IP Holdings Ltd (Mauritius)	17-03-2015	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.000	0.860	0.920	0.060	0.810	0.000	(0.130)	0.000	(0.130)	-	100%
28	Godrej Mauritius Africa Holdings Ltd.	14-03-2011	01-Apr-2022 To 31-Mar-2023	USD	82.18	1312.580	828.160	3565.080	1424.340	3154.470	296.390	249.260	1.000	248.250	-	100%
29	Godrej MID East Holdings Limited	28-07-2015	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.810	0.830	1.650	0.010	0.000	0.000	(0.700)	0.000	(0.700)	-	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											
30	Godrej Netherlands B.V.	19-10-2005	01-Apr-2022 To 31-Mar-2023	USD	82.18	5.000	558.650	563.790	0.140	420.960	4.800	4.240	(0.500)	4.740	-	100%
31	Godrej Nigeria Limited	26-03-2010	01-Apr-2022 To 31-Mar-2023	Naira	0.18	0.270	(53.580)	104.560	157.870	0.000	234.350	(40.170)	1.220	(41.390)	-	100%
32	Godrej Peru SAC	11-04-2017	01-Apr-2022 To 31-Mar-2023	ARS	0.39	13.580	(12.990)	0.630	0.040	0.000	0.010	(0.270)	0.000	(0.270)	-	100%
33	Godrej SON Holdings INC	22-03-2016	01-Apr-2022 To 31-Mar-2023	USD	82.18	1691.320	98.130	2080.290	290.850	2075.290	12.490	0.540	0.000	0.540	-	100%
34	Godrej South Africa Proprietary Ltd	01-09-2006	01-Apr-2022 To 31-Mar-2023	ZAR	4.63	8.370	107.230	115.700	0.100	0.000	8.910	7.730	2.000	5.730	-	100%
35	Godrej Tanzania Holdings Ltd	30-11-2012	01-Apr-2022 To 31-Mar-2023	USD	82.18	150.590	(77.390)	176.300	103.100	156.620	0.070	(5.890)	0.020	(5.910)	-	100%
36	Godrej (UK) Ltd	24-10-2005	01-Apr-2022 To 31-Mar-2023	GBP	101.64	99.960	2.410	102.870	0.510	100.890	4.000	0.030	0.370	(0.340)	-	100%
37	Godrej West Africa Holdings Ltd.	11-02-2014	01-Apr-2022 To 31-Mar-2023	USD	82.18	147.690	0.010	147.760	0.060	147.660	4.040	3.900	0.000	3.900	-	100%
38	Hair Credentials Zambia Limited	12/23/2015	01-Apr-2022 To 31-Mar-2023	ZMK	3.85	0.010	11.550	45.920	34.360	0.000	82.650	7.560	0.000	7.560	-	100%
39	Hair Trading (offshore) S. A. L	12/23/2015	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.160	165.470	175.970	10.330	0.000	240.100	77.670	0.000	77.660	-	100%
40	Indovest Capital	17-03-2010	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.100	0.980	1.160	0.090	0.000	0.050	0.040	0.000	0.040	-	100%
41	Issue Group Brazil Limited	23-05-2010	01-Apr-2022 To 31-Mar-2023	ARS	0.39	17.980	(16.700)	3.360	2.080	0.000	0.100	0.070	0.000	0.070	-	100%
42	Kinky Group (Pty) Limited	01-04-2008	01-Apr-2022 To 31-Mar-2023	ZAR	4.63	0.000	29.670	29.670	0.000	0.000	1.450	1.380	0.230	1.140	-	100%
43	Laboratoria Cuenca S.A	02-06-2010	01-Apr-2022 To 31-Mar-2023	ARS	0.39	6.340	127.300	238.800	105.160	5.320	321.990	62.830	2.570	60.260	-	100%
44	Lorna Nigeria Ltd.	05-09-2011	01-Apr-2022 To 31-Mar-2023	Naira	0.18	0.210	126.440	578.650	452.000	0.000	715.140	(7.190)	8.650	(15.840)	-	100%
45	Old Pro International Inc	28-04-2016	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.000	151.300	151.300	0.000	0.000	0.000	0.000	0.000	0.000	-	100%
46	Panamar Producciones S.A.	02-06-2010	01-Apr-2022 To 31-Mar-2023	ARS	0.39	0.020	0.250	0.270	0.000	0.220	0.000	0.000	0.000	0.000	-	100%
47	PT Godrej Business Service Indonesia (Earlier named as ""PT Ekamas Sarijaya"")	17-05-2010	01-Apr-2022 To 31-Mar-2023	IDR	0.01	1.370	15.090	22.210	5.750	12.070	8.830	1.600	0.270	1.330	-	100%
48	PT Indomas Susemi Jaya	17-05-2010	01-Apr-2022 To 31-Mar-2023	IDR	0.01	1.570	134.310	145.820	9.930	84.770	50.200	20.490	4.180	16.310	-	100%
49	PT Godrej Distribution Indonesia	17-05-2010	01-Apr-2022 To 31-Mar-2023	IDR	0.01	0.550	213.320	349.480	135.610	0.000	1844.040	35.390	8.230	27.170	-	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											
50	PT Godrej Consumer Products Indonesia (Earlier named as "PT Megasari Makmur")	17-05-2010	01-Apr-2022 To 31-Mar-2023	IDR	0.01	80.360	2014.300	2485.460	390.800	536.220	1419.650	189.560	40.960	148.600	-	100%
51	PT Sarico Indah	17-05-2010	01-Apr-2022 To 31-Mar-2023	IDR	0.01	3.680	14.500	24.230	6.060	7.190	26.700	2.510	0.510	2.000	-	100%
52	Sigma Hair Industries Limited	19-12-2012	01-Apr-2022 To 31-Mar-2023	TZS	0.04	59.050	(42.320)	54.140	37.410	0.000	137.240	0.390	0.150	0.230	-	100%
53	Strength of Nature LLC	28-04-2016	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.000	2385.640	2541.620	155.980	37.190	637.960	(4.340)	(2.490)	(1.850)	-	100%
54	Style Industries Limited	01-11-2012	01-Apr-2022 To 31-Mar-2023	KES	0.62	82.300	(53.780)	164.550	136.030	0.000	236.300	(69.430)	0.000	(69.430)	-	100%
55	Subinite (Pty) Ltd.	06-09-2011	01-Apr-2022 To 31-Mar-2023	ZAR	4.63	0.000	23.120	295.330	272.200	0.000	802.180	20.570	(0.320)	20.900	-	100%
56	Weave Ghana Ltd	16-09-2014	01-Apr-2022 To 31-Mar-2023	CEDI	7.08	55.590	(44.830)	73.760	63.010	0.000	153.060	(39.740)	0.640	(40.380)	-	100%
57	Weave IP Holdings Mauritius Pvt. Ltd.	11-07-2011	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.020	0.950	1.090	0.120	0.000	3.200	3.000	0.450	2.550	-	100%
58	Weave Mozambique Limitada	13-10-2011	01-Apr-2022 To 31-Mar-2023	MZN	1.28	15.860	33.420	72.260	22.990	0.000	199.950	9.290	3.260	6.030	-	100%
59	Weave Senegal Ltd	08-04-2016	01-Apr-2022 To 31-Mar-2023	XOF	0.14	31.890	(35.430)	1.960	5.500	0.000	0.000	0.000	0.000	0.000	-	100%
60	Weave Trading Mauritius Pvt. Ltd.	05-07-2011	01-Apr-2022 To 31-Mar-2023	USD	82.18	0.010	0.880	0.950	0.060	0.160	24.660	24.530	0.740	23.800	-	51%*
61	Godrej CP Malaysia SDN. BHD	04-06-2018	01-Apr-2022 To 31-Mar-2023	MYR	18.61	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	100%

* Financials of subsidiaries were considered 100% in consolidated financial statements

Names of subsidiaries which are yet to commence operations

Godrej CP Malaysia SDN. BHD

****Names of subsidiaries which have been liquidated or sold during the year:**

DGH Ugandal

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Sudhir Sitapati
Managing Director and CEO
DIN : 09197063

Sameer Shah
Chief Financial Officer

Rahul Botadara
Company Secretary and
Compliance Officer

Mumbai: May 10, 2023

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Notice of the AGM

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 23rd ANNUAL GENERAL MEETING **(AGM)** of the members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Monday, August 7, 2023, at 5.45 p.m. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (standalone and consolidated) of the Company for the financial year ended March 31, 2023 and Report of the Board of Directors and Auditor's Report thereon;

2. To appoint a Director in place of Mr. Pirojsha Godrej (DIN: 00432983), who retires by rotation, and being eligible, offers himself for re-appointment;

3. To appoint a Director in place of Mr. Nadir Godrej (DIN: 00066195), who retires by rotation, and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolutions:

4. **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 2023-24.**

   '**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 2023-24, be paid a remuneration of ₹ 6,71,000/- 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'.

5. **Special Resolution for appointment of Ms. Shalini Puchalapalli as an Independent Director of the Company.**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and any rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) (the "Companies Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, Ms. Shalini Puchalapalli (DIN: 07820672), be and is hereby appointed as an Independent Director of the Company, for the term commencing from November 14, 2023 till November 13, 2028."

By Order of the Board of Directors

Rahul Botadara
Company Secretary & Compliance Officer

Mumbai, July 07, 2023

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.

2. As permitted by the Ministry of Corporate Affairs (MCA) and Securities & Exchange Board of India (SEBI), the Company has decided to conduct the AGM through VC or OAVM as per the relevant circulars issued by the aforesaid authorities. The MCA inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as "**MCA Circulars**") has permitted the holding of the annual general meeting through VC or OAVM, **without the physical presence of the Members at a common venue**. 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 in Note No. 8.

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 relevant MCA and SEBI Circulars, allowing electronic dispatch of financial statements (including Report of Board of Directors, Auditors' report or other documents required to be attached therewith) instead of physical dispatch, such statements including the Notice of AGM are being sent through 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:**

   - The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

   - Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

   - Shareholders are encouraged to join the Meeting through Laptops / IPads 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.

- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

- 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. IST on Wednesday, 2nd August, 2023. 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. We request the members to restrict their queries on matters relating to the Company.

- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

8. **SCHEDULE AND 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 23rd AGM through electronic means and the business may be transacted through the e-voting services provided by the Central Depository Services Limited (CDSL).

The schedule for e-voting is as follows:-

Cut-off date for reckoning voting rights for e-voting	Commencement of e-voting (Start date)	Close of e-voting (End date)	Results announcement date
Monday, July 31, 2023	**Thursday, August 03, 2023, 9.00 a.m. (IST)**	**Sunday, August 06, 2023, 5.00 p.m. (IST)**	**On or before Wednesday, August 9, 2023, 5.00 p.m. (IST)**

During this period, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled after the close of e-voting. On the results announcement date indicated above, the results of entire e-voting along with Scrutinizer's report shall be placed on the Company's website www.godrejcp.com besides being communicated to the Stock Exchanges.

The procedure for voting electronically is given at the end of this Notice in Appendix 1.

Mr. Kalidas Vanjpe, Practising Company Secretary, (Membership No. FCS 7132) 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 working days of passing resolutions at the AGM of the Company and communicated to stock exchanges, where the shares of the Company are listed.

9. **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.

10. **DIVIDEND RELATED INFORMATION**

Pursuant to the provisions of Section 124 of the Act, the Unpaid/Unclaimed Dividend paid upto June 2016 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 Link Intime India Private Ltd.

Dividend Period	Type of Dividend	Paid in	Due date for transfer
2016-17	Interim	August 2016	September 3, 2023
2016-17	Interim	November 2016	December 13, 2023
2016-17	Interim	February 2017	March 07, 2024
2016-17	Interim	May 2017	June 14, 2024
2017-18	Interim	August 2017	September 05, 2024

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, the shareholders are requested to get their details updated by providing the relevant documents as required by the RTA.

11. Details as stipulated under Listing Regulations in respect of the Directors being re-appointed are attached herewith to the Notice.

By Order of the Board of Directors

Rahul Botadara
Company Secretary & Compliance Officer

Mumbai, July 07, 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM 4

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 10, 2023, 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 2023-24 at a remuneration of ₹ 6,71,000/- 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. 4 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 5

Mr. Narendra Ambwani will be finishing his second term on November 14, 2023. In order to ensure that the Board's strength of the Company is compliant, the Company is required to induct a new Independent Director. Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on June 05, 2023, had approved the proposal for appointment of Ms. Shalini Puchalapalli in place of Mr. Ambwani, for a period of five years from November 14, 2023 till November 13, 2028.

The details of Ms. Shalini Puchalapalli (DIN: 07820672) as required to be given pursuant to the Listing Regulations and Secretarial Standards, are attached to the Notice.

The Board believes that the Company will benefit from her professional expertise and rich experience. Hence, the Board recommends the resolution at item no. 5 to the Members for their approval.

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.

By Order of the Board of Directors

Rahul Botadara
Company Secretary & Compliance Officer

Mumbai, July 07, 2023

Information pursuant to the Listing Regulations and Secretarial Standards with respect to appointment or re-appointment of Directors

Names of Director	Pirojsha Godrej	Nadir Godrej	Shalini Puchalapalli
Category	Non-Executive Director	Non-Executive Director	Non-Executive and Independent Director
DIN	00432983	00066195	07820672
Date of Birth and Age	October 27, 1980	August 26, 1951	July 26, 1973
	43 years	72 years	50 years
Qualification	· MBA, Columbia Business School · Masters-International Affairs, School of International & Public Affairs at the Columbia University · Graduate-Economics, Wharton School of Business at the University of Pennsylvania	· B.S Chem Engg. (M.I.T, U.S.A) · M.S Chem Engg. (Stanford, U.S.A)	· Bachelors in engineering from IIT, Madras · Personnel Management from XLRI · MBA from INSEAD

Names of Director	Pirojsha Godrej	Nadir Godrej	Shalini Puchalapalli
Nature of Expertise/ Experience	Industrialist /Management	Industrialist	Management
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	April 1, 2017	November 29, 2000	November 14, 2023 (Proposed)
Terms & Conditions of Appointment/ re-appointment	Re-appointment as a Non-Executive Director subject to retirement by rotation	Re-appointment as a Non-Executive Director subject to retirement by rotation	As mentioned in the resolution
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. 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-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, 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-time within the limits set out in the Companies Act, 2013.	The proposed appointment is the first appointment in the Company. 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-time within the limits set out in the Companies Act, 2013.
No. of shares held in GCPL as at March 31, 2023	3,70,129*	63*	NIL
Relationship with other Directors/ Manager/ KMP	Brother of Ms. Nisaba Godrej and Ms. Tanya Dubash	Not related	None
No. of Board meetings attended out of 4 meetings held during the year	4	4	Not Applicable
Directorship details	**Listed Public Companies:** Godrej Consumer Products Limited Godrej Agrovet Limited Godrej Properties Limited Godrej Industries Limited **Public Companies:** Godrej Housing Finance Limited Godrej Capital Limited Godrej Finance Limited **Private Companies:** Swaddle Projects Private Limited Swaddle Studios Private Limited Godrej Fund Management And Investment Advisers Private Limited Karukachal Developers Private Limited Eranthus Developers Private Limited Ceres Developers Private Limited Praviz Developers Private Limited **Foreign Companies:** NIL	**Listed Public Companies:** Godrej Consumer Products Limited Godrej Industries Limited Godrej Agrovet Limited Godrej Properties Limited Astec Lifesciences Limited **Public Companies:** Godrej & Boyce Mfg. Co. Limited Creamline Dairy Products Limited Godrej Tyson Foods Limited **Private Companies:** Isprava Vesta Private Limited Isprava Hospitality Private Limited **Foreign Companies:** Godrej International Limited ACI Godrej Agrovet Private Limited **Others:** The Association for Future Agriculture Leaders of India	**Listed Public Companies:** NIL **Public Companies:** NIL **Private Companies:** NIL **Foreign Companies:** NIL **LLPs**: NIL **Partnership Firms;** NIL **Others:** Miracle Foundation India

Names of Director	Pirojsha Godrej	Nadir Godrej	Shalini Puchalapalli
	LLPs: Anamudi Real Estates LLP AREL Enterprise LLP TNP Enterprise LLP ANBG Enterprise LLP **Partnership Firms:** Partner in RKN Enterprises	**LLPs:** ANBG Enterprise LLP NBG Enterprise LLP Anamudi Real Estate LLP **Partnership Firms;** Partner in RKN Enterprise	
Committee Positions	**Member:** *Stakeholders' Relationship Committee:* Godrej Properties Limited Godrej Consumer Products Ltd. *Audit Committee:* Godrej Consumer Products Ltd. Godrej Housing Finance Limited *Corporate Social Responsibility Committee:* Godrej Properties Limited Godrej Housing Finance Limited *Risk Management Committee:* Godrej Properties Limited *Environment, Safety and Governance Committee:* Godrej Properties Limited *Nomination and Remuneration Committee:* Godrej Housing Finance Limited **Chairperson:** *Risk Management Committee:* Godrej Properties Limited *Corporate Social Responsibility Committee:* Godrej Properties Limited Godrej Housing Finance Limited *Environment, Safety and Governance Committee:* Godrej Properties Limited *Stakeholders' Relationship Committee:* Godrej Consumer Products Ltd.	**Member:** *Stakeholders' Relationship Committee:* Godrej Industries Ltd. Godrej Agrovet Ltd. *Nomination and Remuneration Committee:* Godrej Tyson Foods Ltd. *ESG Committee:* Godrej Consumer Products Ltd. *Risk Management Committee:* Godrej Consumer Products Ltd. Godrej Industries Ltd. Godrej Agrovet Ltd. *Corporate Social Responsibility Committee:* Godrej Consumer Products Ltd. Godrej Industries Ltd. Godrej Agrovet Ltd. **Chairperson:** *Stakeholders' Relationship Committee:* Godrej Agrovet Ltd. *Risk Management Committee:* Godrej Industries Ltd. Godrej Agrovet Ltd. *Corporate Social Responsibility Committee:* Godrej Consumer Products Ltd. Godrej Industries Ltd.	**Member:** NIL **Chairperson:** NIL
Names of listed entities from which Director has resigned in the past three years	NIL	NIL	NIL

* 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:

Pirojsha Godrej

Mr. Pirojsha Godrej is the Executive Chairman of Godrej Properties, Godrej Housing Finance, and Godrej Fund Management and a Non-Executive Director at Godrej Consumer Products and Godrej Agrovet. Mr. 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. Mr. 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 Mr. 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. In 2020, 2021 and 2022, the Global Real Estate Sustainability Benchmark ranked GPL #1 globally amongst listed residential developers for its sustainability and ESG practices. 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, Mr. 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.

In 2020, 2021 and 2022, the Global Real Estate Sustainability Benchmark ranked GPL #1 globally amongst listed residential developers for its sustainability and ESG practices.

Nadir Godrej

Mr. Nadir Godrej is the Chairman and Managing Director of Godrej Industries Limited.

He has a B. S. degree in Chemical Engineering in 1973 from the Massachusetts Institute of Technology and a M.S. in Chemical Engineering in 1974 from Stanford University. He has done an MBA from Harvard Business School in 1976. Since 1977 he has been a Director of Godrej Soaps. He has been very active in developing the animal feed, agricultural inputs and chemicals businesses of Godrej Industries and associate companies. He has been very active in research and has several patents in the field of agricultural chemicals and surfactants. In 2001 Godrej Soaps was renamed to Godrej Industries and he was appointed as the Managing Director of Godrej Industries. He is also the Chairman of Godrej Agrovet Limited and Director of Godrej Properties Limited, subsidiaries of Godrej Industries. He is a Director of Godrej and Boyce, Godrej Consumer Products and other Godrej group companies. He has been active in CLFMA (Compound Livestock Feed Manufacturers Association of India), ICC (Indian Chemical Council) [erstwhile ICMA (Indian Chemical Manufacturers Association)], OTAI (Oil Technologists' Association of India) and the Alliance Française de Bombay. He is currently the President of the Alliance Française de Bombay. He is on the National Council of CII (Confederation of Indian Industry). He is also very active in the Harvard Business School and M I T Alumni Association in India. The French government awarded him the Ordre national du Mérite in 2002 and the Légion d'Honneur in 2008. He has also received Life Time Achievement Awards from OTAI (Oil Technologist Association of India) and Chemexcil and the All India Liquid Bulk Importers and Exporters Association (AILBIEA). The Board of Management of Manav Rachna University has unanimously conferred Mr. Godrej with an Honorary Degree of Doctor of Philosophy. And he has been inducted as Fellow of Indian National Academy of Engineering (INAE). He also received a Doctor of Philosophy in Business Management from XIM University, Bhubaneswar in recognition of his contribution to Industry and Society. Mr. Godrej is deeply committed to the GOOD and GREEN strategies and achievement of set targets for the Godrej Group. He encourages and supports a shared vision value for all programs of Good and Green.

Shalini Puchalapalli

Ms. Shalini is a Senior Director - Country Head for Google Customer Solutions, where she is building the digital ecosystem for India. Her previous roles include Category Director with Amazon India and CEO for Lehar Foods Business for PepsiCo. Ms. Shalini did her bachelors in engineering from IIT, Madras, Personnel Management from XLRI, and MBA from INSEAD.

Ms. Shalini is a leader with deep expertise in marrying digital with physical gained through transformative leadership across Tech, e-commerce and FMCG in multiple geographies across the world.

She has been honoured as 'Young Global Leader' by the World Economic Forum. She has also been awarded the '40 under 40 Influential Leaders Award' by Economic Times and Spencer Stuart in 2014 and recognised as one of the 'Women Leaders to Watch in 2015'.

Ms. Shalini is a keen champion of women's rights. She has been working in the area of women's empowerment and prevention of female foeticide for the last 25 years.

Appendix-1 The procedure for members for voting electronically is as follows:-

Step 1 : Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Note:

(i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple E-voting Service Providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

(iii) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode with CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasinew/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) Login method for e-voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order 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.

(v) After entering these details appropriately, click on "SUBMIT" tab.

(vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(ix) 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.

(x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xi) 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.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- 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 would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, 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 PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory 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 the email address viz., 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@godrejcp.com

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 toll free no. 1800 22 55 33.

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